

It's Our HealthCare!
Goals and Guidelines for Health Care Reform

Revised May 2008

California needs to fix its broken health care system, and provide needed help to the millions of Californians, insured and uninsured, who struggle with obtaining and affording health coverage and care.

We seek to advance health reform, on multiple tracks, as a comprehensive package and in stages. This effort includes, but is not limited to, building on the policy framework of AB x1 1. We are in agreement on broad goals, and while our organizations may have distinct priorities and bottom lines, these guidelines are areas where we are pushing in the same direction.

We see a window of opportunity of 2008-10, where we can take advantage of increased public support and the strong interest of key political leaders. To make sure we make this opportunity a reality, our coalition has come together in support of the following goals and guidelines for health care reform:

1. ACCESS & AFFORDABILITY: Ensure access to quality health care and coverage at affordable costs for all California consumers.

With costs spiraling out of control and more than 6.8 million uninsured Californians, reform efforts need to include all Californians and must take into account an individual's ability to pay for services. Reform efforts should:

- Limit costs and premiums for consumers, with the total amounts scaled to income. In setting limits, calculations must include the total consumer cost for all aspects of health care including premiums, deductibles, co-pays, prescription drug costs, and other out-of-pocket medical expenses.
- Maintain strong standards for minimum benefits packages in health insurance products.
- Reject proposals that undermine high quality, affordable health for the Californians who already have it.

2. PUBLIC PROGRAMS: Expand public coverage programs for children and adults.

More than nine million Californians rely on public coverage programs for their health care. Despite the wide reach of essential programs like Medi-Cal, Healthy Families, and Medicare, nearly seven million Californians still lack coverage. Health care reform efforts should:

- Prevent proposed budget cuts, which would reduce access to public programs, reduce benefits, and make it harder for those currently enrolled to keep coverage. Any expansion will need to rely on a strong, financially stable foundation of existing public programs.
- Support federal efforts to increase funding for Medicaid and SCHIP.
- Expand eligibility in Medi-Cal and Healthy Families to cover all children regardless of immigration status.
- Expand Medi-Cal to cover low-income adults, including those without children at home. (These Californians are not eligible now, even if their income level is below the federal poverty level.)
- Increase Medi-Cal rate reimbursements to improve access to providers for those on Medi-Cal.
- Simplify and streamline the Medi-Cal and Healthy Families programs so that families can more easily apply for, enroll in, stay on, and best use health coverage.
- Build on community-based networks and resources to assist efforts to increase outreach, enrollment, retention and utilization.

3. EMPLOYER CONTRIBUTION: Establish a standard for employers' contribution to health care that helps fund the system, strengthens coverage for workers, and encourages union/employer cooperation.

Roughly half of Californians receive employer-based health coverage, yet the quality, availability and stability of that coverage varies tremendously. Reform efforts should:

- Set a minimum standard for employer-based health coverage, similar to a minimum wage for pay. An appropriately set standard will help fund the system, level the playing field between employers, stabilize existing coverage for more than 18 million Californians and expand coverage to the more than 80% of uninsured Californians who are in working families.
- Require enough of an employer contribution to ensure coverage for all workers, including self-employed, part-time, seasonal, and intermittent employees.
- Establish a program to assist early retirees, workers between jobs and workers in a health care waiting period (similar to Unemployment or Disability Insurance).

4. INSURER OVERSIGHT: Place stronger rules and oversight over insurers for access to and standards for coverage that preserve and increase consumer protections for all Californians.

For millions of uninsured Californians, health insurance is simply unaffordable. For some, it is unattainable at any price because of the health insurance industry's behavior. To address these problems, reform efforts should:

- Ensure that all Californians, including those with pre-existing conditions, have access to coverage, rather than allowing insurers to cherry-pick potential policyholders based on whether or not they are a low health risk, and ultimately denying coverage to those that need care.

- Prevent unfair price discrimination based on age, gender, illness, or other personal characteristic.
- Ensure that a significant portion of premium dollars go to patient care, rather than overhead and profit.
- Standardize benefits so that purchasers can better shop between comparable plans with similar benefit designs.
- Adopt and implement rules for insurers that apply to the individual and group markets as well as any public purchasing pool option.

5. GROUP COVERAGE: Expand group purchasing pools for consumers to share risk, as opposed to efforts to shift risk and place financial burdens and barriers on individual consumers and families.

