HEALTHY CALIFORNIA FOR ALL

Accessible, Affordable, Equitable, High Quality, Universal

Healthy California for All
Commission Meeting
January 27, 2020
Meeting Synopsis

Note: a video recording of this meeting can be found at: Healthy California for All Commission January 27 meeting video recording

Commissioners in attendance: Carmen Comsti, Richard Figueroa, Sara Flocks, Mark Ghaly, Jennie Chin Hansen, Antonia Hernandez, Sandra Hernandez, Bill Hsiao, Peter Lee, Rupa Marya, Don Moulds, Richard Pan, Janice Rocco, Bob Ross, Richard Scheffler, Andy Schneider, Jim Wood, Anthony Wright (commissioner biographies can be found here: Healthy California for All Commissioner biographies)

1. Welcome and Introduction

- Welcome
  - Governor Newsom's Chief of Staff, Ann O'Leary and California Health and Human Services Agency (CHHS) Secretary, Dr. Mark Ghaly—Chair of the commission—provide opening remarks. Ms. O'Leary expresses thanks to commissioners, public participants and staff. She notes Governor Newsom's strong commitment to use his authority to expand and improve health care for all Californians. Despite California's progress and commitments, there is still more to do. The Governor looks forward to the advice this commission will provide him and lawmakers on how to achieve a health care delivery system for California that provides coverage and access through unified financing, including but not limited to single payer. Dr. Ghaly reiterates Governor Newsom's commitment to the topic and expresses his thanks for commissioners' service. He expects commissioners to play an important role in studying options and ways that California can move forward and adds that their role includes listening, not just to presentations and reports, but also to public comments.
  - Eric Douglas, a member of the consultant team, provides an overview of housekeeping items.

- Introduction of commissioners
  - Commissioners introduce themselves and describe what excites them about this process.

- Commission charge and role
  - Dr. Alice Chen, CHHS Deputy Secretary for Policy and Planning, previews the day's agenda and gives a presentation entitled *Commission Charge and Role* (found here: Commission Charge and Role presentation).

- Commission questions and discussion
  - Dr. Chen takes questions and comments from commissioners.
  - Commissioners' questions include:
    - Does the commission's charge go beyond unified financing to include, for example, health care coverage, the design of the health care delivery system, or improved health outcomes? Dr. Chen explains that while the legislative charge is around unified financing, the second report looks at all of the inputs into the delivery system and implications of those inputs, so we will hold up this larger frame in the report.
    - How will the timing of our meetings comport with the report deadlines? Dr. Chen responds that commissioners will be given draft content in advance of the meetings so that they can provide thoughtful comment.
    - How should we understand the distinction between unified financing and unified public financing? Dr. Chen responds that, practically speaking, these terms are interchangeable.
    - What is the plan for the use of advisory groups? Dr. Chen responds that this process is under development and will be shared in advance of the second meeting.
  - Commissioners' comments include:
    - An interest in including within scope an examination of:
      - The complexity of cost, i.e., who pays and who gets paid
      - Dental, vision, behavioral health, and long-term support services
      - Chinese medicine
      - Social determinants
      - Innovative approaches already taken in California, such as the smoking ban and strict regulation of products that make people sick
    - The importance of designing a simpler system that builds trust and is driven by patient care and public health—not profit

- Public comment
  - Larry Woodson, of the California State Retirees (CSR), shares that CSR is closely monitoring the conversation about single payer. He notes that many of CSR's members want to ensure that, if a single payer system is adopted, retirees do not experience negative impacts in quality of care, accessibility, cost, or provider choice. He notes that he is impressed with the Commission and the materials.
  - Faith Borges, of the California Association of Health Underwriters (CAHU), shares that CAHU is the largest association of licensed health insurance

agents and employee benefit professionals in the state. She shares that CAHU supports universal access to quality health care and wants California to be covered through a partnership of public and private options. She asserts that consumers want choices and high-quality care at an affordable price. She acknowledges that the last mile to universal coverage can be the most difficult. She expresses that agents want to play a part in the continued success of this process.

