

Bill's supporters seeking state-run health insurance

**By Clea Benson – Sacramento Bee Capitol Bureau
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Democratic state lawmakers are embracing the one solution to spiraling health care costs that Gov. Arnold Schwarzenegger says he has ruled out: eliminating private insurance plans in favor of a single-payer system that allows the state government to buy health services for everyone.

With three weeks left in the legislative session, a single-payer bill, Senate Bill 840 by Sen. Sheila Kuehl, D-Santa Monica, is heading toward the Assembly floor for a vote.

The measure establishes a system that, in theory, would be funded by payroll taxes on businesses of 8 percent and individual income taxes of 3 percent. Those taxes would replace the premiums that individuals and businesses now pay to insurance companies.

But SB 840 would not actually allocate funding for the new program, and the single-payer approach could not go into effect until either voters or the Legislature approved the costs separately.

At a rally of several hundred unionized school workers on the Capitol steps Wednesday, Assembly Speaker Fabian Núñez, D-Los Angeles, proclaimed his support.

"I think it's good for business, and I think it's good for consumers," Núñez said after the rally. "My hope is that we can convince the governor that we think this is the right thing to do."

The Senate in June passed SB 840 by a vote of 24-14, before it was amended to contain the payroll and income tax provisions.

The Republican governor has criticized the single-payer approach as a "tax increase."

Schwarzenegger has said he will release his proposal for making health care more accessible to Californians in January, if he is re-elected in the November general election. He supports

streamlining private insurance coverage through the use of new technology and other approaches that make private insurance coverage more affordable.

"His concerns are that none of the health care proposals that have been sent to his desk have addressed health care affordability," said Sabrina Demayo Lockhart, a spokeswoman for Schwarzenegger.

Advocates of SB 840 say their plan will save consumers and businesses about \$8 billion a year because the government will be able to negotiate lower prices with health care providers.

"The governor just doesn't get it," Kuehl told the members of the California School Employees Association who were rallying at the Capitol on Wednesday.