

## 2019 Year-in-Review in California Health Care: Historic Expansions of Health Coverage and Lower Costs for Consumers

### Major Accomplishments:

- *Over a Million Californians Get New Help to Access and Afford Coverage; Hundreds of Thousands Newly Covered Due to Medi-Cal & Covered California Expansions with Reduced Premiums for Many More*
- *Investments in Medi-Cal, from Benefit Restorations to Value-Based Payments*
- *Successful Efforts to Control Costs and Hold the Industry Accountable for Quality and Equity in our Care*
- *#Care4AllCA Campaign of Community and Consumer Groups Creates Momentum and a Mandate to Win #Health4All, a More Accountable and Affordable Health System, and More in 2020*

California had a landmark year in health reform, expanding access and affordability to coverage, not just by [countering the administrative attacks from the federal government](#), but also expanding access and affordability, and placing additional oversight on the health industry to control costs and improve quality and equity. Health Access California, the statewide health care consumer advocacy coalition, was proud to support and, in many cases lead these efforts, working with our partners and policymakers, including Governor Gavin Newsom, the California Legislature, and others like Attorney General Becerra.

### Expansions of Access and Affordability as Steps to Care4All California

First-in-the-nation policy changes will help hundreds of thousands get newly covered, with nearly [one million Californians getting new state subsidies](#) to support access and affordability for health coverage through Covered California. [Major investments in the 2019-20 California state budget](#) represent significant steps to universal coverage including: increased Medi-Cal expansions for seniors and people with disabilities, as well as all income-eligible young adults through age 25, regardless of immigration status and restored optional benefits in Medi-Cal that were cut nearly a decade ago. These efforts, coupled with a state-level requirement for coverage, and other enrollment changes, will bring more people into coverage, prevent premium increases, and benefit the health system we all rely on.

The budget and policy changes will result in:

- **First-in-the-nation expanded state-funded subsidies to middle-income Californians** 400-600% of the poverty level (\$48,000 - \$72,000/year an individual, around 235,000 Californians), above what the ACA provides.
- **Additional affordability assistance in Covered California**, so those under 138% of the poverty level (below around \$16,800/year for an individual, around 25,000 Californians) get a \$1 premium, and some help for Californians between 200-400% of the poverty level (\$24,000-\$48,000/year for an individual, around 667,000 Californians).



- **Lower premiums** as a result of the continuation of the ACA individual mandate at the state level, so more people are sharing the risk and cost of care. As a result of these policy changes, Covered California announced that for plan year 2020, premium rates will only increase 0.8% on average, statewide—the lowest increase in its history. Many consumers will experience a reduction in premiums depending on where they live and if they choose the lowest cost plan in their metal tier.
- **A better open enrollment period** in Covered California that goes through January 31<sup>st</sup>, allowing Californians more time after the holiday to sign up for coverage in 2020. (AB 1309, Bauer-Kahan)
- Additional ease and **help to more seamlessly keep Californians covered** as they transition between incomes and shift from Medi-Cal to Covered California and from employer coverage to Covered California. (SB 260, Hurtado)

Many of the expansions were also through Medi-Cal, including **first-in-the-nation steps to #Health4All with a Medi-Cal expansion to cover all income-eligible young adults** through age 25, regardless of immigration status (estimated at around 140,000 Californians), and a gubernatorial commitment to next year pursue an expansion to seniors.

- **The end of the "senior penalty" in Medi-Cal**, raising the eligibility level for seniors and people with disabilities up to 138% of the poverty level, aligning with the rest of the Medi-Cal program. This provides free Medi-Cal for about 27,000 low-income seniors and people with disabilities.
- **Keeping seniors covered in Medi-Cal** by fixing income counting rules for seniors that caused some individuals to bounce in and out of free Medi-Cal coverage. (AB 1088, Wood)
- Funding of \$25 million for **outreach and enrollment in Medi-Cal**.

