



HEALTHY CALIFORNIA FOR ALL

Accessible, Affordable, Equitable, High Quality, Universal

Current State of Health Care in California

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Presentation Goals

- Establish a shared understanding of the California health care landscape
- Focus on the Commission's core values: accessible, affordable, equitable, high quality, universal
- Begin work of environmental scan report that Commission will provide to Governor and Legislature by July 1, 2020
- Seek Commission input on what would be useful for deliberations and environmental scan report

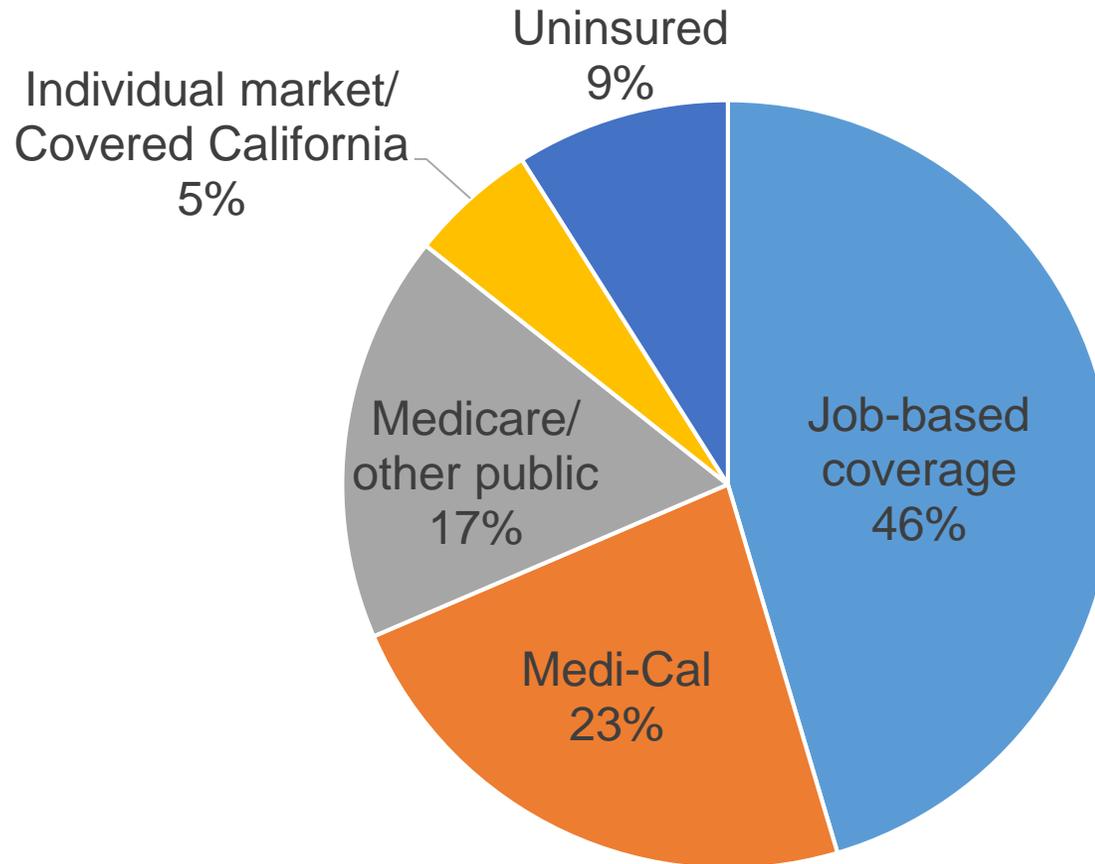
ACA Impact in California



- The largest reduction in uninsured of any state
- Pre-ACA (2013): 6.5-7 million uninsured
- Post-ACA (2016): 3 million uninsured (7.1%)
- Medi-Cal enrollment increased from 8.6 million pre-ACA to over 13 million post-ACA
- Covered California enrolled 1.4 million

