HEALTH ACCESS
California's Health Consumer Advocacy Coalition

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

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

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

CA IMPLEMENTED AND IMPROVED:

- Covered CA negotiating on behalf of consumers
- Shop & compare health plans & benefits
- Medi-Cal express lane enrollment options
- Oversight over health plan rates & networks
- State coverage expansions: immigrant kids, newly qualified immigrants

If we can prevent ACA repeal,
stop Medicaid cuts, and resist attacks

how can California drive forward?

ACA Repeal Proposals Mean Devastation for CA

Each of the 2017 repeal proposals--American Health Care Act (AHCA), Better Care Reconciliation Act (BCRA), Obamacare Repeal and Replace Act (ORRA), Graham-Cassidy Heller Johnson (GCHJ)--would have had catastrophic impacts on our health system:

MASSIVE CUTS TO CALIFORNIA'S HEALTH CARE SYSTEM

- Phase out/Zero out ACA funding: Medicaid (Medi-Cal) expansion funds & Marketplace (Covered California) affordability assistance
- GCHJ: $23 billion/year by 2026; $53 billion/year in 2027 and beyond

CUP AND CAP MEDICAID

- End 50-year federal matching guarantee
- Per capita cap doesn't take into account medical inflation, aging population, public health emergencies, or other costs
- Threatens all 14 million Californians in Medi-Cal—and all of their services

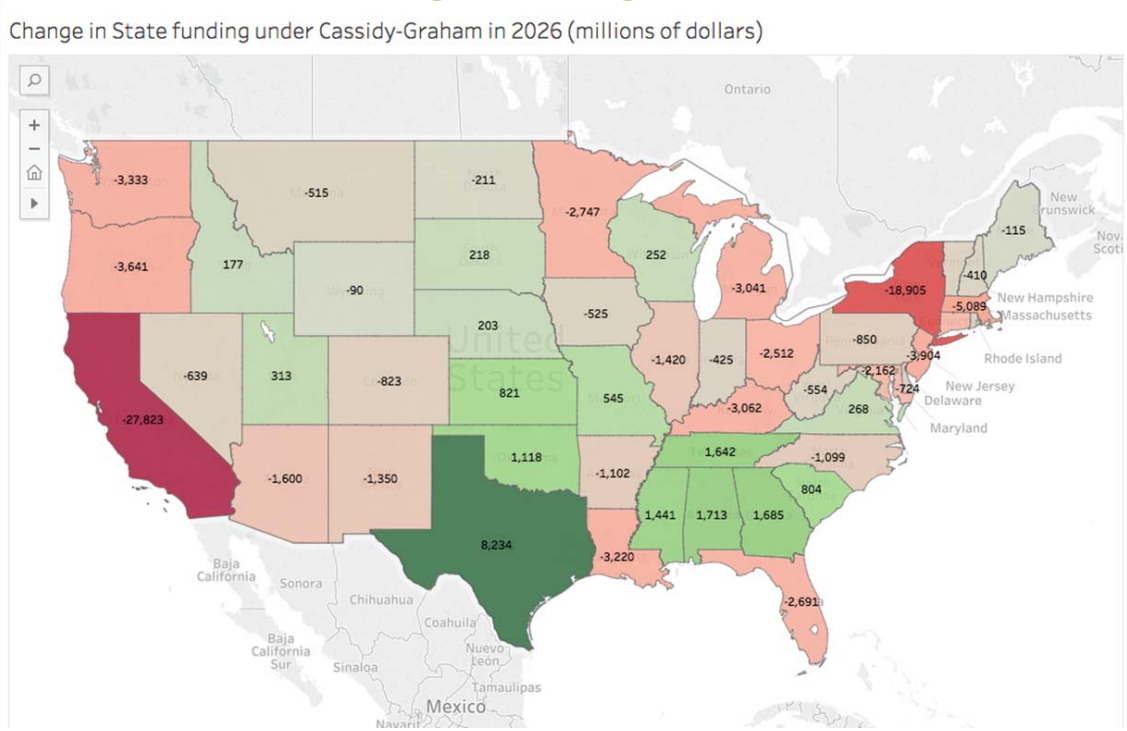
LEAVE 4-7 MILLION MORE UNINSURED & INCREASE PREMIUMS

- Four million would lose coverage from the elimination of Medicaid expansion
- More from cutting Covered California affordability assistance
- Zeroing out individual (& employer) mandates, and further impacts on coverage & premiums

REPEAL KEY CONSUMER PROTECTIONS

- Give states discretion to undo: essential health benefits, lifetime limits, no surcharges for people with pre-existing conditions, maximum out-of-pocket costs, etc.
- Without funding, even California would face pressure to scale back benefits.