Finally, at the county level, uninsured Californians in 35 rural counties saw the **significant expansion of the “[Path To Health](#)” benefit** that provided free physician visits and a pharmacy benefit to as many as uninsured 25,000 Californians through local community clinics. Other counties, from Contra Costa to Los Angeles, renewed and improved their own safety-net indigent care programs. Others are exploring further safety-net reforms, [such as Sacramento \(as detailed in this Health Access report\)](#).

### Investments and Improvements in Quality to Medi-Cal

California took other steps to improve the quality of coverage and care, most specifically for the 13 million Californians who depend on Medi-Cal. This year, California took action to:

- **Restore several Medi-Cal benefits, including optical, audiology, speech therapy, podiatry, and incontinence creams and washes**, which were cut a decade ago during the Great Recession, benefitting millions on Medi-Cal.
- Start the physician training and the processes to provide early developmental screenings for children and **screenings for adverse childhood experiences (ACEs)** for all Medi-Cal patients, as part of a broader effort led by California’s first Surgeon General Nadine Burke-Harris.
- **Continue supplemental payments and rate increases**, from Prop 56 tobacco tax funds, for physicians, dentist, family planning services, intermediate care facilities for the developmentally disabled, HIV/AIDS services, home health, and pediatric day services.
- Started an ambitious **Cal-AIM** initiative to reform the Medi-Cal program with the goals to be more integrated, streamlined, and more focused on the social determinants of health.



- Sought to **improve Medi-Cal quality**, through initial investments with Prop 56 funds for value-based payments to providers, and the commitment to a new procurement process that sets a higher quality standard for Medicaid managed care plans to meet in order to serve this population.
- Advance efforts to support **“whole person care”** county efforts for homeless and other patients.
- Initiated a **state prescription drug purchasing pool, Medi-Cal Rx**, to better leverage our purchasing power to get better prescription drug prices.
- Submitted a request to extend our **MCO (managed care organization) tax** that provides key funding for the Medi-Cal program.

Beyond Medi-Cal, and recognizing that efforts to improve quality must be equitable and meet specific needs and problems, California also passed legislation to require **implicit bias training for perinatal providers**, to lower maternal mortality rates for black women that have stayed high.

### Increasing Oversight of the Health Care Industry

Health Access has led in fights to hold the health industry accountable, especially by controlling health care costs, often partnering with labor organizations, to provide a consumer/worker focus.

The work continued this year with bills and administrative actions to provide broad transparency and oversight to on the health care industry for better health outcomes and lower costs, such as:

- **Enhanced rate review for large group plans** which could save consumers tens of millions (AB 731, Kalra) & greater transparency by removing key reporting exemptions for Kaiser (SB 343, Pan).
- **More public reporting of plan-specific data on quality and equity by Covered California** and its qualified health plans. (AB 929, L. Rivas)
- Progress on the development of a **health care cost database** at the Office of Statewide Health Planning and Development (OSHPD)

Progress was also made this year in targeting specific instances of problematic pricing practices by hospitals, health plans, doctors, and drug companies. Some of the fights of previous years yielded results, such as new reporting on prescription drug price increases under SB 17. New efforts included:

- **Deterring “pay-for-delay” practices** where drug companies pay off their generic competitors to put off introduction of lower-cost alternatives. (AB 824, Wood)
- **Preventing steering by third-party payers** of dialysis patients from public coverage into private plans for the purpose of collecting high reimbursements for dialysis providers. (AB 290, Wood).
- The AG’s intervention to prevent an even more concentrated market, by **blocking the merger of St. Joseph’s and Adventist Hospitals**, over issues of market share and access to care.
- The Attorney General won a **\$575 million settlement against Sutter Health, yielding protections against anti-competitive behavior**, including prohibitions against bundling and “all-or-nothing” contracting, and limits on out-of-network surprise medical bills.

The national media highlighted [our Health Access report of new data showing our success in preventing surprise medical bills](#) from three years of experience under California’s patient protections on physician balance billing, which was a model for federal legislation. We were disappointed that efforts to broaden those protections through federal and state legislation, like AB1611 (Chiu), stalled due to industry opposition, but the work continues next year.