

From: Hsiao, William
Sent: Friday, August 6, 2021 8:47 AM
Subject: RE: Healthy CA for All Commissioner Update

Dear Mark:

Thank you for the Report on the Estimation of Cost Effects of UF in CA, prepared by the consultants. I want to comment on this Report and share it with all Commissioners plus others on your distribution list because this Report gives us important financial and access information that influence our expectations, provides an understanding of the potential financial consequences of an Unified Financing Plan (UFP) and may shape the Commission's design and deliberations of our UFP.

I commend the consultants for a technically sound projection of the financial impacts of the different features of an UFP. These projections are detailed and based on a comprehensive review of existing published methods, analyses, and available data. However, I think the consultants made a pre-mature study which produced information that may mislead the Commission.

The HCFA Commission has NOT designed a UFP. We are still in a learning and deliberative phase. The consultants made major assumptions about an UFP that does not likely to represent what the Commission may decide. For examples, the consultants implicitly assumed that the UFP will eliminate integrated financing and delivery systems in CA, pay providers with fee-for-service method, and no uniform clinical record and claim record system would be developed under UFP to deal with fraud and abuse in claim billing and duplication of medical services. In short, I believe this Report gives an under-estimation of savings of an UFP that the Commission may decide and leaves us with an impression that CA needs much larger amount of funds to finance the UFP.

This Report does highlight for me that the Commission must devote its time to examine and discuss several critical topics that address the wastes in our current healthcare system and savings can be produced, better access to healthcare, and improve quality of health services. In addition to the racial inequality and governance/accountability issues, I strongly recommend that we devote our future meetings to take up the following topics: (1). Integrated financing and delivery system, (2) Provider payment methods and rates, and (3). Uniform clinical and claim records.

I assume you will ask the consultants to prepare a new cost estimation after the Commission has decided on the main features of an UFP. May I ask the new projection and its details be given to us early so we can assess its completeness and reliability.

Thank you in advance for your consideration.

Best regards, Bill