Over 90% of Californians Now Have Insurance

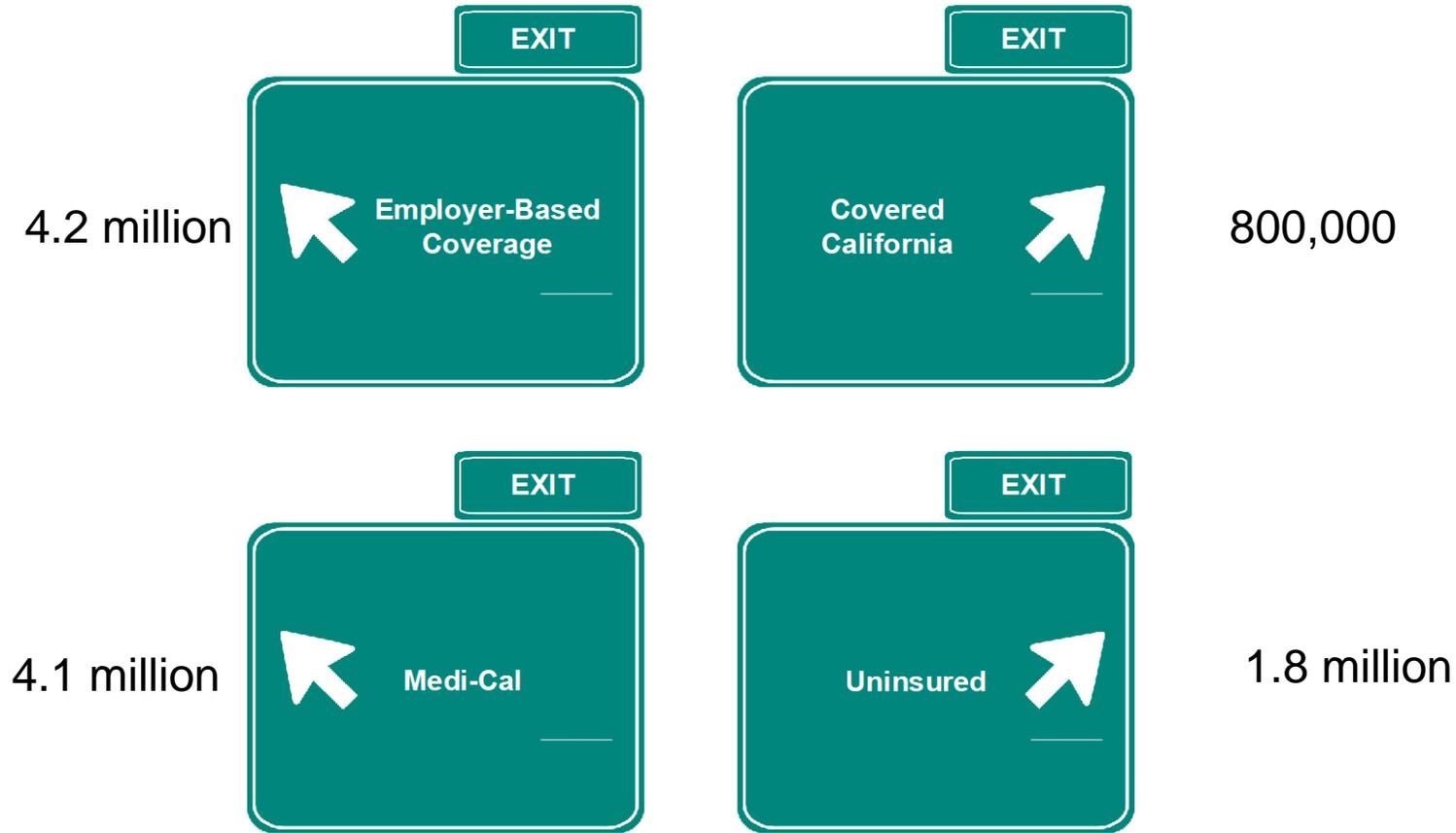
Projected coverage source for Californians, 2020



