



Podcast Transcript

Is it “go time” for California single payer?

Featuring Michael Lighty

Dispatcher: 911, what's your emergency?

Caller: (ambulance siren) America's healthcare system is broken and people are dying!

Welcome to **Code WACK!**, where we shine a light on our callous healthcare system, how it hurts us and what we can do about it. I'm your host **Brenda Gazzar**. This time on **Code WACK!** Is California due for a different kind of "Big One?" Will single payer rock the healthcare industry? We recently spoke to **Michael Lighty**, president of the pro-single payer coalition **Healthy California Now** for his expert take.

(5-second stinger)

Welcome to Code WACK!, Michael.

Lighty: Thank you, Brenda. It's great to be on again.

Q: *Yes. We're so excited to have you. There's so much going on with healthcare in California. There's a bill to establish a California single-payer system, a constitutional amendment proposing funding for it, some key legislative hearings in the works and a floor vote on the bill by the state Assembly by the end of January. There's also a major commission report on unified healthcare financing due out in February. It sounds like it might be “go time” for California single payer! Let's start with the bill AB 1400 known as Cal care and the constitutional amendment, ACA 11. What are they and what would they do?*

[\(01:22\)](#)

Lighty: Well, AB 1400 of course would establish a single-payer system in California that would combine federal monies into a state-funded trust fund that would provide comprehensive guaranteed health care to all residents of California. It would eliminate co-pays, premiums and deductibles, save California workers and businesses literally billions of dollars, save the state overall probably over 10 years as much as \$486 billion. So it's a huge cost savings. It's a huge advantage in terms of quality of care and the ability to actually get the care that Californians need and deserve, (it) ends the fragmented multi-payer system that is based on profiteering and a huge waste of money into administrative costs and it would lower prescription drug prices substantially and at the same time control costs going forward. So it is truly comprehensive reform. ACA 11 is a financing mechanism that relies upon a combination of taxes to replace the current burdens of our system.

[\(02:30\)](#):

Lighty: These two UC Berkeley economists, Emmanuel Saez and Gabriel Zucman, have said that what the middle class pays for healthcare is the greatest tax burden they have. That is replaced by a more progressive system based upon people's ability to pay, business tax on gross receipts, upper income taxes, and a modest payroll tax. These taxes are substantially less for individuals and businesses than we're currently paying now and yet they would fund a program that's better. So I always like to say "pay less, get better" and that's really the promise of these two pieces of legislation.

[\(03:12\)](#):

Q: *Hmm. Nice. Thank you. So AB 1400 just faced a hearing in the Assembly Health Committee on Jan. 11. Tell us about that and the big news that came from that hearing.*

[\(03:23\)](#):

Lighty: Well, of course, the big news is that the Health Committee voted to move the bill forward on an 11-3 vote. That, of course, is a great success and a good sign for the prospects of reform. It, you know, still has to go through a few steps and certainly there were some concerns expressed by legislators on particular issues of policy on the 11th and so we have to see how that gets played out. It's kind of interesting that some of the legislators voted for it in the committee and said they wouldn't vote for it on the floor. So, you know, these politicians, there's always a bit of gamesmanship there, so we got to iron that out. I think it was the primary author Assemblymember Ash Kalra who said 'yes, we need to do some more work on it. You know, we've got to have dialogue.'

(04:11):

Lighty: Presuming it goes through the standard process, it'll have to be heard and passed through the [Assembly] Appropriations Committee by January 21 and then pass the entire assembly floor by January 31. And that's ... that's really the task before us.

Lighty: The path for ACA 11 is different. It doesn't face those immediate deadlines. It is a constitutional amendment. It requires a two-thirds vote. And as Assemblymember Kalra said on January 11, before the numbers can really be finalized, there has to be a set of negotiations with the federal government over what they're going to contribute. What kinds of quote-on-quote waivers will be allowed for California to pool those federal monies. So that road on financing is more extended and what we'll probably see is also an effort to have some of these issues discussed by the Revenue Tax Committee of the Assembly. It may or may not happen, but that's where it gets, you know, more complicated on the policy side is when you start delving into those details.

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Q: Right. I'm just curious, what were some of the policy issues that some assembly members had with the bill, AB 1400?

