

## SB 5399, to create another state commission to study a socialized health care system

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### Key findings:

1. **SB 5399 introduced in the 2021 legislative session is the latest proposal to create another universal health care commission. An earlier state-appointed committee, the Universal Health Care Work Group, was commissioned by the Legislature in 2019. It ended its deliberations by recommending the creation of yet another universal health care commission to submit additional reports.**
2. **SB 5399 would create a commission with a misguided policy goal: studying a health care system that the people of Washington have shown again and again that they do not want, that the state is unlikely to be able to manage or afford and that depends on the unmet promises of government-run, universal health care.**
3. **The Office of the Secretary of State lists several failed political attempts to impose a universal system of care, including Initiative 141 in 1992; Initiative 227 in 1999; Initiative 245 in 2000; and Initiative 945 and Initiative 952 in 2017. None of these proposals gained the support of voters.**
4. **The experience of other countries shows that universal health care creates the very problems Washington's many state commissions and work groups claim it would solve. Loss of affordability, restricted access, rationing of care, and lower quality of care are common issues associated with universal health care and single-payer systems.**
5. **Instead of more focus on universal health care, time would be better spent fixing agreed-upon problems in our state's current system of health care, by giving patients more control and choices in how they access care.**

### Introduction

Since at least the 1990s, Washington state officials have created one commission, working group or study panel after another to consider whether Washington state should impose a government-run, universal health care system. This has become a perennial public-relations exercise, but so far efforts to rally support for abandoning private health coverage and broad consumer choice, shifting to a single, government-run system, have proven unsuccessful.

These official working groups and panels have not been able to solve the many foreseen problems associated with universal health care, including how to fund such a system and how to safeguard against rationed care and decreased quality. The proposal for imposing a socialized universal health care system remains as unpopular in Washington today as it was 30 years ago.

This Legislative Memo reviews SB 5399, the latest proposal to create another universal health care commission in Washington State.

### Text of SB 5399

An earlier state-appointed committee, the Universal Health Care Work Group, was commissioned by the Legislature in 2019. It ended its deliberations by recommending the creation of yet another universal health care commission to submit additional reports. SB 5399 introduced in the 2021 legislative session, sponsored by Sen. Emily Randall (D-Bremerton) and more than a dozen other Senate Democrats, would establish the recommended commission.

The text of the bill explains the commission's purpose is to "develop a plan to create a health care system in Washington that provides coverage and access through a universal financing system including, but not

limited to, a single-payer financing system, for all Washingtonians.”<sup>1</sup>

Under the bill, the commission would submit an interim report 12 months after its first meeting and then every six months for the rest of its duration. In November 2024, the commission would submit a final report to the Legislature and governor that includes a thorough analysis of the existing health care system, recommendations for key design elements of a universal health care system, recommended steps Washington should take to prepare for transition to a new system, and, finally, recommendations for the creation of another committee to “develop a financially feasible model to implement universal health care coverage using state and federal funds.”

On February 8, 2021, SB 5399 had a public hearing in the Senate Health and Long Term Care Committee. The bill was passed by the committee on February 10th. It has been referred to the Senate Ways and Means Committee.

### Policy analysis

SB 5399 would create another costly universal health care commission that would likely meet the same dismal fate as others in our state: producing a government report along with the recommendation to create yet another committee.

Even proponents of universal care have spoken out against SB 5399 for this reason. They argue that SB 5399 does not go far enough, and that the Legislature should take steps now to impose the type of universal health care system they want.

Washington Policy Center issue analysis shows, however, that the commission SB 5399 would create would be given a misguided policy goal. This latest commission would study a socialized health care system that the people of Washington have shown again and again that they do not want, that the state is unlikely to be able to manage or afford

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1 SB 5399, concerning the creation of a universal health care commission, Washington state Senate, introduced February 1, 2021, at <https://app.leg.wa.gov/billsummary?BillNumber=5399&Year=2021&Initiative=False>.

and that depends on the unmet promises of universal health care.