- Brian Stompe, of Health Care for All Marin, notes that he is impressed with this panel. He reminds the Commission that insurance is not health care. He references the Assembly report that shows the billions that can be saved each year if California self-insures, as well as how that might be done and how that might be financed. He wishes the Commission great success.
- Dr. Henry Abrons, of Physicians for a National Health Program (PNHP), shares that PNHP is pleased to have had the opportunity to provide each of the commissioners with a letter from the organization. He notes that PNHP is in favor of a single payer program on the basis of evidence. He asks that the Commission be careful to make recommendations based on evidence, not politics or ideology. He asks that if the Commission entertains those considerations that it identifies them in the interest of transparency.
- Joel Sarch, of Health Care for All, asserts that the Commission should add to its membership the perspective of consumers – people who are struggling to get health care.
- Michelle Gibbons, of the County Health Executives Association of California (CHEAC), explains that CHEAC represents local health departments throughout the state. She underscores the importance of including public health in the discussion and the value that public health provides to the health care service system. She points out the work of public health in stopping the spread of disease and preventative care. She expresses a desire to partner with the Commission in this effort and offers to supplement the Commission's learning in this regard.
- Rebecca Wright, of California Alliance of Retired Americans (CARA), points out the division in regard to immigration status in the community when policies are passed that appear to give immigrants access to health care but not native-born Americans.
- Millie Braunstein, of Health Care for All California, expresses her excitement about the launch of this Commission and how it is bringing together work that has been done in California over a long period of time. She points out that while there have been great strides in California – such as with Covered California – insurance coverage does not mean that an individual actually has the access to care, or that it is affordable.
- Cindy Young, President of the Healthy California Now Coalition, explains that the Coalition is comprised of over 1,000 organizations representing 6 million Californians. She thanks the Commission for meeting. She shares that the

Coalition believes every California should receive all medically necessary care, and all financial barriers to care should be eliminated. This is achieved by a unified system of insurance that leaves no one out and eliminates inequitable tiers of access that is financed according to people's ability to pay. She points out two of the many issues that a single payer system would resolve, namely: California's retirement/pension obligations and the shortage of rural hospitals in California.

- Lindy Rice, of Health Care for All Sacramento, shares her experience with a single payer system when she lived in France. She points out that she had excellent health care, including free choice of doctors. She describes how it was financed and the nominal cost to consumers.
- Dr. William Bronston, Chairman of the Capital Chapter of PNHP, notes that PNHP has 30,000 organized physicians across the United States that have been pressing for universal comprehensive care. He shares a paper that explains why the U.S. system is overburdened by the cost of managing claims. He asserts that PNHP has exceptional data and expertise that is at the Commission's disposal.
- Joyce C., of CARA and of Seniors and People with Disabilities, asks that the Commission include input from seniors and those disabled and poor.

2. Context

- History of health reform in California
  - Dr. Ghaly introduces guest speaker, Dr. Kevin Grumbach, who gives a presentation entitled *History of Health Reform in California* (found here: History of Health Reform in California presentation).

- Current state of health care in California
  - Dr. Ghaly introduces consultant team lead, Dr. Andrew Bindman, who gives a presentation entitled *Current State of Health Care in California* (found here: Current State of Health Care in California presentation).

- Commission questions and discussion
  - Eric Douglas asks commissioners whether the data that Dr. Bindman presented for inclusion in the environmental scan report seems appropriate and whether there is additional data that would help them better understand the current California health care landscape.
  - Commissioners' feedback includes:
    - The data offered in the presentation seems appropriate
    - Focus on the task before us, and keep the data focused so that it supports the commission's charge
    - In addition to using existing data, be aware of data under development and identify critical data gaps
    - Other data to consider including:

