

What is SB2 (Burton/Speier)?

Passed by the California legislature and signed into law the fall of 2003, SB2 (Burton/Speier) would extend health coverage to up to a million now-uninsured Californians, and provide security to the millions more that now get coverage through their employer, but are afraid of rising health care costs or losing their coverage altogether.

Starting in 2006, the bill gradually builds upon our current health system, by which over 18 million Californians get health coverage through their employer.

Employers with 50 or more workers would have the choice of buying coverage for those workers directly, or paying into a statewide buying pool that would work to get employers the lowest rates possible. Employers with 200 or more workers would also be required to provide family coverage for its workers. Workers of these employers of 50 or more would be guaranteed basic health benefits, comparable to the standard HMO package that includes preventative care, hospital care, and prescription drugs, and paying no more than 20% of the monthly premiums-or for low-income workers, not more than 5% of their income.

Health experts call it the most significant advance in health policy since the creation of Medicaid and Medicare. The bill is broadly supported by groups representing doctors, workers, consumers, seniors, people of faith, communities of color, hospital, some insurers, and some employers. Surveys of both voters and even employers indicate broad support.

Why is it threatened?

While many employers stayed neutral, major opposition has come from large employers in the retail and fast-food industries, which are more likely to not provide health benefits. Companies like Wal-Mart, McDonald's, and Macy's are working to repeal SB2, by placing the measure on the 2004 ballot.

Health advocates, providers, workers, and consumers of the bill are gearing up to defend the law in a referendum on the November 2004 ballot. The opponents of the measure, that includes the California Chamber of Commerce and California Restaurant Association, have already spent an estimated \$3 million to qualify the referendum and are expected to raise upwards of \$15 million dollars for the media campaign to repeal SB2. Their campaign website is at www.stopthehealthtax.org.

What are the stakes?

The stakes are nothing less than the future of health care reform in the United States. Any health care reform-from expansions of public programs to universal single-payer-is going to require the contribution of the one group that does not pay into the health care system now: employers who do not provide coverage. Everybody else-consumers, taxpayers, the insured, the uninsured, most employers-now pay into the system, and we all pay more because a handful of employers decide to pay less.

By going to the ballot, the opposition has now made this a high-profile, high-stakes battle.

If the opponents win, it will stifle other attempts at health care reform in other states. Few state legislators will want to risk supporting such reforms when witnessing such a high-profile repeal.

If SB2 is re-affirmed, it will send a major signal nationally, that voters are demanding solutions to the health care crisis. Governor Schwarzenegger would have no choice but to implement the law. Other states have already been developing bills similar to SB2, with similarly broad coalitions. The policy work, the court cases, the political coalition will serve as a road map for state reform efforts coast-to-coast.

Can we win?

Learning from past efforts in California and nationally, the coalition behind SB2 has some advantages going into a public campaign on this issue. SB2:

- Unites, rather than divides, the health community in support: The law was the top priority of the sponsors, the California Labor Federation and the California Medical Association. It enjoyed the support of virtually all sectors of the health community, including doctors, nurses, hospitals, consumers, seniors, some health plans, and even some employers. Health plans, that traditionally fund the opposition to reform, were either in support or "nervously neutral."
- Protects, rather than threatens, existing coverage of the insured: More than any benefit to the uninsured, the main impact of SB2 is to protect the coverage that people now have, but are afraid that they may lose. Those who are insured would keep their existing coverage, removing the most potent argument against reform--that they would lose benefits under any reform or new system.
- Taps into voter concern on health care costs and coverage: As voters see their share of premiums increase, SB2 provides a remedy to their concerns. In fact, it is the opponents of SB2 that seek to take away coverage-and the protections for keeping that coverage. If "Harry and Louise" came back, their argument would be in support of preserving their coverage, and thus to support SB2.
- Defines the opposition clearly: The main opposition to the law-Wal-Mart, McDonald's, Macy's, and a handful of other large employers, can be shown to be who they are: Large, profitable companies that don't provide health care to their workers, who dump these costs on the taxpayers and who are forcing their competitors to scale back their benefits. Over 94% of businesses over 50 provide health care to their workers: this only directly affects the 6% of those employers over 50 that don't. SB2 does not include the small businesses with which voters would have more empathy.
- Saves taxpayers money: Rather than requiring new public dollars drawn from other spending priorities or broad based taxes, SB2 would actually save taxpayer money, including the costs of uninsured workers who now go onto state public insurance programs or into county emergency rooms. By building on the existing employer-based health system, SB2 does not create any new bureaucracies, and rather uses only existing agencies and expertise.

Multiple polls have consistently shown that, even after the opposition arguments against the law have been given, over 60% of Californians support the law, and oppose its repeal. The latest Field Poll shows that "a large majority (65%) supports the measure's basic provisions after they are described. While support for SB2 is strongest among Democrats and women voters, pluralities of voters across all major subgroups favor the new law." (January 23, 2004 release, at: www.fieldpoll.com)

California is a good state to be the test case for health reform. The state has over six million uninsured, and the third-highest rate of un-insurance in the country. The health care crisis is in the newspapers frequently, from the near-collapse of public health institutions in Los Angeles, Alameda and other counties, to the highly-publicized grocery workers and janitors strike that focused on health care benefits. In this Democratic-leaning state, the demographics suggest we have a real constituency for health care reform.

For more information

Californians to Protect Our Health Insurance, the campaign committee to defend SB2.

California Labor Federation, the state AFL-CIO and bill co-sponsor, <http://www.calaborfed.org>
California Medical Association, bill co-sponsor representing 35,000 physicians, <http://www.cmanet.org>
Health Access California, the statewide health consumer advocacy coalition, <http://www.health-access.org>