

HEALTH CARE IN CALIFORNIA

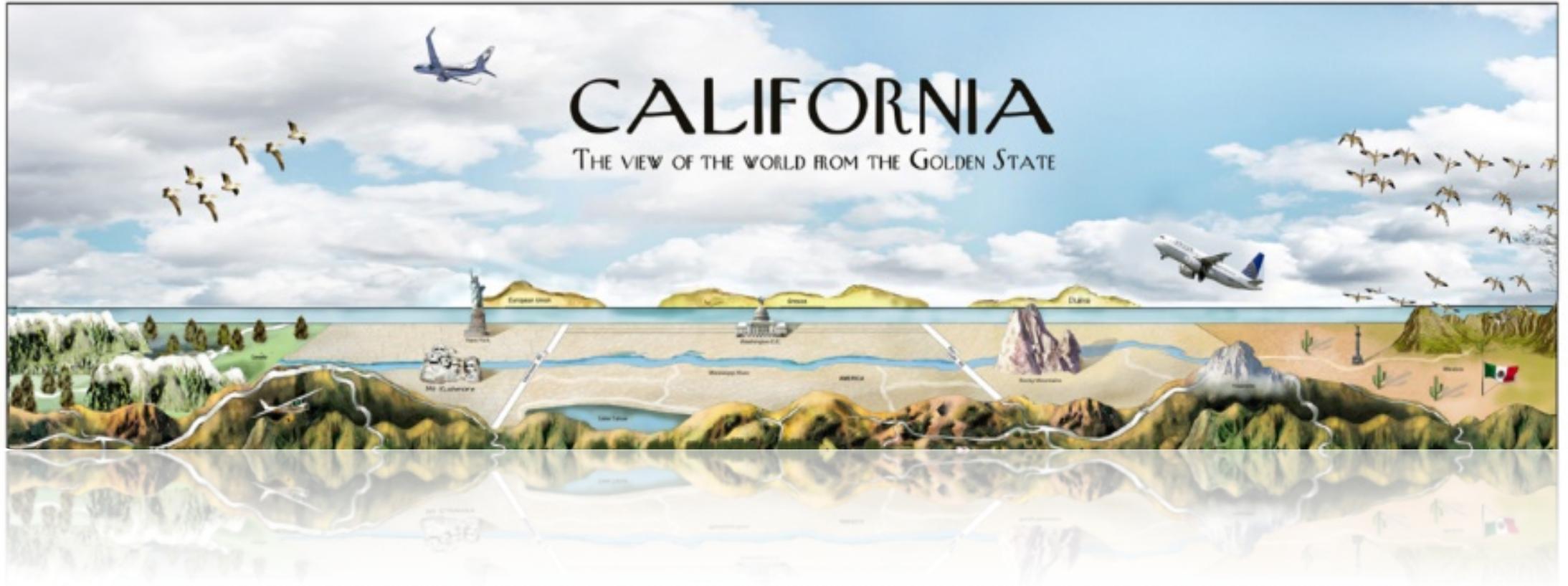
And now... the Next Tsunami

Hospital Association of Southern California
Annual Meeting
May 3, 2019

Carmela Coyle
President & CEO
California Hospital Association



The View from California





Affordability – Balance

Cost Containment



Affordability

Payers/insurers

Providers

Input prices – drugs, labor, technology



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





Affordability – Drug Pricing

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)





Affordability – Pricing Transparency

- “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- Relief from costly, outdated regulation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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