



**Healthy California for All
Commission Meeting
April 25, 2022
Meeting Synopsis**

Note: a video recording of this meeting can be found at: [video recording of April 25, 2022 Healthy CA for All Commission meeting](#).

Commissioners in attendance: Mark Ghaly, Sara Flocks, Jennie Chin Hansen, Sandra Hernandez, Bob Ross, Andy Schneider, Carmen Comsti, Richard Scheffler, Anthony Wright, Jessica Altman, Bill Hsiao, Don Moulds, Jim Wood, Cara Dessert, Michelle Baass (commissioner biographies can be found here: [Healthy California for All Commissioner Biographies](#))

1. Welcome and Introduction

- Virtual meeting protocols and roll call
 - Karin Bloomer, a member of the consulting team, reviews the virtual meeting protocols and conducts roll call for the commissioners.

- Introductory remarks and agenda overview
 - California Health and Human Services Agency (CalHHS) Secretary, Dr. Mark Ghaly, welcomes the group and Jessica Altman (newly appointed CEO of Covered California) to the commission. He states that the objective of the meeting is to look over the final report and the feedback that led to it. He reflects on the work of the commission and how far it has come and states the purpose today is to accept the final report for transmittal to the Governor and Legislature. Cabinet Secretary Ana Matosantos will join us to acknowledge the work that has been done.
 - The commission raised up the importance of equity, community, integration to arrive at different power structures. The conversations of the commission have already influenced the Administration's priorities with work being done on health information exchange and coverage. Commissioners received a draft report on March 17th and comments were solicited through a survey process; those ideas were incorporated into the final report that was shared on April 18th. Commissioners may submit comment letters by May 6th that will be included in the appendix of the report.

2. Final Report Review

- Secretary Ghaly invites commissioners to share their thoughts on the final report.
- Commissioner Flocks commends the commissioners' expertise and the process to bring them together. She appreciates the revised version and its incorporated comments. The report highlights that the pandemic revealed how broken the current system is and how unified financing can address these issues. Public comment was emotional, and the surveys and commissioner comments were persuasive. She feels the bulk of the report should be on concrete next steps and that a lot more could be included. She highlights Commissioner Hsiao's seven step plan, mostly on cost containment, which should be part of the foundation. She thinks there is deeper discussion required on payments, the delivery system and care coordination to get corporate profits out of health care.
- Commissioner Wright notes how this conversation has been going on for decades and how important it is to advance the mission of not just health access, but health justice. The report provides an important service by clearly endorsing the benefits of moving to a universal system with unified financing. He highlights the headline that without action our health care system will cost \$158 billion more in less than a decade, on par with the General Fund of California, and that this is unsustainable. There is clear urgency in the report to spur the action that is needed. He notes it's not just about getting to universal coverage, but also about ensuring a sustainable system for the future, one that is simpler, affordable, equitable, responsive and respectful for all. The report is also clear about the challenges and political barriers and notes the work that needs to be done with regard to policy and process. He commends the two pages detailing the changes in the state constitution that will need to be done. There is some detailing of strategic steps the Administration needs to take but he wishes there were more. He highlights the steps California already is taking and hopes that, as a result of the report, more timetables and goals can be set. The report provides a solid basis and motivation to move forward on needed policy work and he commits to pushing this forward at state and federal levels. The current system is complex and confusing, and California needs a simpler, more equitable system.
- Commissioner Altman commends the commission for the robust conversations and depth the report dives into. She commits that Covered California and its mission are aligned with the next steps to make health care more accessible, affordable, and equitable in California.
- Commissioner Moulds appreciates the respectful conversations between such a diversity of perspectives, and notes the report effectively identifies challenges and how we could work through them. The consultant team provided detailed analytics and was even-handed in facilitating the process. The steps identified on cost containment, delivery system reform, and making primary care more central are critical steps that can improve health care in California, and these are things we can do now. He commends the Governor for putting money into the budget for cost control and commends the commission for putting equity front and center.