Lighty: Well, there was concern about how current programs will continue to play a role. Many of these legislators believe that managed care has created positive benefits for containing costs in California. A lot of advocates, you know, have a mixed view of that. There are other legislators who are concerned about the fee-for-service emphasis within AB 1400. There's concern about the impact on Taft-Hartley Trust Funds that unions have in relationship with the program to collective bargaining.

Lighty: There is still concern about, well, do the numbers of ACA 11 add up? Is it going to be sufficient to finance the program? How much power does the board have? How much power does the legislature exert in terms of setting policy because AB 1400 sets up a governing board that has pretty wide-ranging authority and the legislators may want some of that authority for themselves.

Lighty: And Assemblymember Kalra acknowledged that yeah, there hasn't really been a process to amend the bill yet and so there's a question about whether that will happen in the Assembly or whether there'll be an effort to move it through the Assembly and have that process occur in the Senate. We also heard from Governor (Gavin) Newsom that he hasn't seen the bill yet, so we don't know yet what he might do with it or what position he might take.

Q: Wow. Okay. I guess he's a busy governor.

[\(06:39\)](#):

Lighty: Well, that's not unusual for governors not to consider legislation until it hits their desk. I think in this case it does kind of stand out and so I think what we're going to have to do is figure out a way to meld the different strands of reform going on because as you know, also in the governor's budget that was proposed on Monday, January 7, he proposes spending enough money through the Medi-Cal state healthcare program to cover undocumented residents – anyone who isn't insured, including the undocumented, and currently that means people between the ages of 26 and 49 in particular.

Lighty: So that is a huge progress, a huge step in “health for all” as we like to say, so that's a strand, right? There's other work going on around the office of healthcare affordability, there's work going on around information systems. There's an effort to pull the purchasing of prescription drugs into a kind of single payer that the governor initiated. So there are a lot of different strands of reform and I think the legislators were asking ‘ how does this all fit together?’

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Q: So a previous California single payer bill Senate Bill 562 never made it to a single committee, I believe. What's different now?

Lighty: Well, of course (SB) 562 passed the state Senate. So far, you know, that is a high water mark, uh, because AB 1400 hasn't yet gone out of the Assembly. But yes, when it got over to the Assembly, 562 had a financing mechanism put into it and you know, I worked on that bill. We were prepared to do that but the (Assembly) speaker (Anthony Rendon) decided not to consider it further. And you know, that probably [reflected] the governor's desire not to see it move forward. There were certainly some advocates who were concerned and some of those concerns that unions and others had about 562, they may also have about AB 1400. So we'll see how that plays out. But I do think it's a great sign of progress that AB 1400 got through the Health Committee and that the chair of the Health Committee, Jim Wood voted for it. That was quite remarkable.

[\(08:44\)](#):

Q: So what were his comments? Why did he support it?

Lighty: Well, I think he supported it primarily because it's time to end the current system's fragmentation, burdens, unsustainability, and complexity and so he really sees AB 1400 as an example of the kind of straightforward, more comprehensive healthcare system that resolves a lot of that waste and fragmentation. He made it clear he is going to work on other reforms like Health for All, like this Office of Healthcare Affordability, and everyone acknowledged the other progress that had been made. And so I think what he is saying is, ‘no, this is the direction California needs to go. This is where we need to end up, let's move the process forward.’

Lighty: I think there are still in his perspective, details to be worked out, but it's a sea change in the sense that he's really endorsed that kind of comprehensive reform and the path to it and of course he sits ex-officio on the Healthy California for All Commission that you mentioned and his role on that I think has evolved as well. So these are good signs and I think that's the other strand that we have to bring together. What are the recommendations of that commission and how can they be incorporated into comprehensive reform to the legislature?

Q: Right, great. As president of healthy California now a pro single-payer coalition, you're on the front lines of this movement. How are supporters and opponents reacting to all this?

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Lighty: Well, I think supporters are pretty happy. I must say. I think there's a great deal of enthusiasm and a sense of momentum. I think opponents brought out big guns on Jan. 11 and you've heard arguments, you know, from Republicans about how this is going to take away Medicare, which is ironic given since they don't really seem to defend Medicare. All of a sudden they were concerned about worker health benefits. I haven't heard that before so some of it is perhaps opportunistic. There were Democratic legislators who certainly, as I mentioned, said that they'll move it in committee, but their vote on the floor is not for certain.

