



Kriss Worthington

Councilmember, City of Berkeley District 7

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CONSENT CALENDAR

April 24, 2007

To: Honorable Mayor and Members of the City Council

From: Councilmember Kriss Worthington

Subject: Support the California Universal Healthcare Act (SB840 and SB1014)

RECOMMENDATION:

That the Berkeley City Council support Senate Bills 840 (California Universal Healthcare Act) and 1014 (Taxation: Single Payer Healthcare Coverage), which will provide fiscally sound affordable healthcare to all Californians, provide every Californian the right to choose his or her own physician and control health cost inflation. SB 1014 also proposes to specify a tax dependent on income to be paid to a state trust fund for healthcare.

BACKGROUND:

Introduced by State Senator Sheila Kuehl, the California Universal Healthcare Act (SB 840) aims to provide single payer healthcare for every Californian based on residency instead of income or employment. Under SB 840, everyone including individuals, employers, and government pays into the state healthcare trust fund.

The number of uninsured Californians has now reached 6.5 million residents, and most of the newly uninsured were from solidly middle-class families. It's easy to see why. Health insurance premiums have increased 87% since 2000, with the average employee contributing 143% more to their company-sponsored health insurance. Meanwhile wages have only increased 20% over this time period. Health care costs have outpaced increases in wages by a ratio of 4:1 since 2000. Overall, healthcare costs in the United States are rising at double the rate of inflation. This is nearly twice the rate of most other industrial nations, and the U.S. already spends between two to three times as much on healthcare (per capita and as a percentage of GDP) as other industrial nations.

In addition, SB 1140 aims to impose a tax upon individual taxpayers at a specified rate. It also proposes an additional tax on taxable incomes over \$200,000, self-employment income, and non-wage income.

FINANCIAL IMPLICATIONS:

NONE

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