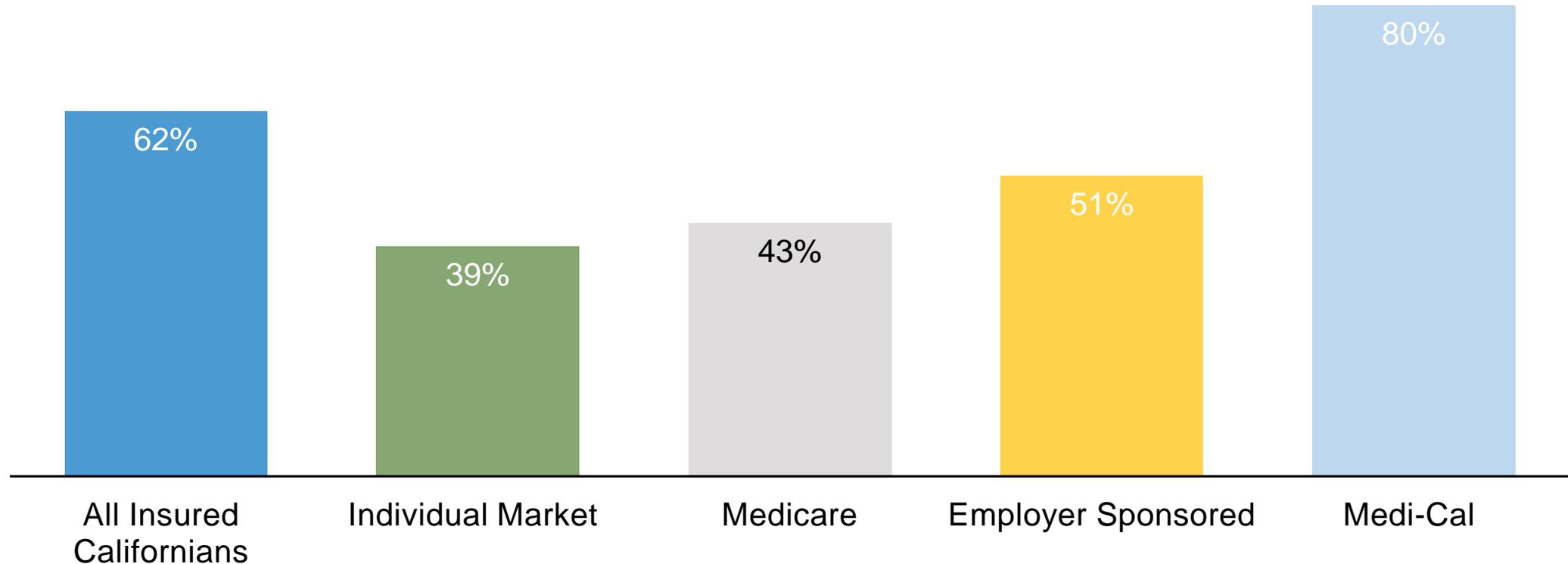
Source: UCLA-UC Berkeley CalSIM 2.7 and California Health Interview Survey.

Note: Coverage types are mutually exclusive and hierarchical for those with more than one type of coverage: Medicare, Medi-Cal, job-based coverage, individual market, and other public besides Medicare.