Graham-Cassidy: Bad For All Patients, But Targeting California



Opposition

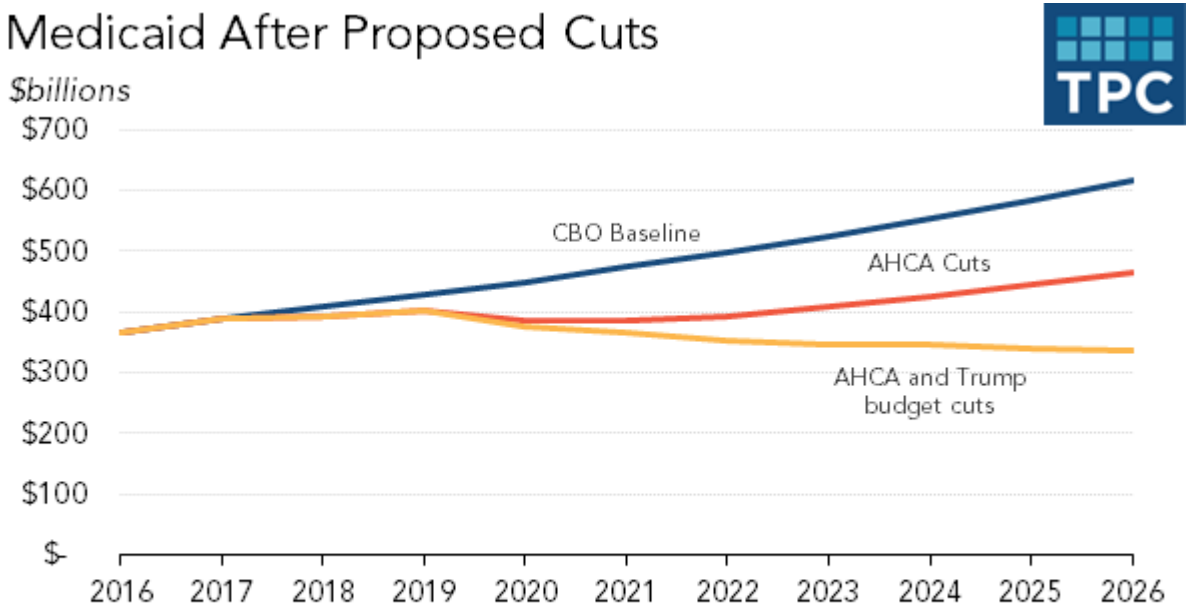

American Cancer Society
American Diabetes Association
American Heart Association
AMERICAN LUNG ASSOCIATION
CYSTIC FIBROSIS FOUNDATION
Arthritis Foundation
ALS ASSOCIATION
march of dimes
MS National Multiple Sclerosis Society
Children's Hospital LOS ANGELES
American Hospital Association
AMA
AARP
Cancer Action Network
FAMILY VOICES
LSA
JDRF
Center for Medicare Advocacy
NATIONAL COUNCIL
BlueCross BlueShield
NATIONAL HEALTH COUNCIL
WomenHeart
KAISER PERMANENTE

The Ongoing Threat to Medi-Cal

The threat isn't just ACA repeal:

- budget resolution outlines Medicaid cuts twice as severe as ACA repeal bill
- Within a decade, the budget proposal would seek to cut almost half of Medi-Cal.
- Cuts could be packaged in the budget, or under "entitlement reform" or "welfare reform."

Medi-Cal covers 13.8 million: 1/3 of state, ½ of children, 2/3 of nursing home residents.



Source: CBO, OMB.
Note: CBO's estimated AHCA cuts ($834 billion) end in 2026. OMB's estimated budget cuts ($610 billion) end in 2027; the last year ($165 billion) of those cuts are not shown on the graph.

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
- **Marketing & Outreach:** Federal budget cut by 90% to $10M vs. Covered CA's $110 Million Campaign
- **Open enrollment**: CA keeps 3-month open enrollment period (AB 156, Wood)
- **Insurer exits:** Extend continuity of care protections to individual market (SB 133, Hernandez)
- **Contraceptive Coverage:** While Trump executive order impacts ERISA plans, existing law requires CA-regulated plans cover preventative care without cost sharing. (SB 1053, Mitchell)

Holding Californians Harmless From Administrative Attacks

More To Do:

- "**Junk" Substandard Insurance:**
  - AHP Regulations
  - SB910(Hernandez) on Short Term Insurance
- **Medical Loss Ratio**
- **Market Stabilization Efforts: Increased Affordability Help** Funded in Part by a More Progressive Individual Coverage Contribution to Encourage Enrollment
- Ongoing Vigilance

Renewed Focus on Universal Care—in the Tradition of California's History on Health Reform

The renewed interest in universal health care is a bipartisan tradition that dates back to Governor Earl Warren, California has long considered multiple vehicles to advance quality, affordable health care to all.