- Commissioner Baass notes the discussions have influenced how DHCS thinks about health care and the next steps and will make lasting impacts in the Medi-Cal program. She notes commissioners are united in the goal for quality health care for all and appreciates the commission coming together and fostering conversations on these topics, highlighting short- and long-term steps to achieve these common goals.
- Commissioner Scheffler warns not to let the perfect be the enemy of the good and notes that the report is good, but not perfect. The size and complexity of California make any attempt to reform extremely challenging. Health care spending in California represents over 2% of the gross national product. Major changes or payment policies are not easy, as for every change there are winners and losers. He believes capitation payments are the best payment method, but that is not perfect either. Capitation is already being used to pay for over 70% of Californian's health care and this is the highest rate in the country. Over 40 years of research and experience shows that fee for service encourages overuse, waste, duplication, and makes care coordination difficult if not impossible. The pandemic shined a light on the disparities of the system and showed what needs to be addressed without any delay. He was moved by the public input, and it should not be ignored. Cost needs to be controlled and waste eliminated to have affordable, equitable, accessible, and high-quality health care for all. Proposals for the Office of Health Care Affordability are crucial to this effort, and he encourages the Administration and Legislature to establish this office. He also notes there is a role for the Attorney General on health care, which is missing from the report: transactions and health care, charity care, mergers, acquisitions, and policing of the health care system could be given more attention. He notes California has the resources and now needs to double down to implement.
- Commissioner Ross agrees the report is good but not perfect and commits to an approval vote and follow up with implementation. He notes the climate of political and social challenges through which the commission worked to produce the report. He notes that the second version of the report reflects better the poetry over prose that he feels the report merits. He recommends working groups or taskforces for follow up, and that we need an all-star team on follow up to push forward this unified financing goal. If philanthropic resources will be needed for that, he commits his organization to help. He highlights the importance of focusing on strengthening the workforce pipeline, and notes how critical health equity, racial equity, and community and prevention are for public health. Lastly, the data information exchange work needs focused follow-up as well. He notes it was unfortunate AB 1400 failed and commits to whatever the next version of it will be. In terms of narrative and messaging, organizing, mobilizing and advocacy, he asserts that we must be in a better position the next time the legislation comes up than we were this time.
- Commissioner Sandra Hernandez builds on the notion that it has been decades of work in California to bring us to this report and these recommendations. She

commends the team for an exemplary job on process and analytics. Underlining a statement in the letter transmitting the report, she notes that changing our financing system into a unified system is necessary but not sufficient to get to a reform delivery system that treats Californians with dignity. Unified financing is critical and we should pursue it vigorously, but it is not an end unto itself. She appreciates that the report references the many efforts underway that are prerequisites to a sustainable, accountable, and equitable system. She highlights the importance of workforce and cultural competence. Medi-Cal plan procurement is extremely important for 14 million people in Medi-Cal. CalAIM, which emphasizes care management, is important for those who have the most complex health care needs. She comments that providing Long Term Services and Supports was key in commission conversations. She highlights the importance of data exchange, noting that it is as important as transforming financing. The report clearly calls out how bad our current system is at taking care of the most vulnerable in the state. The status quo cannot continue. There are many stakeholders in the system for which the status quo is just fine, and it will require a lot of work to persuade those who are comfortable with the way things have always been done. Leading execution will be incredibly important. We need execution and milestones and accountability for folks in California that struggle every day to get the care we are capable of providing.