11 Million Californians with Insurance Churn Over 2-Year Period

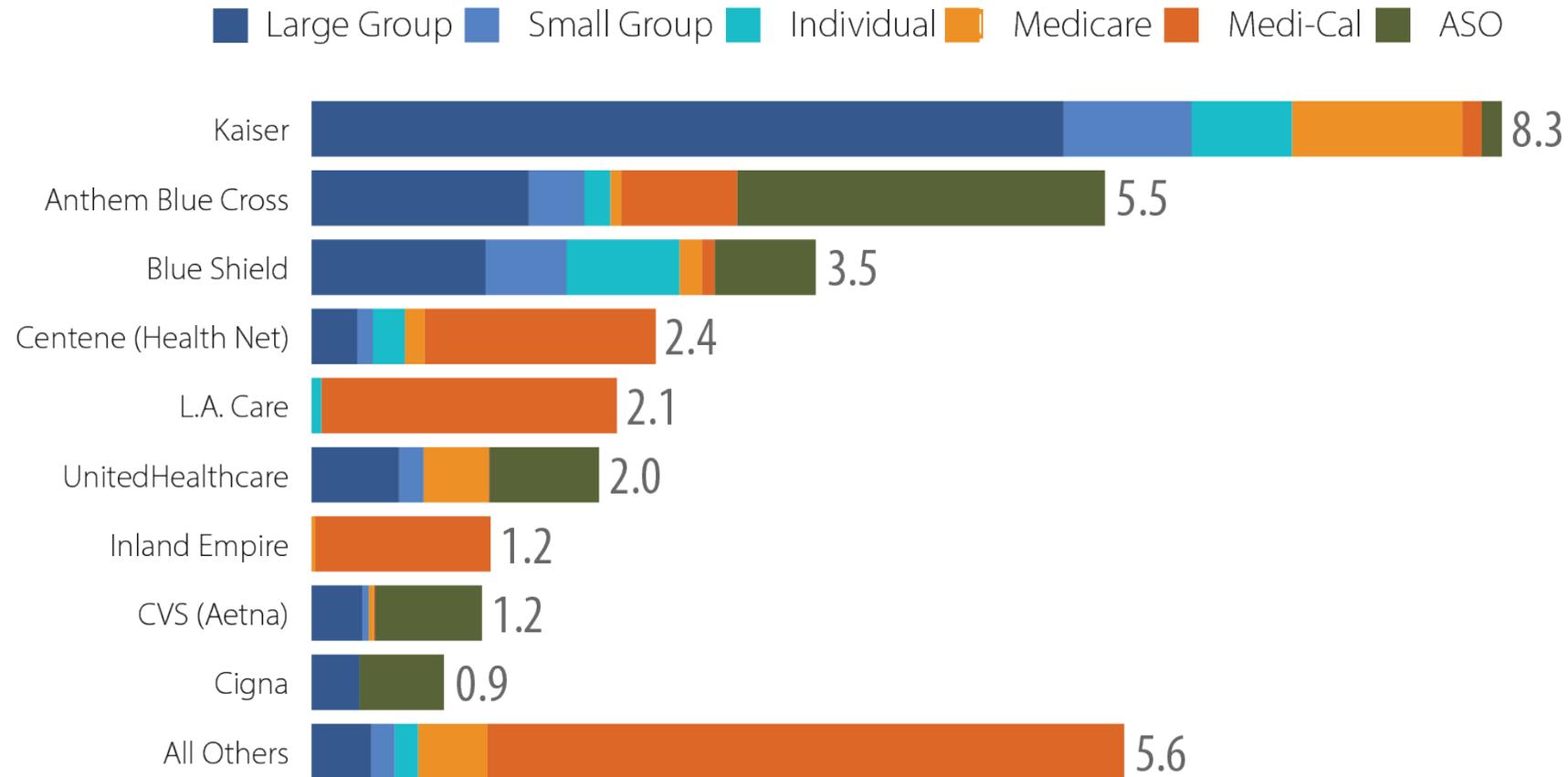


California HMO Enrollment is High and Varies by Market Segments: 2016



Source: [CHCF statewide CA Health Insurers Enrollment Database, combines figures from DMHC Enrollment Summary Reports and CDI Covered Lives Reports.](#)

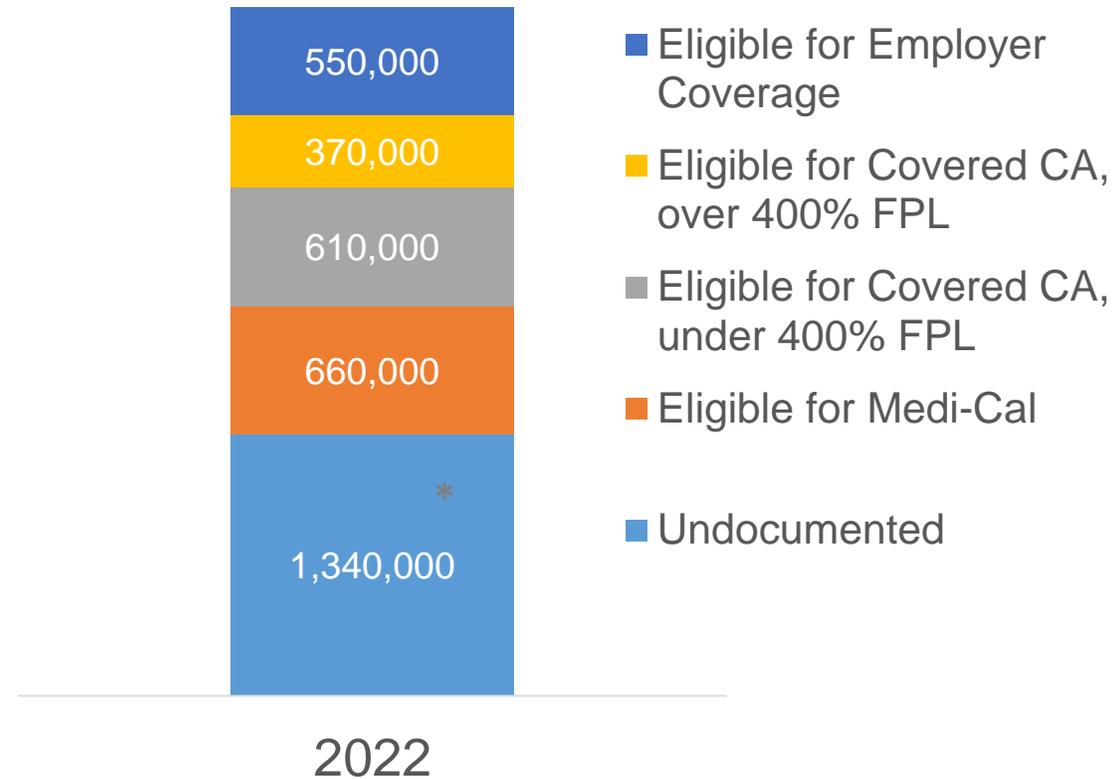
Enrollment, by Insurer and Market California, 2018 (In Millions)



