

State-Based Universal Health Care Act – FAQ

1. Why is this legislation needed?

The State-Based Universal Health Care Act responds to the calls for complete access and greater affordability of health care for all Americans coupled with a uniquely American tradition—namely, capitalizing on the role of states as incubators of policy from our founding. As such, states should have the opportunity to provide health care for all residents if the political will exists.

2. Previous iterations of this bill supplanted ACA Sec. 1332 State Innovation Waivers, but this is a new waiver. Why did you make this change?

Unlike Sec. 1115 waivers, which some states have used to implement harmful Medicaid work requirements, Sec. 1332 waivers have been used by states across the political spectrum to reduce health care costs for residents. In order to prevent perfect from being the enemy of good, this bill leaves 1332 waivers in place, while creating a new waiver option for bold states that wish to implement true universal health care programs.

3. Why did you select these funding streams to be the basis of the state-based universal health care program?

These are the streams of federal dollars that cover the greatest number of people and will be most important for states' ability to properly fund the ambitious programs necessary to achieve universal health care coverage.

4. How will this bill affect the cost of health care for individuals, employers, states and the federal government?

This bill enables states to bring health care costs under control for the first time with several tools: (1) greatly expanding the risk pool; (2) eliminating much of the administrative and profit-oriented cost of private insurance plans, estimated to represent 15-30 percent of American dollars spent on health care; (3) allowing the creation of global health care budgets with negotiated reimbursement rates for all providers; and (4) reorienting health care towards prevention and primary care.

5. I am satisfied with my current healthcare coverage. Am I able to keep it?

Under this proposal, the coverage you receive for health care will be either equal to what you currently receive or more expansive. You will have free choice of providers. Everyone in the community you live in will have health care.

6. How much will this cost me?

Combining streams, negotiating discounts with providers and eliminating inefficiencies will help drive your out-of-pocket costs down. In the end, your costs will depend on how each state devises its own individual state-based universal health care program.

7. How does this affect small businesses?

With all residents covered under a state-based universal health care plan, small businesses can reinvest current health insurance costs into other aspects of their business, thus helping them to be more competitive.

8. How would this deal with ERISA plans (multi-state health plans that are regulated at the federal level)?

ERISA regulations are included in the waiver. So a state could waive ERISA if their waiver was approved. This is another area we left a little bit more flexibility for the state in how they wanted to handle ERISA plans if they did pursue that waiver. Especially given how they vary from state to state. For what it's worth, many of the most significant ERISA plans are union plans and the Labor Campaign for Single Payer has endorsed the bill, as has the National Union of Healthcare Workers.

9. How is this different from the 1332 waivers in the Affordable Care Act?

The 1332 waiver is far more complex for a state that would be establishing a single payer system. One of the reasons that Vermont's efforts in establishing their single payer system failed is because they weren't able to get the necessary funding support from the federal government through the 1332 waiver. In order for a state like Vermont or California to receive the newly created "1335 state universal health care waiver" they would only have to show that their system would reach coverage breadth and depth criteria. The concrete criteria and independent review panel in this bill make the new waiver far more insulated from manipulation by an unfriendly administration in the future.