### Failed socialized health care initiatives

The Office of the Secretary of State lists several failed political attempts to impose a universal system of care, including Initiative 141 in 1992; Initiative 227 in 1999; Initiative 245 in 2000; and Initiative 945 and Initiative 952 in 2017. None of these proposals gained the support of voters.

In 2021, another initiative has been all but promised by proponents of government-run, universal care, who hope to capitalize on legitimately sympathetic stories of this pandemic year.

### Statewide failures during COVID-19

While the most recent universal health care work group states, “Skyrocketing unemployment rates due to COVID-19 have exposed the frailties and inequalities of the current health care system,” there is no evidence that a socialized system would perform better, or that people would prefer it over the coverage they have now.

Further, the public health crisis exposed the inability of the state to manage its statewide systems. State government was overwhelmed by COVID-19 vaccinations and needed the help of the private sector to see meaningful progress.

The handling of unemployment benefits by state government has been troubling, riddled with fraud, delay, and a data breach. The scandals and management failures of current state monopoly systems indicate that state politicians and managers would fare no better in managing the health coverage of every resident living in Washington.<sup>2</sup>

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2 “Washington’s state-run Unemployment Trust Fund needs fraud protection and better management, by Mark Harmsworth, Policy Brief, Washington Policy Center, October 2020, at <https://www.washingtonpolicy.org/library/doclib/Harmsworth-Washington-s-state-run-Unemployment-Trust-Fund-needs-fraud-protection-and-better-management.pdf>.

## No plan to provide funding

On Page 22 of its final report, the 2019 Universal Health Care Work Group acknowledges, “The Work Group did not address how the state would fund costs needed to replace current individual and employer contributions to coverage.”<sup>3</sup>

Without addressing how universal care is to be funded, relying on unnamed state and federal tax dollars to do so, it is misleading to conclude, as this work group did, that universal care is more affordable overall. There is no evidence to support this conclusion.

## Unmet promises of universal health care

The experience of other countries shows that universal health care creates the very problems Washington’s many state commissions and work groups claim it would solve. Loss of affordability, restricted access, rationing of care and lower quality of care are common issues associated with universal health care and single-payer systems.

In fact, no socialized health care system has delivered the benefits its backers promised. Following are examples of the problems that plague socialized systems.

- Consumer need for health care far outweighs the government’s supply of care in every industrialized country, leading to lower-quality care, waiting lists and service rationing;
- The costs of Canada’s decades-old, single-payer health care system now represent the largest expense for every province’s budget, more than education, retirement pensions or public roads. Patients wait as many as 16 weeks to receive care;<sup>4</sup>
- Medical care is often rationed through the use of long, potentially deadly waiting lists;

- Single-payer systems discourage innovation, new therapies and the development of new medicines and vaccines;
- Legislators in Hawaii and Vermont attempted to create socialized health care systems, but they dropped their efforts after a few years.

## Conclusion

Decades of experience indicates that the commission created under SB 5399 would be as unsuccessful as all the ones that preceded it. In fact, to long-time observers, the text of the bill sounds all too familiar; yet another commission to spend years to produce yet another report for an idea that remains consistently unpopular with the people of Washington State.

To reduce costs, increase choice, and maintain and improve quality, patients should be allowed to control their own health care dollars and make their own health care decisions. A single-payer, universal system would reduce patient choice and patient control, moving public policy in the wrong direction.

Instead of more focus on universal health care, time would be better spent fixing agreed-upon problems in our state’s current system of health care, by giving patients more control and choices in how they access care.

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*Nothing here should be construed as an attempt to aid or hinder the passage of any legislation before any legislative body.*

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3 “Report to the Legislature,” Universal Health Care Work Group, Washington state, January 15, 2021, at <https://www.hca.wa.gov/assets/program/final-universal-health-care-work-group-legislative-report.pdf>.

4 “Waiting your turn: Wait times for Health Care in Canada, 2019 report,” by Bacchus Barua and Mackenzie Moir, Fraser Institute, December 10, 2019, at <https://www.fraserinstitute.org/studies/waiting-your-turn-wait-times-for-health-care-in-canada-2019>.