Lighty: The opponents were a combination of medical industry profiteers. <laugh> some, you know, Trumpists, kind of right wing folks, "anti-communists." So it was, you know, a bit of a menagerie over there on the other side. But I think it's fair to say that the medical industry profiteers make a lot of profit and have a lot of money to wage in this battle. And you can be certain that the California Medical Association and the California Dental Association, who are huge spenders in Sacramento on lobbying and political campaigns, will be heard and we definitely have not heard the last from them.

Speaker 1 [\(11:31\)](#):

Q: What do you think they're afraid of — the California Medical Association in particular?

Lighty: Well, they're afraid of losing control. They're afraid of a payment reimbursement system that's imposed on them and they're afraid that, you know, their physician groups in particular, and of course, you know, a good chunk of their membership are physicians at Kaiser Permanente and Kaiser Permanente under AB 1400 would not exist as it currently does and under any single-payer proposal, it wouldn't exist as a health plan and its control over the capital budget that it uses to expand and its net revenues, which, you know, are quite considerable. In one quarter, I think during the pandemic, they were over \$4 billion dollars in net income, even though they're a nonprofit. So, you know, CMAs position certainly reflects the position to some extent of Kaiser and I do think legislators are responsive to that too and the fate of Kaiser is going to loom large in this debate going forward.

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Lighty: And the Dental Association generally is afraid that they're going to have, you know, because AB 1400 covers dental and these guys are small business people who are used to charging whatever they want and getting it and if that means a lot of people can't get the full range of services, well they're kind of living with that and putting people off – low-income folks off onto the public programs. So this would represent a sea change to that system and a system where dental insurance as you know and most of us know really doesn't cover much of the cost to a system where dental insurance pretty much covers all the cost and dentists are quite wary of being in that situation it seems.

[\(13:16\)](#):

Q: *Right. Thank you so much. So, we've seen some interesting headlines in the media about AB 1400 as you alluded to suggesting that California seniors would lose Medicare, that poor people would lose their Medi-Cal. Can you talk about the way the mainstream media are framing this and what we should keep in mind as we take in the news?*

[\(13:34\)](#):

Lighty: Well, I hate to quote another Californian, but 'here they go again.' The truth is the media only has one frame and that is taxes and what we want to do and we are still hoping to do is use the work coming out of the Healthy California for All Commission to reframe the debate because that commission's work showed that the present system is unsustainable, that the burdens on workers in the middle class are overwhelming, that there is unnecessary waste and it doesn't cover everybody and therefore that's the frame you want to present the taxes in. Unfortunately, because of how this program was mandated to proceed in the legislature, it had to go forward with this proposal before that commission report came out. And so the media picked up on that and these are scaremongers, they're fear mongers and honestly open up or even online, look at newspapers.

Lighty: How many ads are there from the pharmaceutical industry? How many ads are there from the health insurance companies? On television, you can't, I mean some of these streaming services I believe are sustained by pharmaceutical ads. So you can't separate the huge amount of revenue that media companies make from the healthcare industry from their editorial positions on this industry and when it comes to reporters, they report the conventional wisdom or an opinion columnist, an opinion columnist who never write about how, you know, an average household is paying at least \$2,500 out of pocket every year. How Californians who, you know, are really in the middle class spend anywhere from 25-40% of their income on healthcare. They never write about that. But as soon as someone proposes to publicly finance and guarantee Healthcare for All, 'Oh My Lord, the sky is falling!' and it's a little hard to take and it's, and people should be very cynical about it because it's just the same old, same old every time.

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Lighty: And they've been doing this I think since Harry and Louise in 1993, if folks remember those ads against the Clinton plan. So what we have to do though is reframe the debate. And, and the commission does that. We certainly saw some progress on Jan. 11 because it's not sustainable, the present system, and the media has to be brought around to that perspective, but it is rare, honestly, as you know. Working class perspectives, the perspectives of working Californians rarely make it into the mainstream media in a prominent way and it tends to reflect either conventional political wisdom or the interest of business.

(16:30)

Thank you, Michael Lighty.

Do you have a personal story you'd like to share about our 'wack' healthcare system? Contact us through our website at heal-ca.org.

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