



August 11, 2009

**PRESENTATION TO THE CITY COUNCIL
OF LANCASTER, PA.**

SB 400/HB 1660

**THE FAMILY AND BUSINESS HEALTHCARE
SECURITY ACT**

Presented By

Progressives **4** *Pennsylvania*

On Behalf Of



WHAT IS SINGLE-PAYER HEALTHCARE?

- **Civilized healthcare for all**
- ***Everybody In -- Nobody Out***
- ***Privately delivered -- Publicly funded***
- **No denial of coverage**
- **Raises individual standard of living**
- **Improves quality of life and *saves lives!***
- **Generates huge healthcare savings
through lower administrative costs, bulk
purchasing of pharmaceuticals, etc –
while stimulating the economy and
eliminating state and local budget deficits**

WHY PENNSYLVANIA AND WHY NOW?

- **1.5 million Pennsylvanians are uninsured.**
- **2 million more are underinsured**
- **Pennsylvania health insurance rates are higher and growing faster than the national average.**
- **76% of Pennsylvanians believe our healthcare system is broken.**
- **68% of Pennsylvanians believe the government should guarantee healthcare for all.**
- **Pennsylvanians are being crushed by the cost and denial of healthcare, and our cities and municipalities face financial crisis and turmoil.**



WHAT DOES SB 400/HB 1660 DO?

Pays for most health-related care

Including:

- **Rehab Services**
- **Mental Health**
- **Hospice Care**
- **Vision and Dental**
- **Preventive Care**
- **Home Health Care**
- **Chiropractic**
- **Alternative Medicine**
- **Prescription Drugs**

And more...

No exclusions for Pre-Existing Conditions; No Co-Pays; No Deductibles – Only a 3% Wellness Tax Surcharge.



***NO WONDER THE BILL HAS GENERATED
WIDESPREAD MAINSTREAM SUPPORT!***

Partial list of organizations that have endorsed SB 400/ HB 1660:

Pa. AFL-CIO

Allegheny County Council

American Medical Students Association (AMSA)

Keystone Progress

**Pennsylvania Association of Staff Nurses and
Allied Professionals (PASNAP)**

Philadelphia City Council

Pennsylvania Council of Churches

Pennsylvania League of Women Voters

Pennsylvania National Organization of Women

Philadelphia Physicians For Social Responsibility

Pittsburgh City Council

Physicians For A National Health Program



“[In 2009] for the first time, all City employees will make contributions to the cost of health insurance benefits...”

“Health insurance... [is] a crisis that threatens the financial stability of our city... In a 2007 study... the Pennsylvania Economy League found that the fiscal distress of our municipalities is ... due to the ‘crushing burden’ of funding healthcare...”

Source: Lancaster City 2009 Adopted General Fund Budget Summary & Five Year Budget Projection



Under SB 400/ HB 1660 employers no longer will bear the burden of providing or administering employee healthcare benefits... Our private healthcare system will continue, but a Medicare-type system will be set up to pay the bills. Employers will contribute a 10% wellness payroll tax as their “Fair Share” toward financing the system. For most employers this will represent a substantial cost savings, and the various governments and school boards of Lancaster County are no exception.

**THE COST OF HEALTHCARE BENEFITS TO OUR
COMMUNITY VERSUS WHAT THEY WOULD BE
UNDER SB 400/HB 1660**

<i>Government Agency</i>	<i>Cost of Employee Health Care Benefits in 2008</i>	<i>Substitute 10% Payroll Tax</i>	<i>Savings*</i>
Lancaster City	\$9.1 Million (32% of payroll)	\$2.8 Million	<i>\$ 6.3 Million</i>
Lancaster City School District	\$16.1 Million (22% of payroll)	\$7.3 Million	<i>\$ 8.8 Million</i>
Lancaster County	\$16.2 Million (21% of payroll)	\$7.7 Million	<i>\$ 8.5 Million</i>
All Remaining Lancaster County Municipalities and School Boards	\$78.6 Million (20% of payroll on average)	\$40.1 Million	<i>\$38.5 Million</i>

***Additional Savings would be realized as a result lower Workers' Comp Taxes (about \$.5 Million Less for Lancaster City in 2009); Reduced Automobile Insurance Premiums; and Administrative Savings.**



Lancaster City has so far escaped a financial crisis by tapping into its substantial reserves each of the last three years in order to balance its budget...

- *2008 Lancaster City Deficit: \$1.7 Million*
- *2009 Lancaster City Deficit: \$3.7 Million*

Reserve Fund Balance: \$8.0 Million

Based upon current anticipated City obligations, Lancaster's reserves will be depleted in 2010. In 2011 Lancaster faces a **\$6.6 Million deficit *with no reserves to tap into.***

The numbers do not get better... despite the elimination of eleven full-time positions and shifting some of the cost of healthcare benefits to City employees for the first time in 2009...

- *Lancaster City will still pay in excess of \$6 Million more in premiums to private for-profit health insurance companies in 2009 than it would have paid into the single-payer system if SB 400/HB 1660 were enacted into law.*
- *Lancaster City's Medical Insurance Family Coverage premiums increased by 325% from 2000 to 2008 and they are expected to continue to grow at the rate of about 9% per year in the future.*

This is a *fiscal disaster* waiting in the wings!

In the years ahead Lancaster City will have little option but to...

- *Lay off employees*
- *Reduce services*
- *Raise taxes*

But these are only the shadows of things that *might* be, not the shadows of things that *must* be...

Progressives4Pennsylvania and Healthcare4ALLPA.org implore the Lancaster City Council to endorse a resolution urging the passage of SB 400/HB 1660 by the Pennsylvania State Legislature. Governor Rendell has already pledged to sign it when it reaches his desk.

Our looming financial crisis can be averted, and in its place we can usher in an era of renewed prosperity for our citizens and local governments where *no* Pennsylvanian will be denied healthcare or face medical bankruptcy or medical foreclosure (terms that do not exist in the rest of the industrialized world).



Pennsylvania can lead the way toward providing civilized healthcare for every American.

Among the 34 industrialized nations in the world, only the United States does not provide universal healthcare for its people.

Lancaster City can help Pennsylvania become the first state to provide universal, comprehensive health care to all its people, and when Pennsylvania adopts that path the entire country will follow our lead. American Democracy was born in Pennsylvania. Help continue that legacy by making Pennsylvania the cradle of Civilized Universal American Healthcare as well!