        - Expenditures by payer, including more detail on employer-sponsored coverage (employer vs employee contributions, ERISA self-insured versus fully insured)
        - Cost drivers and forecasts of future spending trends
        - A more granular analysis of provider prices
        - Workforce data
        - Role of capitated health care plans
        - Length of time people remain uninsured; “spells” of coverage
        - Expenditures by payer
        - Among insured Californians, cost burden and remaining affordability challenges (e.g., share of income that goes to premium and out-of-pocket costs; affordability challenges as they related to income levels)
        - How can experience under Medicaid and Medicare tell us about consumer preferences (Medicare Advantage versus traditional Medicare) and financial implications of including private plans in public programs?
        - Greater attention to costs and access for undocumented individuals
        - Extent to which Californians experience financial barriers to care; who is most likely to forego care due to cost
        - Current data on role of profits, administrative costs, and health insurance executive pay in driving health care costs
        - Additional detail on forecasts of uninsured population in 2022, for example, by age
    - One commissioner asks if commissioners may submit their suggested data in writing. Eric Douglas responds affirmatively.

- Public comment
    - Linda Chapman, unaffiliated, suggests that incremental change makes the most sense for this process.
    - Judy Jackson, of the California Alliance for Retired Americans (CARA), Alameda County, shares a story about how her friend, who was diagnosed with Alzheimer’s, was told she needed to move out of Alameda County because no facilities in the county accepted Medicare or Medi-Cal. She asks that the Commission examine data on coverage by county, as well as Medicare and Medi-Cal coverage for over-the-counter medicine.
    - Dr. William Bronston, of Physicians for a National Health Program (PNHP), asserts that there is enough money in the system now to pay for the system people need – a single payer system. It needs to be transferred from where it is currently wasted to where it will provide care. He underscores that coverage does not equal care. He notes that a public health perspective must be part of the single payer system. He points out that it is not just a matter of paying doctors, but a matter of changing society.

- Bruce McLean, of Butte County Health Care Coalition, explains that the Coalition is affiliated with Healthy California Now. He suggests that the Commission estimate the number of the under-insured, not just the uninsured. He also notes that he has concerns about underfunding a public system like Medi-Cal.
- Brian Stompe, unaffiliated, points out that California is large enough to be self-insured. He notes that the insurance industry will no longer be needed as a broker in the future single payer system, but it will be very challenging to do away with the insurance industry, given its contributions to elected officials.
- Robert Lehman, an economic researcher and participant in the Healthy California Now Coalition, notes that he brought a one-page document that offers some data and research suggestions. He asks that the data be made available to the public after the work of the Commission is complete.
- Joel Sarch, of Health Care for All and PNHP, points out the importance of removing profit from our health care system. He also notes that a public option keeps the insurance companies deciding what care people get.
- Pat Snyder, of Health Care for All California, notes that this organization has been advocating for a single payer health care system for the last 25 years. He submits a document on behalf of Dan Hodges, the co-founder and former president, that offers a detailed history of single payer in California, including the grassroots efforts, bills and studies specific to California. He thanks the Commission for its works and leadership.
- Ellen C., of Health Care for All Marin Chapter, recaps the history of a universal health care bill in California in 2008 that was the predecessor to the Affordable Care Act.
- Dr. Henry Abrons, of PNHP, asks that the Commission include clinical outcomes among its guideposts about unified financing. He also asks that the Commission consider provider burnout among the workforce data it reviews. Finally, he suggests that the Commission look at patient satisfaction, which he acknowledges is difficult to measure.
- Perrie Briskin, a graduate student at the University of California, Berkeley in the MBA/MPH program, representing UAW 2865, chair of the health care committee, notes that the union represents 19,000 graduate student workers across California. She talks about the need to advocate for access to affordable health care together. She asks how this report will be different from the 2018 report that was produced.
- Sara Cleveland, of CARA, talks about having the ultimate goal of having members of society who are healthy enough to function
- Eric Vance, of Healthy California Now, describes how his mother, while in a nursing home, struggled with poor quality of care and medical debt, all while advocating for a single payer system.
- Ruth Carter, Chair of the California Democratic Party Senior Caucus, a member of Healthcare for All Marin, and Co-Chair of the Marin Chapter of

