HEALTH ACCESS
California's Health Consumer Advocacy Coalition

Protecting & Advancing California's Progress on Health Care & Coverage in Turbulent Times

Anthony Wright
Executive Director
@AEWright @HealthAccess

www.health-access.org
www.facebook.com/healthaccess
www.twitter.com/healthaccess

CALIFORNIA UNDER THE ACA

Millions with new consumer protections; financial assistance
4+ million Californians with new coverage already
Biggest drop in uninsured rate of all 50 states

WE IMPLEMENTED AND IMPROVED:
Exchange that negotiates & standardizes
Medi-Cal express lane enrollment options
Health plan oversight on rates, networks
More expansions: immigrant children, etc.

If we can prevent ACA repeal,
and resist administrative attacks
how can California move forward?

Holding Californians Harmless From Administrative Attacks

If the framework and financing of the ACA is intact, California has the will & wherewithal to withstand sabotage of individual insurance market:

Already In Place:

- Cost-Sharing Reductions & Covered California Workaround
- Federal Marketing Cut by 90%: Covered California's $110 Million Campaign
- Federal Open Enrollment Period Cut in Half: California Kept 3 Month Open Enrollment (AB156)
- California Continuity of Care (SB133) Consumer Protections
- Contraceptive Coverage & Existing California Standards

More To Do:

- "**Junk" Substandard Insurance:** AHP Regulations, SB910(Hernandez) on Short Term Insurance
- **Medical Loss Ratio**
- **Market Stabilization: Increased Affordability Help**, More Progressive Individual Coverage Contribution to Continue to Encourage Enrollment

Renewed Focus on Universal Coverage & Medicare for All

Since its founding, Health Access has been a strong supporter of multiple vehicles to get universal health care and quality, affordable health care to all Californians—including a Medicare for all single-payer system. A current bill is SB562(Lara/Atkins). In our 30+ year history, Health Access has actively supported other single-payer legislation, including bills by Senator Kuehl (SB971, SB810) and Leno (SB840) in the past decade, and Proposition 186 (in 1994) and bills authored by Senator Petris a generation ago.

When we work for single-payer we are fighting for:

- a **universal system**, that offers coverage and care to everybody, rather than leaving millions uninsured, and so many more millions at risk of becoming uninsured;
- a **publicly and progressively financed system**, where what we pay for health care is based on what we can afford, rather than how sick we are, and where the tax structure is also progressive, capturing unearned income;
- a **cost-effective system**, which pools patients together and leverages their purchasing power to negotiate the best prices from providers;
- a **comprehensive system**, where people can count on a basic standard of benefits, rather than wonder if their coverage will actually cover them when they need it;
- a **simpler and more efficient system**, which streamlines the bureaucracy associated with the marketing, administration, and profit-taking of multiple private insurance companies; and
- a **system focused on prevention not profits**, which has the right incentives in place to invest in wellness and that moves away from false incentives for insurers to avoid risk, and the profiteering of some insurers and providers in the industry.

Overcoming Obstacles to Health Reform

Big health reforms—single-payer or otherwise--have faced tough odds over a century—the equivalent of threading a multiple needles at once:

- ***Political forces,*** industries and stakeholders who oppose with $/influence
  - **Industry opposition:** Insurers, Employers, Providers, Etc.
  - **Ideological opposition**, Some oppose taxes, social programs, government, immigrants
- ***Public perception*****:** Health care is so personal and important to our lives and livelihood, that any change is viewed with skepticism. Even with bad or no coverage (and 90% of voters are insured), people's anxiety about health care actually make them more protective of what they have. They face four major attack messages by those opposed:
  - Tax Increase; Job-Killer; Government-Run Health Care; Loss of Current Coverage & Care
- ***Principles/Policy:*** Trade-offs and policy decisions on any health reform--particularly how to fun and **finance**, how to **govern**, how to **structure** and how to **transition** to any new system..
- ***Process:*** There are some structural and constitutional barriers at the state level:
  - **Financing** requires a 2/3 vote of the Legislature and signature of the Governor to enact taxes; single-payer requires significant financing to replace all premiums and cost-sharing.
  - Voter approval through a ballot measure would likely be needed even if legislation passed, to avoid state **constitutional** issues like Prop 98 and the Gann Limit, if not for the taxes to finance the measure; or if subject to a referendum.
  - There are **federal obstacles** (both Administrative and Congressional), such as ERISA, and the need to reclaims hundreds of billions of dollars from federal programs like Medicare, Medicaid, the ACA, for any state reform.
  - May be easier policy-wise (if much tougher politically) to do at the federal level.
  - **Such state efforts really require a friendly federal partner**

What Steps Can Be Soon?
*Without Federal Approval

Universality

- #Health4All expansions to undocumented immigrants

  No one excluded due to immigration status.

- Expand affordability help in the individual market & Covered California:

  No one should spend more than a % of their income on premium, on a sliding scale.

Cost/Quality/Equity

- Health care prices: **No unjustified medical bills beyond benchmarks**
- Public option/Medicaid Buy-in: **No bare counties/no consumer abandoned with no options at whim of private insurer.**
- Accountability of Medi-Cal managed care plans: Year over year improvements on quality/equity.


