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

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Biggest Congressional Action for Consumer Protections; Coverage Expansion; Cost Containment

CALIFORNIA IMPLEMENTS

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

CALIFORNIA IMPROVES

EARLY:
Low-Income Health Programs/Medicaid
Children with pre-existing conditions
Maternity coverage
BETTER:
Exchange that negotiates & standardizes
Medi-Cal express lane enrollment options
LGBT outreach and inclusion
Immigrant coverage: DACA/DAPA, recent legal, and now all children…

Challenges and Opportunities

- California Ongoing Needs & Leadership
  - Continued Cost and Coverage Issues
  - Public, Political, Policy Interest
- Response to Federal Threats
  - Specific Responses
  - Public Anxiety
- Renewed Interest in Universal Coverage
  - Push for Medicare for All, Other Efforts
  - Assembly Select Committee on Universal Care
  - Various Stakeholder & Consumer Coalitions
  - #Care4AllCA

Renewed Single Payer/ Medicare for All Push

Since its founding, Health Access has been a strong supporter of a universal health care system that provides quality, affordable health care to all Californians--a Medicare for all single-payer system. A current bill is SB562(Lara/Atkins). In our 30+ year history, Health Access has actively supported 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 fight 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 **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;
- an **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

Health reforms 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
  - Insurers, Employers, Providers, Etc.
  - Ideologues, who may oppose taxes, social programs, government, immigrant
- ***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
- ***Principles/Policy:*** Trade-offs and policy decisions on how to finance, how to govern, and how to structure and how to transition to a single-payer 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 the financing for single-payer.
  - 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 permissions (both Administrative and Congressional) and obstacles, 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 policywise (if much tougher politically) to do at the federal level.
  - **State efforts really require a federal partner**

Slipperly Slope?
Or Scaling the Mountain…

Holding Californians Harmless From Administrative Attacks

- Cost-Sharing Reductions
- Marketing Cut & Covered California's Effort
- Open Enrollment Period Cut & AB156
- Continuity of Care & SB133
- Contraceptive Coverage
- Junk Insurance

If the framework and financing of the ACA is intact, California has the will & wherewithal to withstand sabotage.

- Medical Loss Ratio
- Short-Term Insurance & Association Health Plans
- Affordability Package with Individual Mandate Alternative

WHAT'S NEXT?
#Care4AllCA

What Steps Can Be Sooner? *Without Federal Approval

Universality

- #Health4All expansions to undocumented
  - **No one excluded due to immigration status.**
- Expand affordability assistance in Covered California
  - **No one should spend more than 8% on premium.**

Cost/Quality/Equity

- Oversee cost of care with a Commission/Public Utility
  - **No rate hike of insurer/provider unjustified**
- Public option/Medicaid Buy In
  - **No bare counties, no consumer abandoned with no options at whim of private insurer**

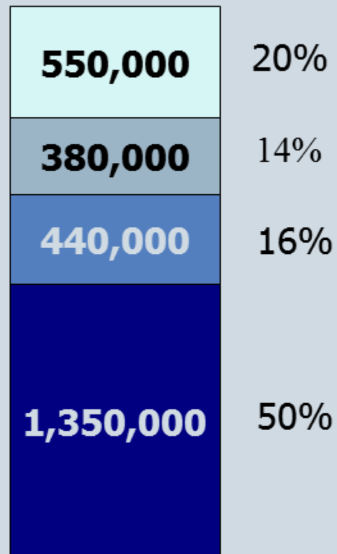
HEALTHCARE

4all

NO EXCEPTIONS. NO EXCLUSIONS. #HEALTH4ALL

California Has 93% Insured--But 2.8 Million Remain Uninsured

2,730,000



High Sign-Up Scenario

- Eligible for Medi-Cal
- Eligible for subsidies through Covered CA
- Non-subsidy eligible citizens and legal immigrants
- Not eligible due to immigration status

Why it matters: The uninsured live sicker, die younger, and are one emergency away from financial ruin, with health and financial consequences for the individual, the family, and the community.

Who Needs More Help?

Millions have new coverage, new access, and/or new financial help to afford coverage. On **affordability, some folks need more help**:

- Uninsured **undocumented immigrants**
- Those in **"family glitch":** family members for workers with job-based coverage affordable for just themselves
- Some **over 400%** federal poverty level (typically older, in high-cost areas) who have no affordability guarantee.
- Those **under 400%** who find monthly premiums/cost sharing still a burden, and may/may not decline coverage. Pick up rates are at 90%+ for the lowest incomes, but are 70-80% at 250, 300, 400% FPL.

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

EXISTING CAMPAIGN: #HEALTH4ALL

NEWS

State senator wants health care for all immigrants

By ROXANA KOPETMAN / ORANGE COUNTY REGISTER

Published: Jan. 10, 2014 Updated: 6:04 p.m.

RICH PEDRONCELLI, ASSOCIATED PRESS

The chairman of the California Legislative Latino Caucus plans to propose a new law that would expand access to health insurance for all Californians, including those living in the country illegally.