California often voted on complementary proposals on different tracks and timetables, from a single-payer system, to mandates on employers and individuals, to public program expansions, to consumer protections and oversight on insurers and providers. Just in the Bush years, the legislature considered:

- A single-payer bill, albeit one without financing, passed the full legislature twice, and was vetoed, as was a proposal to expand Medi-Cal to all children;
- An employer mandate, SB2(Burton), was passed and signed into law, but faced a referendum and got a very close 48.2% of the vote;
- A broader set of reforms, AB8(Nunez), passed in 2007 in the Assembly but stalled in the Senate.

One lesson is that state-based reform is harder without a federal partner to help with the financing. Even the "Romneycare" reform in Massachusetts was largely financed through a federal waiver.

The ACA provides the federal framework and financing—which California took advantage of. If kept intact, the ACA gives California a stronger foundation to get to universal coverage.

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.

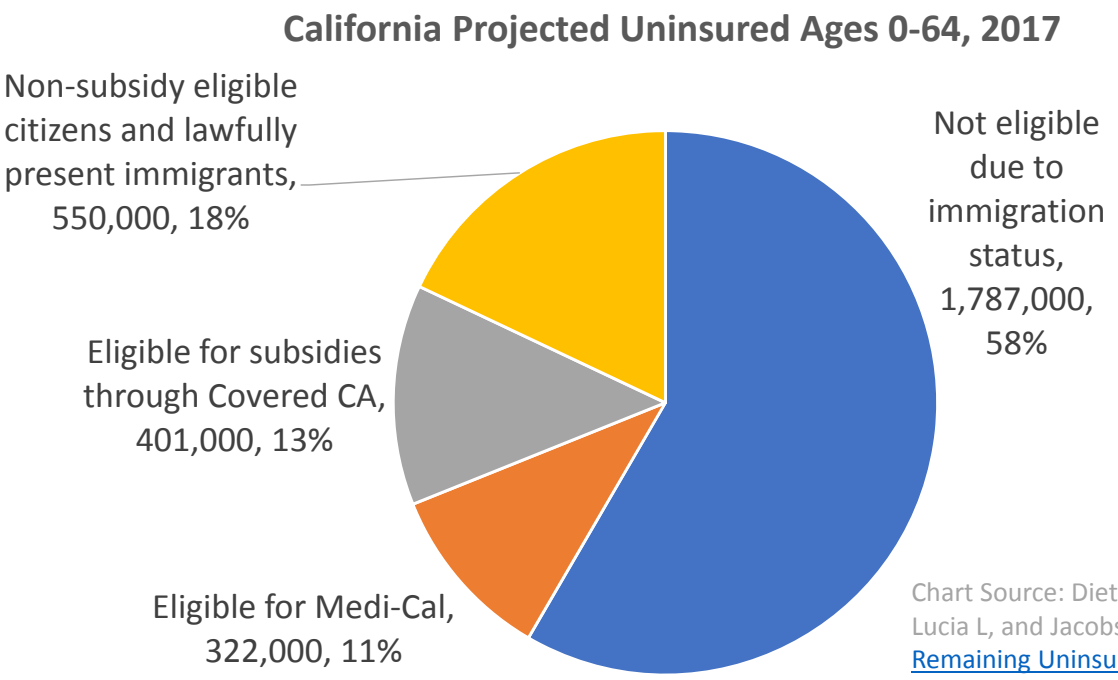
  Those in Covered California need more help paying for both premiums and cost-sharing, including both copays and deductibles.

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

Covering the Remaining Uninsured



Take-Up and Affordability Matter:

Medi-Cal:

* Enrollment today: 13.8 million
* 322,000 eligible but not enrolled
* Less than 3% eligible not enrolled

Covered California:

* Enrollment today: 1.2 million
* 401,000 eligible but not enrolled
* Around 1/4 of those eligible for Covered California subsidies are not enrolled

Chart Source: Dietz M, Graham-Squire D, Becker T, Chen X, Lucia L, and Jacobs K, Preliminary CalSIM v. 2.0 Regional Remaining Uninsured Projections, UC Berkeley Labor Center and UCLA Center for Health Policy Research, August 2016.

