HEALTH CARE IN CALIFORNIA
And now… the Next Tsunami

Hospital Association of Southern California
Annual Meeting
May 3, 2019

Carmela Coyle
President & CEO
California Hospital Association
The View from California
Health Care Reform

- Single payer
- Hospital rate setting
- Medicare for all
- Through the ACA
Affordability – Balance

Cost Containment  Payers/insurers  Providers

Input prices – drugs, labor, technology

Affordability
Affordability – Framework

- **Coverage expansion**
  - California individual mandate
  - Undocumented individuals (up to age 26)
  - Enhanced ACA subsidies (400-600% of poverty)

- **Access**
  - Behavioral health

- **Value**
  - New payment models (risk-based; global budgets)

- **Legal and regulatory reform**
  - Seismic
  - Duplicative regulation
  - More
Governor Newsom signs first-in-the-nation executive order to create the largest single purchaser for prescription drugs and allow private employers to join the state in negotiating drug prices.

State to negotiate for all Medi-Cal drugs
(from 2 million to 13 million beneficiaries)
“Surprise” bills

On the side of the patient

California a leader/model

- California state Supreme Court decision
- California 2016 law

Effort to set default rate
Affordability – Enabling Change

- Expand coverage
- Invest in behavioral health
- Ensure physicians have choice of practice model, including employment
- Relief from costly, outdated regulation
- Create single, streamlined platform for cost/quality reporting
- Connect insurance rate review with cost reduction
As California Goes, So Goes the Nation
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