State Sen. Ricardo Lara, D-Bell Gardens, is working with a broad coalition of organizations to map out the details of a bill that would cover undocumented immigrants, who are excluded from insurance coverage under the national Affordable Care Act, or ACA.

“Immigration status shouldn’t bar individuals from health coverage, especially since their taxes contribute to the growth of our economy,” Lara said in a news release.

California's Steps to #Health4All

PROGRESS WON:

- ***County Safety-Net Reforms and Expansions:*** Counties are setting 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. Sadly, DAPA would've expanded the category of immigrants covered.
- ***#Health4All Campaign made progress but did not pass Medi-Cal expansion for all young adults in 2017.*** Through 2018 budget or legislative efforts, we seek to expand Medi-Cal to all adults, regardless of immigration status.

STALLED: Passed Bill to Seek a 1332 Waiver to Open Up Covered California: SB10(Lara) led Covered California to submit a federal waiver—later withdrawn--to allow undocumented adults to buy into Covered California.

Covered California Affordability:

Individuals as young as age 29 face premiums

Minimum age at which Covered CA premium exceeds various affordability standards for any single individuals at 401%, 601%, and 801% FPL, 2017

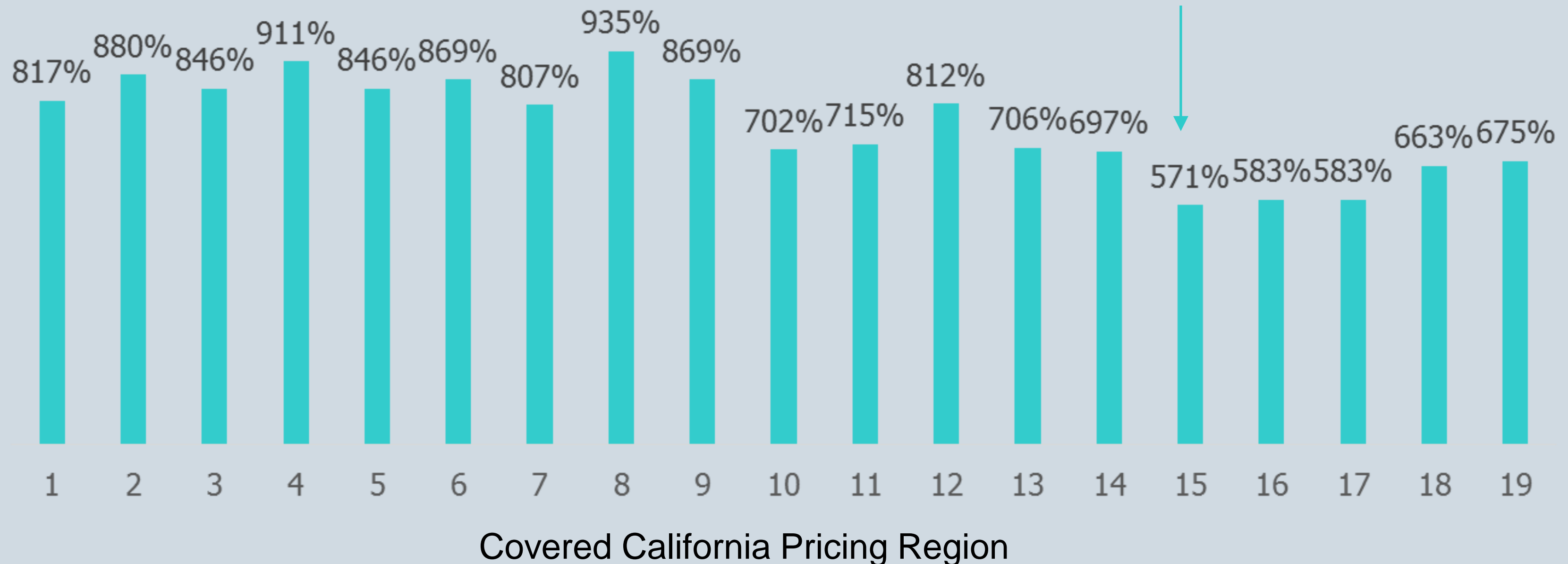
	401% FPL		601% FPL		801% FPL	
Affordability standard	**Highest premium region**	**Lowest premium region**	**Highest**	**Lowest**	**Highest**	**Lowest**
9.69% of income, 2nd lowest cost silver	29	52	49	62	55	N/A
8.16% of income, lowest cost bronze	41	54	52	N/A	59	N/A
9.69% of income, lowest cost bronze	47	58	56	N/A	N/A	N/A

Note: Contra Costa has highest *2nd lowest cost silver* premiums & LA has lowest. San Mateo has highest *lowest cost bronze* premiums & LA has lowest.