California Alliance for Retired Americans, shares that she hopes this process will reflect her concerns about the privatization of Medicare. She notes that while Medicare Advantage is attractive to consumers because of low upfront costs, later on, it costs significantly more. She also points out that young professionals are trapped in their jobs because they don't want to lose their medical benefits.
- Roxanne, an advocate for transgender women, asks that the look at the society costs that the status quo is causing to her community.
- Sam Frankel, of CARA, points out that if everyday people have more money in their pockets due to lower health care costs, this will stimulate the economy.
- Jamie, a member of San Francisco Berniecrats, suggests that medical practitioners who serve in under-served areas should receive school loan forgiveness.
- Judy Young, of Santa Clara County Single Payer Healthcare Coalition, points out that single payer saves money and creates one risk pool.

3. Policy Framework

- Policy considerations
  - Dr. Ghaly introduces consultant team member, Dr. Richard Kronick, who gives a presentation entitled *Policy Considerations* (found here: Policy Considerations presentation).

- Commission questions and discussion
  - Eric Douglas invites commissioners to respond to the following questions related to Dr. Kronick's presentation:
    - Which broad areas and decision points would you prioritize for in-depth description and analysis of options?
    - What suggestions do you have for a public option, and what information would you like about a public option?
    - Can transition problems be made more manageable by transitioning some subgroups to UF more quickly, or others more slowly?
  - Commissioners provide comment, including:
    - Regarding framing of the second report, commissioners' comments include:
      - The real goal is to transform our health care delivery system from a fragmented one to one that is integrated and focused on primary care and prevention. The presentation subsumes this into the payment system, but in public debate, it is important to call it out. Similarly, unified financing is a means to an end. We are aiming for universal health care coverage. Why not label what we want to do as universal health coverage?
      - We need to understand the long-term goal: Universal access to health care for all. The commission can give options for how to get there. We need a clear sense of what the end game is; we need to be realistic

about obstacles and challenges and how to finance the system. This commission could be the first step in identifying that it's a human rights issue. How do we get there?
        - The long-term goal is not unified financing but a healthy California for all. How do we have Californians healthy enough to function and not going broke in the process?
        - We should develop the road map. Explore the different pathways and steps to get there. Along those paths, there may be places where we can make more than one choice.
        - We need to be mindful about the difference between equality and equity. We want a program that is well-designed for a low-income population, that treats people according to what they need and what they can afford, rather than where they get their coverage.
        - We need to consider alternative plans – one with a favorable federal landscape and one that assumes the current Administration and Congress.
        - What incremental steps would help move us in the right direction if we don't have federal support?
    - Regarding inclusion of a public option among the design options, commissioners' comments include:
        - We should build upon an existing public option and not create a new one.
        - A public option is not a one-size-fits-all. Our charge is to create a version of public option that makes sense for California.
    - Other commissioners' comments include:
        - Look at past examples of California good governance, e.g., Healthy Families and Covered California.
        - If we don't have billing and related infrastructure under unified financing, what would be employment effects and how could those be managed?
        - We must look at prices and the cost drivers of our system. These are not solely administrative. What are the costs and what is potential to tackle them—at the state level and federal levels, e.g., drugs.
        - When talking about a unified financing system and payments, we should discuss how to ensure providers can focus on care. That's where we are going to get cost-savings and higher quality care.
- Dr. Ghaly shares his reflections based on this discussion, namely:
    - The focus on financing is clear in the legislation and our charge. That said, the collection of individuals on this commission was selected around this ability to articulate a vision for what a health care system should look like in California that optimizes health. The kind of system that we not only want but that Californians deserve. We can achieve something that tracks toward the five principles: accessible, affordable, high-quality, universal, and equitable. Although the legislation focuses on unified financing, we

know we can't do that without knowing the system we are trying to create. We have talked about whether this is a menu of decisions we have to make, or whether it is really a roadmap—ultimately it is the notion that there is a series of decisions to get to a better system that meets the needs of all Californians in an equitable way.
    - The notion of exploring a public option in California in a way that is truly Californian, I would say, is as much part of the conversation as other parts that we are doing beyond just the financing piece.
    - We're going to debate a lot of great things. We're probably going to have moments of disagreement and tension, as we should, because this is such a hard and important issue, and I look forward to those as we chart this journey from where we are today to where this group decides we can go tomorrow—that works for all Californians.