HEALTHCARE
4all
NO EXCEPTIONS. NO EXCLUSIONS. #HEALTH4ALL

Who Needs Affordability Help?

Under the ACA, millions have new coverage, new access, and/or new financial help to afford coverage under the ACA, but **some Californians need more assistance:**

- Uninsured **undocumented immigrants** who should be eligible for Medi-Cal like every other Californian.
- Those in **"family glitch":** family members for workers with job-based coverage that is affordable for only the worker—but who don' t qualify for tax credits.
- Some **over 400%** federal poverty level (typically older and high-cost areas) who have no affordability guarantee, and are spending more than 10% on coverage.
- Those **under 400%** who are eligible who help but it is insufficient, where monthly premiums/cost sharing still a burden, and may decline coverage as a result.

California can fill in these gaps to guarantee: **No one should pay than a % of their income for premium**—on an improved sliding scale for premiums/cost sharing.

California's Steps to #Health4All

PROGRESS WON:

- ***County Safety-Net Reforms and Expansions:*** Counties have set up more inclusive and smarter safety-net programs. Sacramento, Contra Costa, Monterey and CMSP all created new limited-benefit pilot programs that newly cover the undocumented. Others like LA and Santa Clara are improving existing programs.
- ***Won Entitlement to Medicaid Coverage For All Children Under 266% FPL—regardless of immigration status.*** Now covering an estimated 200,000 more children.
- ***Continuing California's Coverage of "Deferred Action" Immigrants:*** DACA eligibility for state-funded Medi-Cal is reaffirmed under PRUCOL (Permanently Residing Under Color of Law)—even if DACA is rescinded.

THIS YEAR'S FOCUS: Through 2018 budget or legislative efforts like **SB974(Lara)**, #Health4All seeks to **expand Medi-Cal to all income-eligible adults**, regardless of immigration status.

Stalled (for now): Passed bill to seek a 1332 waiver to open up Covered California: SB10(Lara) had Covered California submit a federal waiver—now withdrawn--to allow undocumented adults buy in the exchange.

A Robust 2018 Agenda on Cost/Quality/Equity

- "It's the Prices, Stupid": Insurers, Hospitals, Doctors, Drugs, Devices, Etc.
- Continued Work on Prescription Drug Prices
  - Pharmaceutical Gifts (SB790), PBMs (AB315), Co-pay Caps, Etc.
- Consolidation and its Impacts
  - Health Plan Merger Oversight: AB595 (Wood)
  - Unfair Anti-Competitive Hospital Contracts Provisions SB538 (Monning)
- Public Utility-Style Regulation
    - Powers Could Include: Setting of Cost Growth Goals; Rate Setting/Rate Hike Justification If Over Benchmarked Prices; Focus on Cost, Quality and Equity
- Accountability of Medi-Cal Managed Care Plans on Quality/Equity

"Public Option"

- *Many Possible Goals: Additional choice in marketplace; price competition; public mission-driven "honest actor" in the market; insurer of last resort*
- *Urgent Goal: Preventing "bare counties" in California*
  - ***No Californian should be abandoned with no coverage options***
- Using the infrastructure of Medi-Cal managed care?: CA's county-run public health plans in many areas
  - Both a platform for progress--and a complicating condition
  - Issues of licensure/alignment of regulation between Medi-Cal and Department of Managed Health Care (DMHC)
  - Should we encourage/require local plans to offer coverage in Covered California? Market, regulatory, bandwidth issues
  - Opportunity for cross-county networks? regional consortia?
- Other "Buy-In" public options in every region, especially rural
  - Need to be available in individual market, qualify for Covered California tax credit

An Aspirational Agenda—Achievable Without Federal Approval

"What we are getting here is not a mansion but a starter home. It's got a good foundation: 30 million Americans are covered. It's got a good roof: A lot of protections from abuses by insurance companies. It's got a lot of nice stuff in there for prevention and wellness. But, we can build additions as we go along in the future" –Senator Tom Harkin

* Stabilizing the Market/Resisting the Sabotage
* Going from 93% insured to 99%
* Guaranteeing Affordability of Premium as % of Income
* Bright Line on Medi-Cal Eligibility to 138%, Including for Aged & Disabled
* Consumer Protections
* Industry Accountability: Health Plan Mergers, Hospitals Contracts, Rx Costs, Etc.
* Public Option/Medicaid Buy-In
* Cost Containment Oversight and Regulation
* Quality Reporting & Requirements
* Improved Health Care Delivery System
  Quadruple Aim: Value, Outcomes, Quality, Equity

Slippery Slope?

Or Scaling a Mountain…

Structural Steps to the Mountaintop:

- More People Covered & In the System
- More Pooled Purchasing
- Ceilings/Limits on Cost-Sharing
- Consumer Protections & Expectations
- Definition of Coverage/Essential Benefits
- Additional Public/Progressive Financing
- Public Program Expansions
- Price Review and Regulation

For More Information

Website: http://www.health-access.org
Blog: http://blog.health-access.org

Facebook: www.facebook.com/healthaccess
Twitter: www.twitter.com/healthaccess

Health Access California
1127 11th Street, Suite 925, **Sacramento**, CA 95814
916-497-0923

Other Offices in **Oakland, Fresno, Los Angeles** areas