- Commissioner Chin Hansen appreciates the focus on older individuals and the elevation of Long-Term Services and Supports in a way that has not been done before. The cost of services to help with cognitive and functionality issues later in life bankrupt people even in the middle class. This affects quality of life and dignity. She notes how powerful it was to pass the Part D pharmacy benefit in Medicare and how important execution is with delivery system change. She highlights the importance of understanding and appreciating the resistance that will come about, and that all stakeholders will be key to include to map a system that is more affordable and equitable. What would that mean for each group? What's the baseline now? We can identify those roadblocks in a more affirmative way. Regarding workforce, she appreciates the focus on cultural competence and underscores that we need people who are content knowledgeable. This report has helped seed the soil for the kind of investments we need to make to pull this off.
- Commissioner Comsti notes we knew that if we did not fundamentally change our fragmented health care system that allows profit driven insurers and health care corporations to thrive at the expense of Californians, we would pay the price with our health and our lives. This work needs to be done with clarity, conviction, and urgency. The analytic findings in the final report confirm numerous previous studies on single payer systems: that it would save patients and the government money and can do so while providing comprehensive benefits to all. The report's appendices on federal waivers and ERISA confirm there are legally reasonable paths we can take towards unified financing and single payer. The community engagement report confirms low-income Californians overwhelmingly support a

single government-run health care system and support replacing premiums, co-pays, and deductibles with progressive taxation to get us there. The steps to get there outlined in the report are muddy at best, and fall short of presenting clear, concrete, formal actions to get us to single payer. The report scarcely uses the term single payer, and lacks definitions for unified financing and other key terms. The report conflates single payer systems with health plan intermediary systems. She underscores that a system that includes a role for health plan intermediaries should not be considered unified financing, because fragmentation in the financing would continue. The report confuses some reforms as pre-requisites for unified financing; some reforms may be more effective after a single payer system is in place, and some reforms would be obsolete if we had a single payer system in place. The commission has not given recommendations to the Legislature despite discussions about needing legislation to obtain federal waivers. There are no plans for rectifying ongoing problems with lack of direct community engagement with low-income Californians and Californians of color in the process of redesigning our health care system. Given the procedural, structural problems in the final report, she will not be voting to transmit the report.

- Commissioner Dessert reiterates how we know we have a broken system that is too expensive, complex to navigate, inequitable and inefficient. The good news is that with unified financing we have an unprecedented opportunity to make the system more affordable, efficient, equitable and accessible for so many. The report highlights the urgency of acting now, as the cost of inaction would increase the cost of health care over the next nine years by \$160 billion, a 30% increase. She echoes the comments of commissioners that we must build a bigger tent to make these changes real and that the way forward is not an easy one. The report charts a path forward for California to be brave and make real change in the lives of those who need us most.
- Commissioner Pan highlights two things related to the report that he hopes will continue to be worked on. First, regarding financing, if we believe health care is a right there needs to be a clear commitment that the financing for this system is an entitlement and free from annual appropriations. During the recession with the Medicaid program there were proposals to limit the number of visits, regardless of those on dialysis who need to go in multiple times a week. The second point is the equity issue. Oftentimes the most vulnerable get the short end of the stick. Medi-Cal is one of the lowest payers and we need to do better. The pandemic taught us some challenges in building political will for equity. A study came out that showed when there were more stories about inequities from people dying from COVID there was less support for public health measures. It is even more important in governance and developing systems for equity to be front and center.
- Commissioner Schneider highlights the importance of entitlement in terms of the federal government's understanding of any final agreement with California, and that this can't be done solely through California's executive branch as it is not stable. That is what happened with Medicaid waivers. The report could be

stronger on what California needs to do to get the federal government, both the Congress and Executive Branch, to address entitlement as well as a number of other issues. The report does not give enough weight to the work going on in California to move the ball forward on multiple fronts. Everybody needs to understand how important and game changing they are. The report could use more emphasis on transparency, particularly with respect to performance, both financial and quality of care and access within managed care. We currently have intermediaries, and everybody needs to know how they're performing. If everybody knows, they will up their game and right now we don't have that level of transparency.