- Public comment
    - Greg Miller, of the California Nurses Association Retirees and the California Alliance for Retired Americans (CARA), argues against the notion of a public option as a bridge to single-payer. He notes the lack of cost controls and breaking up of the risk pool where insurance companies go after the young and healthy and the public option picks up the sick and elderly.
    - Dr. William Bronston, of Physicians for a National Health Program (PNHP), asks commissioners to read HR1384 from the House of Representatives, as a model. He points out that 1332 and ACA give us the legal right to set up the necessary structures and how HR 5010 by Congressman Khanna pushes away more financial obstacles to single state payer operation. He also recommends the Commission look at the comprehensive Community Health Assessment Reports submitted every three years by non-profit hospitals to identify the priorities and how they're going to fix it.
    - Meg Kellogg, unaffiliated, acknowledges the Commission is looking for 21st century thinking on provider payment and notes that fee-for-service, bundled payments, hospital budgeting, how payment rates are set, and how claims are paid are more 20th century ideas. She encourages thinking about new ways of payment, offering an example of Kaiser paying its physician group risk-adjusted capitated payments so that the physicians can figure out what to do within that.
    - Don Bechler, chair of Single Payer Now, points out there is no perfect plan and that while we may disagree on details there is one fundamental problem: the private insurance industry. He notes the inherent clash between the financial incentive to deny claims vs. promote health and encourages a guiding principle: to remove the private insurance industry from health care.
    - Dr. Henry Abrons, of PNHP, suggests the Commission let the politicians deal with political feasibility and encourages analysis of recommendations focused

on policy feasibility, economic consequences, outcomes, and better care delivery systems.

- George P., of Healthy California Now, notes every ethical financial analysis of single-payer shows that it insures everyone, saves money, saves lives, and improves quality. He urges the political courage to lead the way to face down the for-profit health care system. He points out that lives depend on it and that states like Maryland with a rate-regulated Commission still haven't solved the health care crisis. He points out bankruptcies, lack of health facility planning, and poor outcomes for disadvantaged communities.
- Dr. Michelle Famula, unaffiliated primary care physician for 30 years at the Student Health Service on the UC Davis campus, speaks to the obstacles students face to receive quality care: Medi-Cal with financing based on counties of origin presents difficulties, students are mobile and their insurance is not, how networking of private insurance networks leads to decisions to forgo preventative care, and how this disproportionately affects women of reproductive age.
- Lloyd Friesen, of the California Chiropractic Association, 50-year licensed chiropractor, highlights the complementary care of chiropractors in community health centers, rural communities, and corporate settings, and recommends Doctors of Chiropractic be included as a category provider.
- Joyce C., of CARA, mentions her four main priorities as 1) determine who can receive benefits, otherwise everyone may flock to California and overrun the system, 2) the insurance companies are the number one opponent, 3) a personal story about Kaiser not covering preventative care in her own life, and 4) the need for more primary care physicians
- Brian Stompe, unaffiliated, points out how the status quo is fractured, expensive, ineffective, and values profits and minimizing losses, which comes at the expense of quality care. He notes how insurance companies have a budget for legislators and warns the public option adds one more expense and a big mess of paperwork for physicians. He notes progress made by New York and Colorado and encourages the Commission to be bold and push for California to be the first state to get single payer done.
- John Lee, of the League of Women Voters, brings up the issue of silos of service and how we ignore the patient for the silo and there's a fee for service payment system drives that. He recommends focusing around the patient not the financing system and provides the example of Holland’s system based on Dr. Zhou's book, Getting Health Reform Right.
- Joel Sarch, of Health Care for All, hearkens back to SB 562, and how it put an emphasis on simplicity and dealing with issues of complexity. He shares his experience as a Medicare counselor noting how the system is horrendously complicated, with eight different open enrollment periods of different lengths and all kinds of fines if you miss one.