California Health Care Foundation. *California Health Insurers and Enrollment – Almanac Collection*
Available at www.chcf.org.

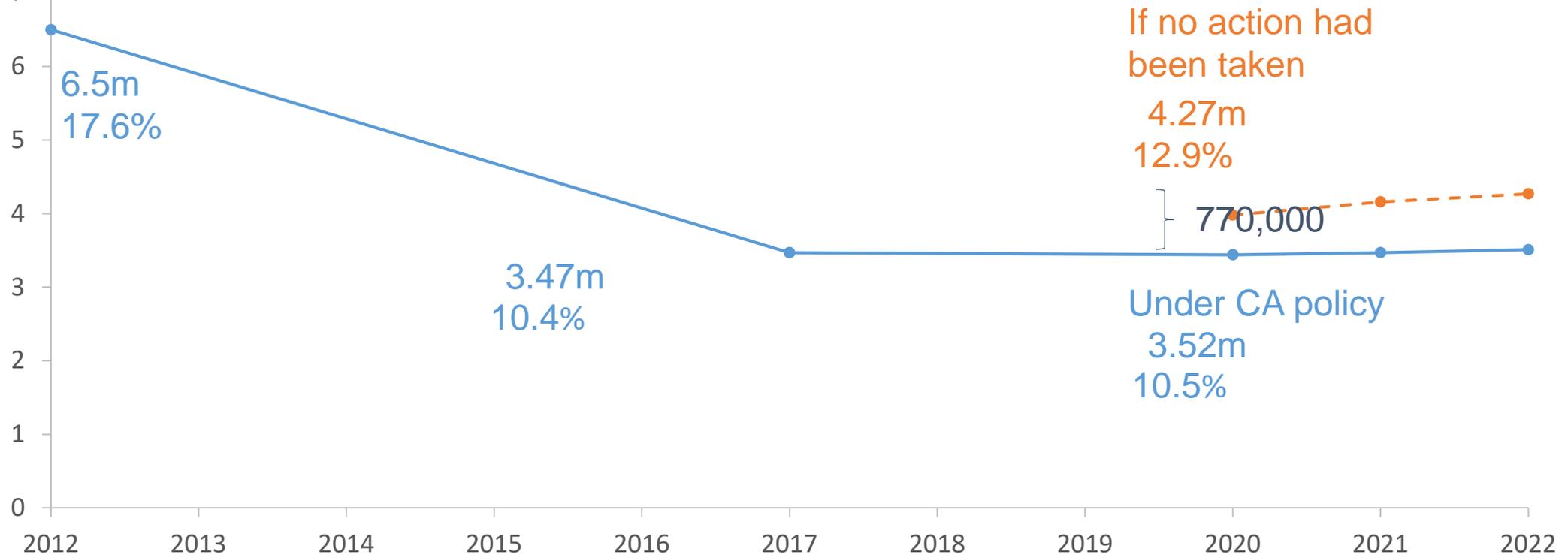
3.5 Million Californians are Projected to be Uninsured in 2022