Subsidized group purchasing pools, including employer purchasing pools and government programs, have amply demonstrated their success at lowering the cost of health care. Left on their own, individual consumers do not have the market power necessary to drive prices down and, as a result, end up paying the highest prices for identical services. To address these issues, health reform efforts should:

- Take steps toward consolidating consumer, government, and employer purchasing power rather than dispersing it.
- Allow individuals, employers, and the self-employed to participate in a publicly-operated health insurance purchasing pool that could effectively negotiate for the best deal. Work to broaden the pool to include all Californians regardless of economic and immigration status.
- Establish a prescription drug purchasing pool that is accessible to all Californians and uses the power of bulk purchasing to lower the cost of medicine.
- Consolidate state prescription drug and health care purchasing to achieve the best possible rates for publicly supported programs and benefits.
- Facilitate a public insurance option for consumers and employers, that would compete in the commercial marketplace.

6. SAFETY NET: Preserve the safety net of emergency rooms, clinics, and public hospitals on which we all rely, especially people who are left out of the system and without coverage.

Public hospitals already work on very thin margins, serving as both a trauma and emergency safety-net for all Californians and as the primary care provider for society's most vulnerable. To stabilize our vital safety net institutions, reform efforts should:

- Reject efforts to de-fund public hospitals and community clinics to pay for other parts of the health care system.
- Recognize the legally-mandated role that safety net providers have in providing care to all Californians and fund them appropriately.
- Maintain the viability of community clinics, public hospitals, and other institutions that have developed expertise in dealing with specific vulnerable constituencies.

- Ensure that all safety net institutions have adequate and appropriate facilities and medical personnel to meet the health care needs of the Californians that rely upon them.

7. COST CONTAINMENT: Support cost containment focused on prevention, safety, efficiency, transparency, and group purchasing so that consumers pay less and get more.

While reducing the cost of health care is extremely important to increasing access to care, it cannot be done by reducing care or cutting corners to patient health and safety. To lower costs, policymakers should instead look to health and safety improvements, increased transparency and efficiency measures including:

- Support public health initiatives around obesity, diabetes, heart disease, smoking, and other major illnesses, and systemic changes to promote a healthy environment.
- Recognize that good nutrition is essential to good health by adequately funding nutrition programs for seniors, children, and low income, underserved groups.
- Institute better reporting of the cost and quality of care provided by doctors, hospitals, insurers, and other providers.
- Increase efficiencies, including information technology initiatives, to help streamline bureaucracy and identify best practices.
- Require better assessment and planning of community needs for hospital services, providers and health infrastructure.
- Mandate insurer transparency and rate review.
- Limit health insurance brokers' fees.
- Ensure that preventative care and disease management tools are provided at low or no cost to patients at all times.
- Require hospitals and pharmaceutical companies provide the public with complete safety and effectiveness information about their services and products to allow patients and purchasers to make informed, cost-conscious decisions.

8. DIVERSITY AND EQUITY: Meet the specific needs of the full diversity of California, toward equity and access for all.

While major health reform will generally help all Californians, different Californians have different needs. To reduce health disparities, specific policies are needed including:

- Ensure culturally and linguistically competent health care services at all levels. Provide oversight of regulations and policies set at the Department of Managed Health Care, Department of Insurance, Managed Risk Medical Insurance Board and the Department of Health Care Services setting standards for cultural and linguistic access in private and public health insurance.
- Promote equity through recruitment, training, and support of diversity in the health care workforce.

- Establish reporting standards and monitoring mechanisms of health care delivery systems and providers, including but not limited to the collection of race, ethnicity, gender, primary language and other demographic data.
- Standards for health plans and providers to ensure that people with disabilities can readily access providers and health information.
- Pass state reforms to address the shortcomings of Medicare Part D prescription drug coverage by eliminating the newly-imposed co-payments for low-income “dual-eligible” seniors and people with disabilities and, to the maximum extent possible, easing the burden of the “donut hole” in coverage.
- Promote the health of communities most in need, with efforts to increase healthy foods in schools and communities, increase physical fitness opportunities for all ages, and ensure local and regional development efforts incorporate the health impacts of the built environment.

9. STRATEGIC STEPS: Ensure that the debate includes, and that reforms take steps forward to, the goal of a comprehensive, universal health system, like Medicare for all.

A comprehensive and universal health care system would provide security for California families, substantial cost savings for taxpayers and employers alike, and better health outcomes for patients. Recognizing these benefits, policymakers should:

- Reject proposals that move the state away from this goal.
- Support efforts toward this goal that build policy infrastructure toward such a goal; that reduce the number of uninsured and the gap that has to be bridged; that realigns and increases political alliances among stakeholders to increase support or soften opposition; that creates public constituency, and that increases political momentum for future reform.
- Support immediate and concrete steps that move the state toward a comprehensive, equitably financed, and universal health care system.