

Assembly Bill 1900

California Guaranteed Health Care for All Act (CalCare)

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SUMMARY

Today's U.S. health care system is a complex, fragmented, multi-payer system that leaves wide gaps of coverage and poses major issues of affordability. Despite health care spending in the U.S. far exceeding other high-income, industrialized countries that offer a publicly financed single-payer system, we consistently report worse health outcomes and disparities among vulnerable populations.

AB 1900 is policy legislation to initiate a transition to a single-payer health care coverage system in California called the California Guaranteed Health Care for All program (CalCare) for all residents, regardless of citizenship status.

Following the process outlined in Section 1332 of the Affordable Care Act, AB 1900 establishes the framework for CalCare first, providing a clear statutory basis for the State to then pursue necessary federal waivers and funding authorities that will ultimately result in a completed financing mechanism for the system. CalCare would not become operative until the federal waiver process is completed, a financing mechanism and transition plan is implemented, and the State notifies the Legislature that the CalCare Trust has the revenues to implement the program.

AB 1900 eliminates waste in the system, will pay health care providers for the actual cost of care, not based on profit, and envisions a just transition to CalCare.

HEALTH SYSTEM STATUS QUO

According to a recent 2025 California survey, working Californians pay higher premiums than the national average and even faced annual increases of **24%** since 2022, surpassing national inflation of 12%¹. The average increase for family premiums for job-based health insurance remained **7%**, to exceed \$28,000/year, creating an unsustainable burden on workers and employers. Health plans offered through Covered California will see premiums **double** without enhanced tax credits². Out-of-pocket health care costs for Californians are also projected to nearly **double** in 2026 and **3.4 million** Californians on Medi-Cal (Medicaid) are expected to lose health care coverage because of federal health care cuts.

Health care spending in the United States far outpaces other industrialized countries.³ While Americans use significantly fewer health care services⁴ – including physician visits and hospital admissions – spending is greater due to higher prices. Despite higher spending, Americans have worse health outcomes, including shorter life expectancy and greater prevalence of chronic conditions.⁵

Another challenge with our health care system is the pervasiveness of health disparities. California is a diverse state – racially, ethnically, economically, and geographically – and vulnerable populations face greater health risks and less access to safety net programs.

¹ KFF, [2025 California Health Benefits Survey](#), November 18, 2025.

² Covered CA, [Impacts of the Enhanced Premium Tax Credits in California](#), July 2025

³ OECD, [Health at a Glance 2023: OECD Indicators](#), November 2023 – health expenditure in relation to GDP and per capita.

⁴ *Health at a Glance 2023: OECD Indicators* – number of doctor consultations per person, hospital discharges, and average length of stay in hospital.

⁵ The Commonwealth Fund, [U.S. Health Care from a Global Perspective, 2022: Accelerating Spending, Worsening Outcomes](#), January 2023.

CALIFORNIA GUARANTEED HEALTH CARE FOR ALL (CALCARE)

In light of devastating federal cuts in health care and a status quo that does not work for most Californians, California needs to set its own path and enact Guaranteed Health Care for All. AB 1900 will bring California closer to achieving a single-payer system by setting in place a comprehensive framework of governance, eligibility and enrollment, delivery of care, health care cost controls, and a just transition towards greater benefits and access to care.

Upon being federally authorized and financed, CalCare will establish universal single-payer health care coverage program and a health care cost control system. CalCare will be an independent public entity governed by a nine-member executive board with expertise in health care policy and delivery.

AB 1900 will provide a seamless transition for people with existing treatment or who want to keep their preferred care team. CalCare also includes health care workforce recruitment and retention provisions that are linked to global budgets, special projects, and other programs.

THE CALCARE MISSION AND DUTIES

CalCare will be charged with overseeing the state's single-payer system, and will ensure the following:

Comprehensive Benefits and Freedom of Choice

Californians will have access to comprehensive health care coverage, including all primary and preventive care, hospital and outpatient services, prescription drugs, dental, vision, audiology, reproductive health services, maternity and newborn care, gender-affirming care, long-term services and supports, mental health and substance abuse treatment, laboratory and diagnostic services, ambulatory services, and more. Patients will have freedom to choose doctors, hospitals, and other providers they wish to see, without worrying about whether a provider is "in-network."

No Premiums, Copays, or Deductibles

Californians would receive health care services and other defined benefits without paying any premiums or deductibles. Upon receiving care, patients would not be charged any copays or other out-of-pocket costs.

Addressing Health Care Disparities

CalCare would establish an Office of Health Equity to coordinate efforts to remove barriers to care and create a special projects budget to fund the construction, renovation, and staffing of health care facilities in rural or underserved communities.

Long-Term Services and Supports for People with Disabilities and Seniors

Long-term services and supports for daily living will be fully covered for medically determinable conditions, whether physical, mental, or due to age.

Reducing Health Care Costs and Improving Care

CalCare would move the state to a simplified health care payment system that will free health care providers from devoting time to billing and instead focus on patient care. The new system would establish reasonable payment methodologies for providers that are aligned with the actual costs of care rather than driven by profits. Health care professionals and institutional providers would be prohibited from over utilizing services. CalCare would negotiate bulk drug prices for all Californians and take other measures to lower the costs of prescription drugs.

Global Budgets for Institutional Providers

CalCare would negotiate fair, adequate global budgets to hospitals and other institutional providers to help contain exorbitant costs by aligning health care payments with the actual cost of care and eliminating the waste present in the system today. Institutional providers may submit appeals to the global budget to address justifiable or unforeseen circumstances.

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