Uninsured Californians age 0-64



State Actions Have Protected ACA Gains

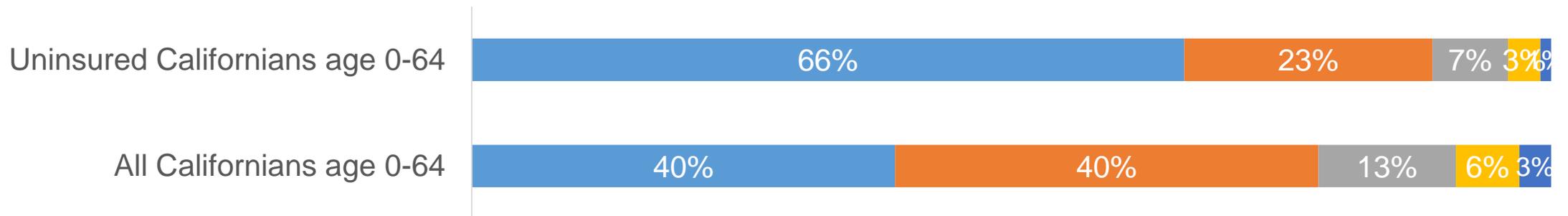
Number of uninsured (in millions)
and uninsured rate among
Californians age 0-64



Uninsured Disproportionately Latino, Low-income: Projections for 2022

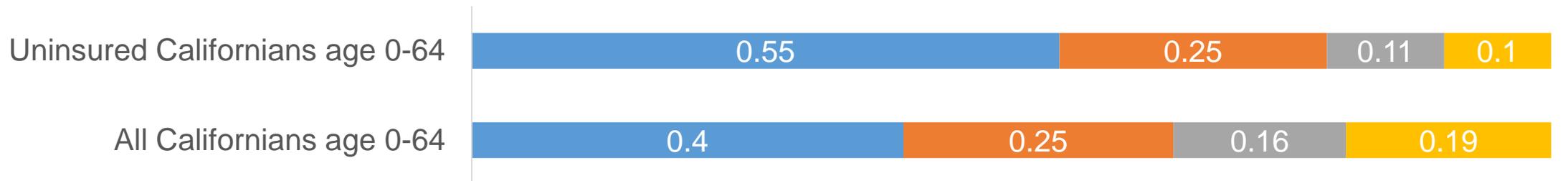
Race/ethnicity of the uninsured and all Californians age 0-64

■ Latino
 ■ White, not Latino
 ■ Asian, not Latino
 ■ African American, not Latino
 ■ Other, multiracial, not Latino



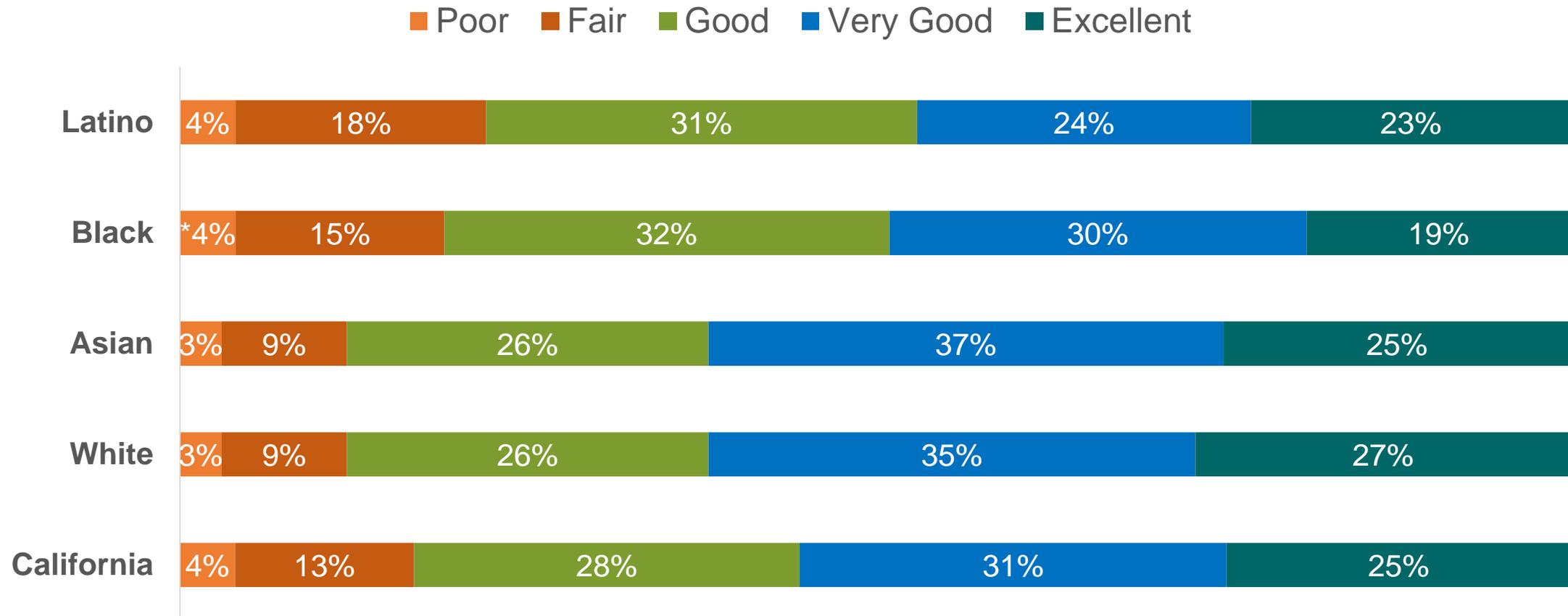
Household income of the uninsured and all Californians age 0-64