- Bill Klinke, of CARA, shares concerns about a lack of diversity on the Commission and suggests that including victims of the current system may add a greater sense of urgency and clarity around needs: uninsured and under-insured, patients that have had to struggle to win treatment their doctor prescribed but insurance denied, patients who can't afford to buy their medications who are slowly dying, and family and friends of those who have died before their time.
- Eric Vance, of Healthy California Now, asks if the Commission will engage with members of a similar conference on Medicare for All at UC Berkeley, sponsored by Berkeley, UCSF and Stanford. He also notes a public option is a bureaucratic hurdle and points out there is no public option for firefighting and that while a public option in Flint, Michigan to buy bottled water exists, it doesn’t mean that's the right way to go.
- Sara Cleveland, of CARA, encourages framing issues in terms of expanding what people already love about their insurance, such as an expanding their network and paying less, coming out better than even in a system that works towards what all of us need and deserve.
- Jen F., on behalf of Western Center on Law and Poverty, encourages a focus on bigger picture themes, such as getting around ERISA and the risks of a Medicaid waiver. She points out how many low-income Californians switch between Covered California, Medi-Cal, employer, and uninsured throughout the year and that is what most of their legal services spend time on. She stresses the importance of framing the considerations that aren’t insurmountable, like Medi-Cal coverage of long-term care and in-home supportive services, and the state’s policy that low-income people cannot pay co-pays or premiums.
- Sam Frankel, retired school teacher, ex-member of the California Federation of Teachers and member of Healthy California Now, shares words of inspiration from a song by Anne Feeney, "Once upon a time, unions were against the law but slavery was fine. Women were denied the vote and children worked the mines. The more you study history the less you can deny it. A rotten law stays on the books until folks like us defy it.” He encourages outside-the-box thinking and fine-tuning in a way the legislature will be able to understand and floats the idea of using workers compensation money as a part of the finance report.
- Lynne Carol, Health Care for All, seconds that the Commission’s job is not to figure out what is politically feasible but to create a vision and a plan for health care for all in California, to make what is politically unfeasible now become politically inevitable. She seconds that the public option might be a feel-good solution but does not advance us where we need to go. She notes that affordability is not just about individuals, but society, as we currently make health care affordable for individuals through subsidies to private insurers, which is not making the system sustainable.

- Millie Braunstein, of Health Care for All, challenges the comment that people that get their insurance through work are happy, noting the 11 million people in California that move in and out of coverage due to changes in the workforce, how deductibles and co-pays are going up, networks are tightening, and physicians are leaving. She also notes the working population may not have a chance to participate in these meetings, but to consider their perspective.
- Linda Chapman, unaffiliated, cautions against a Medicare-for-all-or-die approach, and brings up the example of NASA and the Challenger disaster to protect against thinking we have the answer. She does want to get rid of the insurance problem but does not want Medicare as it is now.
- Ruth Carter, of the California Democratic Party senior caucus, Health Care for All Marin, and CARA, recommends two documentaries for the Commission: Fix-It, that talks about single-payer health care as a boon for small business, and The Power to Heal, which talks about when Medicare was first implemented in the 1960's and used as a tool for social justice.

- Adjournment
  - Dr. Ghaly adjourns the meeting by thanking commissioners for their involvement and commitment to this process. He acknowledges that many open-ended ideas and questions were generated today that the consultant team and commission will work through in the weeks and months to come, and he commits to put forth a process for stakeholder engagement that invites broad input from Californians across the state.