Source: UC Berkeley Labor Center analysis

Covered California 8% cap:

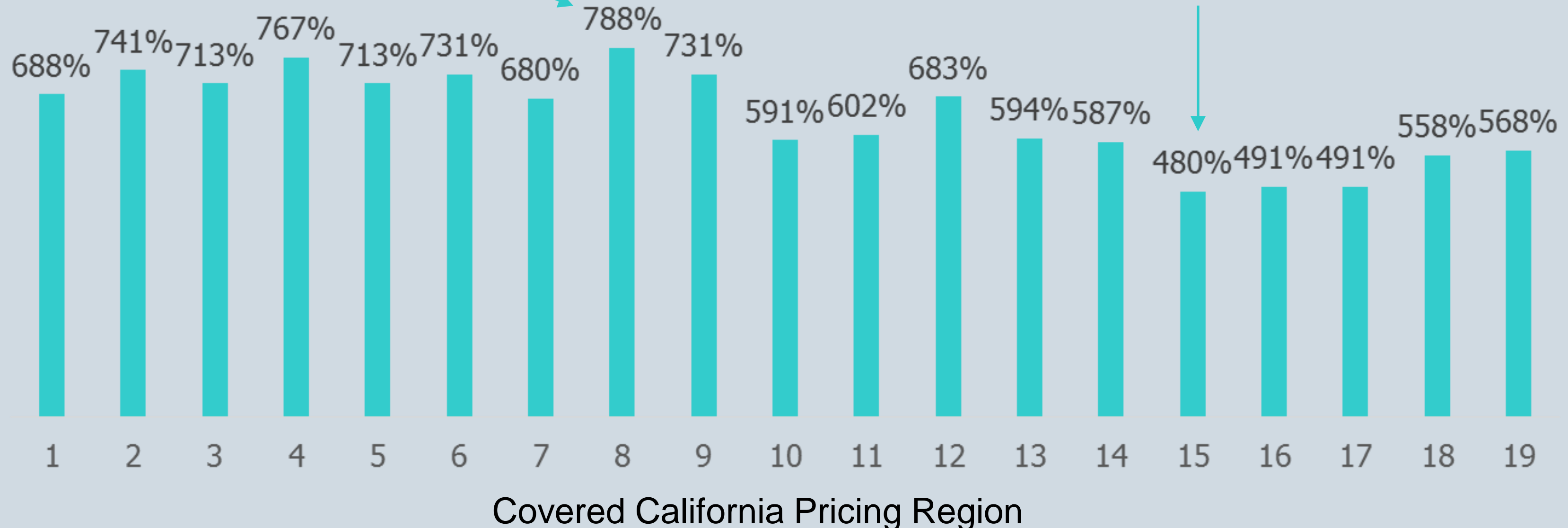
In some CA regions, lack of a premium cap affects single 64-year olds with income up to $111,000



Source: UC Berkeley Labor Center analysis of 2017 rates

Covered California 10% Cap

In some CA regions, lack of a premium cap affects single 64-year olds with income up to $94,000



Source: UC Berkeley Labor Center analysis of 2017 rates

Cost/Quality/Equity Commission Options

- "It's the Prices, Stupid"
- Insurers *and* Providers (80/20%)
- MA-Style Cost Commission
- Public Utility-Style Regulator

  Powers could include:
  - Setting of Cost Growth Goals
  - Consolidated Purchasing and Contracting
  - Oversight/Approval on Mergers/Consolidation
  - Rate Setting/Rate Hike Justification
  - Prices Benchmarked to % of Medicare

“Public Option”

- *Goal: Additional choice in marketplace*
- *Goal: No threat of a bare county in CA*
  - ***No Californian’s access to coverage should be dependent on whims of private insurers***
- CA’s county-run public health plans:
  - Both platform for progress and complicating
  - Issues of licensure/Alignment of regulation
  - Network/payment stream issues
  - Address other obstacles to entry
  - Encourage/Require local plans to offer coverage in Covered California
  - Regional consortia
- Leverage/Require Medi-Cal Program to Ensure a “Buy-In” Public Option in Every Region, Especially Rural
  - Eligibility for Covered California tax credits

Next Steps: Fulfilling the Full Promise of Health Reform

"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 to 93% to 99% Insurance Rate
- Guaranteeing Affordability as % of Income
- Bright Line on Medi-Cal Eligibility to 138%, Including for Aged & Disabled

- Consumer Protections: Unfair Out-of-Pocket Costs
- Industry Accountability: Health Plan Mergers, Hospitals Contracts, Rx Costs, Etc.
- Public Option/Medicaid Buy-In
- Cost Containment Commission/Regulation
- Medi-Cal Quality Reporting & Requirements
- Improved Health Care Delivery System
  - Quaduple Aim: Value, Outcomes, Quality, Equity

Opportunities/Obstacles

OPPORTUNITIES

- ***Desire for Positive Agenda, to Complement Defensive Efforts***
- ***Response to Federal Tax Bill and Other Actions***
- ***Last Year of Governor Brown & First Two Years of a New Governor***
- ***Assembly Select Committee Report and Impetus for Action***
- ***Campaign for Governor Can Set Agenda***
- ***Developing Critical Mass Around Key Components with Industry***
- ***Common Organizing Spirit From Federal Fight***

OBSTACLES

- ***Federal Efforts Could Handcuff/Defund State Actions***
- ***Federal Fight Fatigue***
- ***Financing Questions & Other Policy Concerns***
- ***Ongoing Industry Opposition***
- ***Attacks from Right and Left***
- ***Political Leadership in Flux in Legislature and Governors***

For more information

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