LEWIN GROUP REPORT
The Health Care for All Californians Act: Cost and
Economic Impacts Analysis
Initially Released January 19th, 2005
FACT SHEET
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- The Lewin report, prepared by an independent firm with 18 years of experience in healthcare
cost analysis, affirms the feasibility for California to create a fiscally sound, reliable state
insurance plan that covers all Californians and controls health cost inflation.
- The Lewin report shows that all California residents can have affordable health insurance; and
that, on average, individuals, families, businesses and the state of California, all of whom are now
burdened with rising insurance costs, will save money.
- In February 2007, State Senator Sheila Kuehl (D-23) introduced the California Universal Health
Care Act, based on these and other findings. This same bill has been reintroduced by State
Senator Leno (D-3) as SB 810. The Lewin study shows that this Single-Payer bill will insure
every Californian, contain the overall growth in healthcare spending and allow everyone to
choose his or her own doctor.

SAVINGS OVERALL
- The Lewin report model demonstrates that SB 840/810 would achieve overall savings of more
than $29 billion dollars, most of which would be used toward covering the uninsured and
providing financial savings to employers and families. Overall, SB 840/810 would achieve
universal coverage with broad benefits while actually reducing total health spending for
California by about $8 billion in the first year alone. Savings would be realized in three ways:
  1. The Act would replace the current system of multiple public and private insurers with a
     single, reliable insurance plan. This saves about $20 billion in administrative costs.
  2. California would buy prescription drugs and durable medical equipment (e.g., wheelchairs)
     in bulk and save about $5.2 billion.
  3. California would emphasize preventive and primary health care delivery saving an estimate
     $3.4 billion.

SAVING FOR STATE AND LOCAL GOVERNMENTS
- In addition, state and local governments would save about $900 million, in the first year, in
spending for health benefits provided to state and local government workers and retirees.
- Aggregate savings to state and local governments from 2006 to 2015 would be about $43.8
  billion.

SAVINGS FOR BUSINESSES
- Employers who currently offer health benefits would realize average savings of 16% compared
to the current system.

SAVINGS FOR FAMILIES
- Average family spending for health care is estimated to decline to about $2,448 per family under
the Act in 2006, which is an average savings of about $340 per family.
• Families with under $150,000 in annual income would, on average, see savings ranging between $600 and $3,000 per family under the program in 2006.

**COST CONTROLS**
- By 2015, health spending in California under the Act would be about $68.9 billion less than currently projected. Total savings over the 2006 through 2015 period would be $343.6 billion.
- Savings to state and local governments over this ten-year period would be about $43.8 billion.

**COMPREHENSIVE BENEFITS**
- The Lewin Report assumes an insurance plan that covers medical, dental and vision care; prescription drug; emergency room services, surgical and recuperative care; orthodontia; mental health care and drug rehabilitation; immunizations; emergency and other necessary transportation; laboratory and other diagnostic services; adult day care; all necessary translation and interpretation; chiropractic care, acupuncture, case management and skilled nursing care.

**EFFICIENCIES**
- The Lewin Report shows that efficiencies in the system make these superior benefits available while generating savings.

**FREEDOM TO CHOOSE**
- The Lewin Report model assumes the consumer’s freedom to choose his or her own care providers. This means that each Californian will be free to change jobs, start a family, start a business, continue education and or change residences, secure in the knowledge that his or her relationships with trusted caregivers will be secure.