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:**

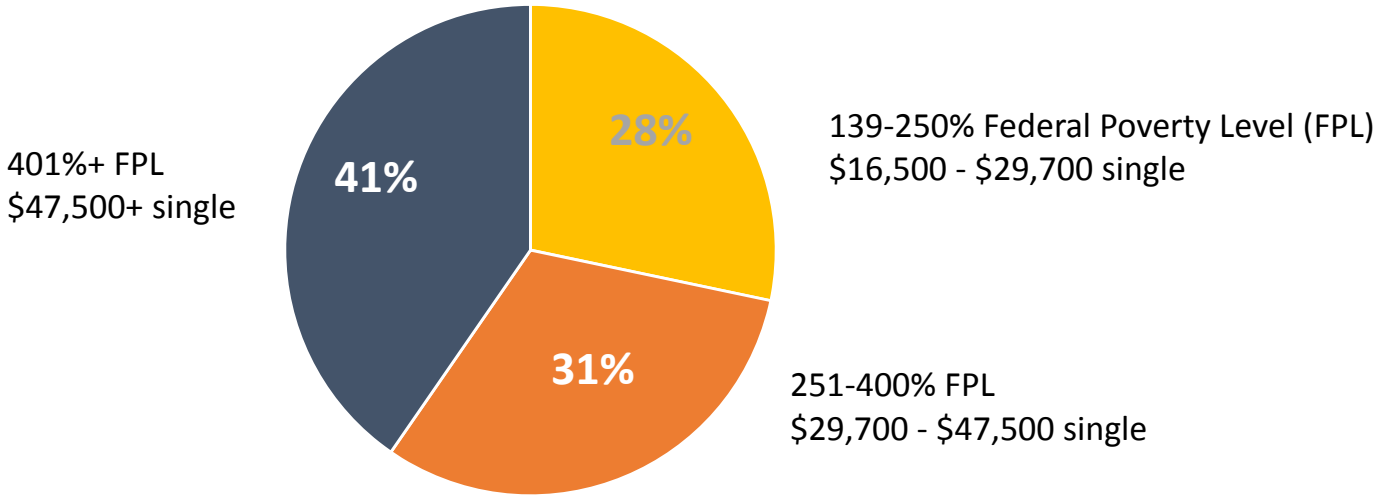
- Uninsured **undocumented immigrants** who should be eligible for Medi-Cal like every other Californian.
- Those in **"family glitch":** family members of workers with job-based coverage that is affordable for only the worker—but dependents don' t qualify for tax credits.
- Some **over 400%** federal 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 for 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 and cost sharing.

Who Needs More Help--
To Enroll in or Afford Coverage?

Uninsured citizens ages 0-64 with household income at or above 139% FPL, California, 2016



Source: California Health Interview Survey 2016

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 #Health4AllKids: Medi-Cal 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): §1332 waiver (withdrawn) to allow undocumented adults to buy unsubsidized Covered CA plans (SB 10, Lara)

A Robust 2018 Agenda on Cost/Quality/Equity

More Work on Prescription Drug Prices

- Pharmaceutical Gifts to Doctors (SB 790, McGuire), Regulate PBMs (AB 315, Wood), Maintain co-pay caps, etc.

Consolidation and its Impact on Costs

- Health Plan Merger Oversight (AB 595, Wood)
- Unfair & Anti-Competitive Hospital Contract Provisions (SB 538, Monning)

Health Care Cost Containment

- "It's the Prices, Stupid": Insurers, Hospitals, Doctors, Drugs, Devices, etc.
- Oversight Focusing on Cost, Quality and Equity

Medi-Cal Managed Care: Accountability for Quality and 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/Prevent Premium Spikes, More Uninsured and Junk Coverage
* Universality: Going from 93% insured to 99%
    * Removing Exclusions Due to Immigration Status
    * Increasing Affordability Assistance in Covered California Premiums & Cost Sharing
    * Guaranteeing Affordability of Premium as % of Income
    * Bright Line on Medi-Cal Eligibility to 138%, Including for Aged & Disabled
* Continued Progress on Consumer Protections
* Industry Accountability: Health Plan Mergers, Hospitals Contracts, Rx Costs, Etc.
* Cost Containment Oversight and Regulation
* Quality/Equity Reporting & Requirements
* Public Option/Medicaid Buy-In
* Improved Health Care Delivery System: Quadruple Aim: Value, Outcomes, Quality, Equity

For More Information

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