- Commissioner Hsiao highlights the commission confirms universal financing is a superior system and that 70% of Californians want an overhaul of the health care system. There is strong grassroots support. The question is how do you mobilize that to make that more powerful? The key question facing California is how to move the current defective system to universal financing. How far the commission moves the ball forward will depend on how the Governor and Administration carries this forward. How will the major steps laid out in the commission's report be implemented? There are words but no deadlines or benchmarks, so the next step is for California to look carefully at implementation of what has been proposed. Given his experience with work in nine other countries on developing single payer, he believes California is still far away from unified financing, and major efforts are still needed.
- Commissioner Antonia Hernandez highlights the history of many others working towards this ideal, and that this report gives a pathway to get there through public policy. Through the legislative process there will be many changes and the important thing is to stay focused on the end goal. She recommends members of this commission come together to see through the execution of the plan. The report does a good job at giving a roadmap but will require urgency and focus to implement the plan.
- Commissioner Wood commends the shift in how the commission operated and said that had an impact on the outcome of the report. The report is a roadmap that brings together many pieces that are often focused on individually. Given the change in the Legislature in the next year with over 30 new members, it may change the way policy is looked at. The focus on how to get a handle on the ever-accelerating cost of health care is key. He notes there will be pushback on the Office of Health Care Affordability, mergers and acquisitions, and the resistance to even a little oversight is a significant challenge. He highlights the importance of health data information in getting to a single payer system. He notes that the focus on primary care is critical as is a keen focus on workforce. He commends the Governor for proposing a huge amount of resources towards workforce. It isn't just about creating workforce but getting it where it needs to be, like rural areas and with cultural competency. Flexibility in how care is provided and who provides it is key to getting health care to all areas of the state. He encourages everyone to

engage with members of the Legislature to move these substantive policy issues forward.

- Cabinet Secretary Ana Matosantos thanks the commission for its work during difficult times, highlighting the community engagement and in-depth thinking that was involved in the process. What are the things we need to do on the workforce front? What do we need to do for behavioral health? How do we make more progress on transparency, cost, and equity, and on making sure lessons learned through the pandemic translate into health system improvement? She appreciates the focus on working with the federal government and notes the roadmap highlights the right questions. The Secretary's cover letter was a reminder that the personal informs all of what we do. Meshing those human concerns with analytics, the report is clear about the price of inaction and how important it is to do everything we can to keep moving forward.
- Secretary Ghaly summarizes the conversations and highlights the power of the commission, of engagement and discussion. What anchors so many of the inequities is that power dynamic that must be shifted. As much as we think about health care as a system where that power imbalance exists, the idea of a Healthy California for All wasn't about a healthier health care system, but a healthy California for all. He notes as we think about implementation of the next steps in the roadmap, it is key to invite more into the conversation, to broaden the tent, and build an all-star team to think about a road map, focus on implementation and follow-up in an inclusive way. He thanks all the commissioners and acknowledges the tremendous work of the consulting team.
- Public comment
 - Karin Bloomer invites verbal and written public comment.
 - Note: For a transcript of all public comment provided during the meeting, please go to [Transcript of Public Comment from April 25 2022 meeting](#).
- Secretary Ghaly calls for an advisory vote. Karin Bloomer explains that the advisory vote is on whether the final report conforms to the requirements for the report defined in statute, and that it should be transmitted to the Governor and the Legislature. An "aye" vote signifies that a commissioner believe it does.
- Karin Bloomer conducts the roll call vote, and 11 of the 12 voting members in attendance vote in favor, as follows:
 1. Sara Flocks: Aye
 2. Jennie Chin Hansen: Aye
 3. Sandra Hernandez: Aye
 4. Bob Ross: Aye
 5. Andy Schneider: Aye
 6. Carmen Comsti: No
 7. Richard Scheffler: Aye
 8. Anthony Wright: Aye
 9. Bill Hsiao: Aye
 10. Jim Wood: Aye

11. Cara Dessert: Aye

12. Mark Ghaly: Aye

3. Adjournment

- Secretary Ghaly thanks the commissioners for serving and the Governor for convening the commission and helping to push it forward through challenges along the way. The Secretary commits to work along with the Governor to assemble teams and do the work talked about in the report's building blocks. He hopes and expects that the contributions of the commission will be used for years to come to help create a true Healthy California for All. Secretary Ghaly adjourns the meeting.