



2017 Year-in-Review: Despite Numerous Federal Threats, California Made Significant Progress Protecting Patients

Major Accomplishments:

- Survived Federal Threats of Massive Medicaid Cuts with **#Fight4OurHealth** Organizing
- Acted to **Protect Patients from Trump Sabotage** with State Legislation **SB 133 & AB 156**
- State Budget **Improved Medi-Cal**: Restoring **Dental & Vision** and Increasing **Provider Rates**
- Led & Set National **Prescription Drug Price Transparency** Policy with **SB 17 & AB 265**
- California had Largest Drop in Percent Uninsured in the Nation, Now at 7%
- If ACA Remains, then California can Lead Conversation on Universal Coverage & #Health4All Options

Despite the year-long federal threats of massive cuts to coverage and care, California made remarkable and significant strides in improving our health system through the enactment of new patient protections legislation like preserving the annual 3-month open enrollment period in Covered California and extending continuity of care laws in the individual market. California also set new national policy to prevent unjustified prescription drug price hikes through transparency and advance notice requirements. Lastly, California restored dental and vision benefits and improved provider rates in our state's Medicaid (Medi-Cal) program through state budget advocacy.

The Federal #Fight4OurHealth

In addition to these substantial state legislative and budget actions, California led the nation's first action to save the ACA after the election during the week of Thanksgiving in 2016. Throughout 2017, thousands of Californians rallied to protect the ACA, Medicaid, and key patient protections at city marches, town halls, protests, vigils, and Congressional office visits. Californians also participated in numerous phone banks, press conferences, canvasses, and other accountability events in their congressional districts. California's role was to:

- Hold our Congressional delegation accountable and educate them about the devastating impacts of an ACA repeal in our state and in their own districts;
- Amplify individual ACA success stories in our many media markets and echo the national narrative about the impacts of an ACA repeal and Medicaid cut and cap proposals; and
- Help our colleagues and partners in other states by phone-banking and connecting constituents with their Senators in states like Nevada, Arizona, and Alaska.

Protecting Californians From Administrative Attacks

California took extraordinary steps to hold consumers harmless from the Trump Administration's assault on the ACA and our entire health system. This includes our state exchange, Covered California, designing a creative workaround to protect consumers from increased costs due to the cut in federal funding of important cost-sharing reduction subsidies. While the Trump Administration slashed the federal marketplace outreach and marketing budget by 90%, from \$100 million to \$10 million, our state will out-spend the federal administration. Covered California augmented its own state outreach and marketing budget to \$111 million to ensure that we keep our 1.4 million Covered California members enrolled in coverage and our risk mix the healthiest in the nation.

In addition to Covered California's work, our State Legislature also took fast action to enact legislation that would protect consumers from federal attacks. The Trump Administration cut the annual open enrollment period in half, leaving consumers less time to shop and compare health plan options. As a response, the California Legislature and the Governor supported maintaining our existing 3-month annual open enrollment period by codifying it in law for future years under AB 156 (Wood).

Due to the federal uncertainty driven by the actions of the Trump Administration, health insurers (Cigna and Anthem Blue Cross) left most regions of our state's individual market. Nearly 300,000 Californians are now forced to switch to a new health plan in 2018 through no fault of their own. Many Californians may be in a middle of treatment and experience disruptions in care because of these market exits. In response, our State Legislature and Governor again supported legislation to protect consumers. With SB 133 (Hernandez), Californians in the individual market will get continuity of care protections, which means they can stay with their doctors throughout a pregnancy, or during a course of treatment like chemotherapy, keep a scheduled surgery, and have enough time to find new doctors if they have to switch plans due to these exits.

Prescription Drug Prices

In addition to protecting our consumers and our state's coverage gains, California took a proactive step in addressing healthcare costs and setting national policy on prescription drug price transparency. Under SB 17 (Hernandez), drug companies will no longer be allowed to raise their prices without advance notice or explanation. All drug price hikes over 16% during a two-year span will be subject to these new transparency requirements, which will hopefully discourage double-digit price increases and allow for better negotiations between drug companies and purchasers.

Additionally, AB 265 (Wood) was signed into law to prevent drug companies from offering prescription discount co-pays to consumers if there is a less-expensive, therapeutically equivalent drug available. The enactment of these bills demonstrates California's commitment to addressing health care costs, specifically the astronomical increases in prescription drug prices.

Medi-Cal Restorations and Improvements

While Congress considered catastrophic cuts and caps to Medicaid (Medi-Cal in California), our state instead invested and improved on the program, which covers one-third of Californians, half of our children, and two-thirds of all nursing home residents. In 2016, California voters extended and even raised taxes for the explicit purpose of supporting Medicaid. Tobacco tax dollars from Proposition 56 allowed California to make some key improvements in provider reimbursements to increase access to doctors, dentists, and family planning services in Medi-Cal. Millions of Californians will once again have access to dental and vision benefits when full restoration takes effect: adult dental services in 2018 and vision services in 2020. These benefits were cut in 2009 to balance the state budget during the Great Recession.

Next Steps to #Health4All

In May 2016, California expanded Medi-Cal to all income-eligible children, regardless of immigration status, covering an additional 200,000 kids. This year, both the State Assembly and State Senate included budget allocations to expand Medi-Cal and cover undocumented young adults up to age 26. While there was no final budget action taken, this was an important step in garnering support for covering the remaining uninsured population and moves us ever closer to universal coverage.

In another step towards universality, thanks to the ACA, California saw the largest drop in the uninsured rate of all 50 states. California now has a 7% uninsured rate and a 93% insured rate, which illustrates how close we are in matching other countries that have universal health care systems. The “Medicare for All” efforts this year restarted a policy conversation on how to get to a more universal, simpler, efficient, and less profit-focused health system.

Overall 2017 Year in Review

The most significant health wins this year included preserving the ACA and the Medicaid entitlement at the federal level. While the Trump Administration continues to sabotage the ACA and directly target states like California that embraced the law, our state took pro-active steps in further protecting our residents and blunting many potential negative impacts to our state’s health system. If we can continue to preserve the progress we have made so far, then our state can take additional steps to health for all and universal coverage for all.