

California Consumer Goals & Guiding Principles for the Office of Health Care Affordability

Health Access, the statewide health care consumer advocacy coalition, urges that the Office of Health Care Affordability seek to do the following:

1) Slow Unchecked Health Care Cost Growth to Benefit Californians & California as a Whole

- Set a cost growth benchmark that meaningfully reduces the rate of growth—because we will never meet a goal we don't set. Health care costs have gone unchecked for decades, based on the market power of a constantly consolidating industry.
- Limit health care costs so uncontrolled growth no longer worsens Californians' ability to afford the necessities of life or flattens the growth of wages which negatively impact consumers, workers, employers, the economy, government budgets, and society in general.
- Prevent further worsening income inequality and income-related social determinants of health, including housing instability, food insecurity, and the ability to afford education and retirement. Allow for further investment in public health and social services towards a sustainable health system.

2) Provide Real Relief to Consumers from Ever-Increasing Health Costs

- Ensure consumers experience real cost relief. Slowing health care cost growth should be reflected in lower rate of growth in insurance premiums, deductibles, copays and other cost-sharing paid by consumers and other purchasers as well as improvements in compensation across the wage scale.
- Keep the focus on the financial barriers to care and coverage that cause patients to delay or skip care they need. Have patient and purchaser costs serve as the baseline for metrics that the Office uses to measure success. Past health reforms have introduced efficiencies and corrected market failures, but the savings too often do not make it back past the many middlemen and profit-takers.

3) Advance Health Equity to Serve California's Values & the Specific Needs of Our Diverse Communities

- Ensure equity is incorporated into its design from inception. This includes collecting disaggregated data reflecting the full diversity of California and ensuring that goals and incentives support the care of those traditionally underserved.
- Take into account in all decisions that specific communities have specific needs. The Office was developed to have flexibility to make accommodations given the scale and diversity of our state.
- Recognize that the cost burden of our health system is uneven and is often regressive. Take proactive steps toward a more progressive system.
- Design interventions that reduce, rather than exacerbate, health disparities while not using equity as an excuse to let the industry remain unaccountable for making improvements for our most vulnerable.



- Acknowledge the impact of higher health spending on income-related social determinants of health as well as the impacts of lesser public investments from housing to food to parks and built infrastructure.

4) Prioritize Ongoing Improvements in Quality, Access, & Equity Alongside Cost

- Ensure that reductions in cost growth do not come from reduced quality, cuts in access or services, or increased health disparities, but an actual improvement in value for our health care dollar.
- Work in lockstep with the other state agencies that can use their power as purchasers or regulators to share information and engage in coordinated efforts to improve access, quality, and equity.

5) Transform Our Health System to Disrupt Misaligned Payment Incentives That Work Against Improving Health & Lowering Costs

- Identify and work to reduce the huge and unnecessary price variations for health services, and other perverse incentives for providers to get bigger rather than better.
- Move from a system with wide payment disparities and misaligned incentives toward a system where the financial rewards come from improved quality, equity, and outcomes.
- Seek to use the Office's unique authority not just to lower costs but transform the health system to one that actually provides the right care at the right time at the right place.

6) Provide the Public & Policymakers with an “All-in” Comprehensive View of Our Health System

- Advance a holistic understanding of the health system, rather than the blind spots that come from looking at just one sector or one aspect of costs or quality at a time.
- Provide a full view of the health system so policymakers are better equipped in public health emergencies to assess the state's health system as a whole.
- Include all parts of the health system, and not allow broad exemptions. While a focus on high-cost outliers is important, the Office should not ignore situations where a whole sector or region is charging inflated rates—such as when a competitor shadow prices a high-cost trendsetter.

7) Track Trends & Ensure Transparency Translates to Action

- Monitor the evolution of the health system, to identify, respond to, and even proactively prevent market failures, cost drivers, and other issues.
- Develop useful tracking mechanisms and reports so transparency translates into action, by the Office, other agencies, purchasers, policymakers, and the industry itself.
- Provide key analysis about mergers in order to provide direct and meaningful assistance to other agencies, like the Department of Justice, the Department of Managed Health Care, or other key health regulators and purchasers that can make the appropriate interventions.



8) Offer Tools for Transformation to Help the Health Industry Meet the Goals of Containing Costs While Improving Value & Equity

- Provide tools to the industry to meet its goals, including comparative data, providing positive models and strategies on alternative payment systems, primary care and behavioral health, workforce stability, and more, to help transform care to achieve the triple aim of improved outcomes, reduced disparities and slower cost growth.
- Provide tools for policymakers to facilitate shifts to a more standardized, unified, and universal health system to benefit all Californians.

9) Create Meaningful Accountability for Health Care Affordability through Progressive Enforcement, Including Commensurate & Escalating Penalties

- Demonstrate an unwavering commitment to health system oversight and enforcement, including penalties commensurate with the amount charged over the cost target and escalating for failures to meet the target.
- Show seriousness about using the authority to impose penalties, to ensure accountability, and to allow the effects of this effort to come long before its first penalties.
- Use progressive enforcement to provide the opportunity for the health care industry, including specific entities, systems, and sectors to come into compliance with the targets.

10) Center California Consumers' Experience & Voice in All Deliberations & Decisions

- Ground the Board, Advisory Committee, and Office deliberations in the impact health care cost growth is having on all Californians, including by developing guiding principles for its decision-making, and institutionalizing its consumer focus.
- Elevate consumer health care spending and affordability data in program design deliberations.
- Develop systems for ongoing engagement with the California public, specific communities, and those with lived experiences dealing with our health system. This includes regularly inviting consumer and consumer advocate testimony on key program design decisions.
- Have a public-facing website and materials, that describe how unconstrained cost growth prevent consumers from seeking timely access to necessary care, delaying doctor visits, filling prescriptions and other basic access to care, which hits hardest those with low and moderate incomes but affects all Californians.
- Ensure that the Office explain its work in terms of the consumer's experience, engage in broad community outreach, and actively facilitate feedback from the public.