■ At or below 200% FPL
 ■ 200-400% FPL
 ■ 400-600% FPL
 ■ 600%+ FPL



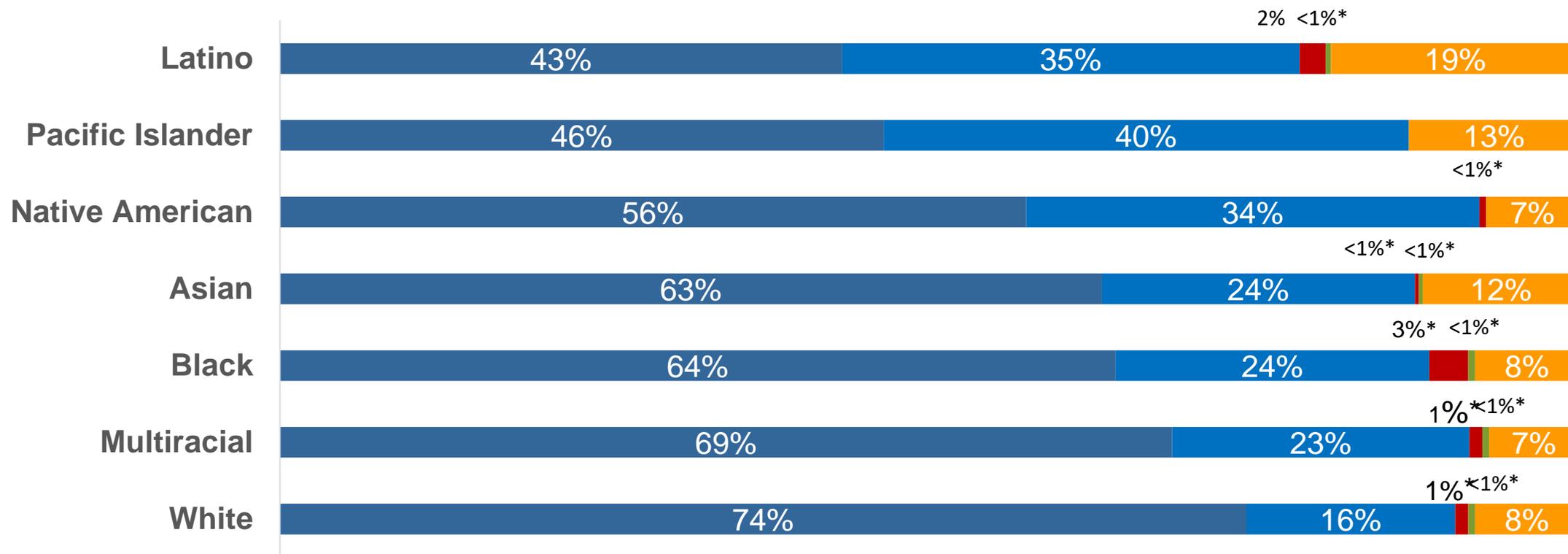
Source: CalSIM version 2.7: <http://laborcenter.berkeley.edu/wp-content/uploads/2019/11/Steps-Toward-Universal-Health-Coverage.pdf>

Latinos and Blacks Report Worse Health Status Than Asians and Whites: California 2017

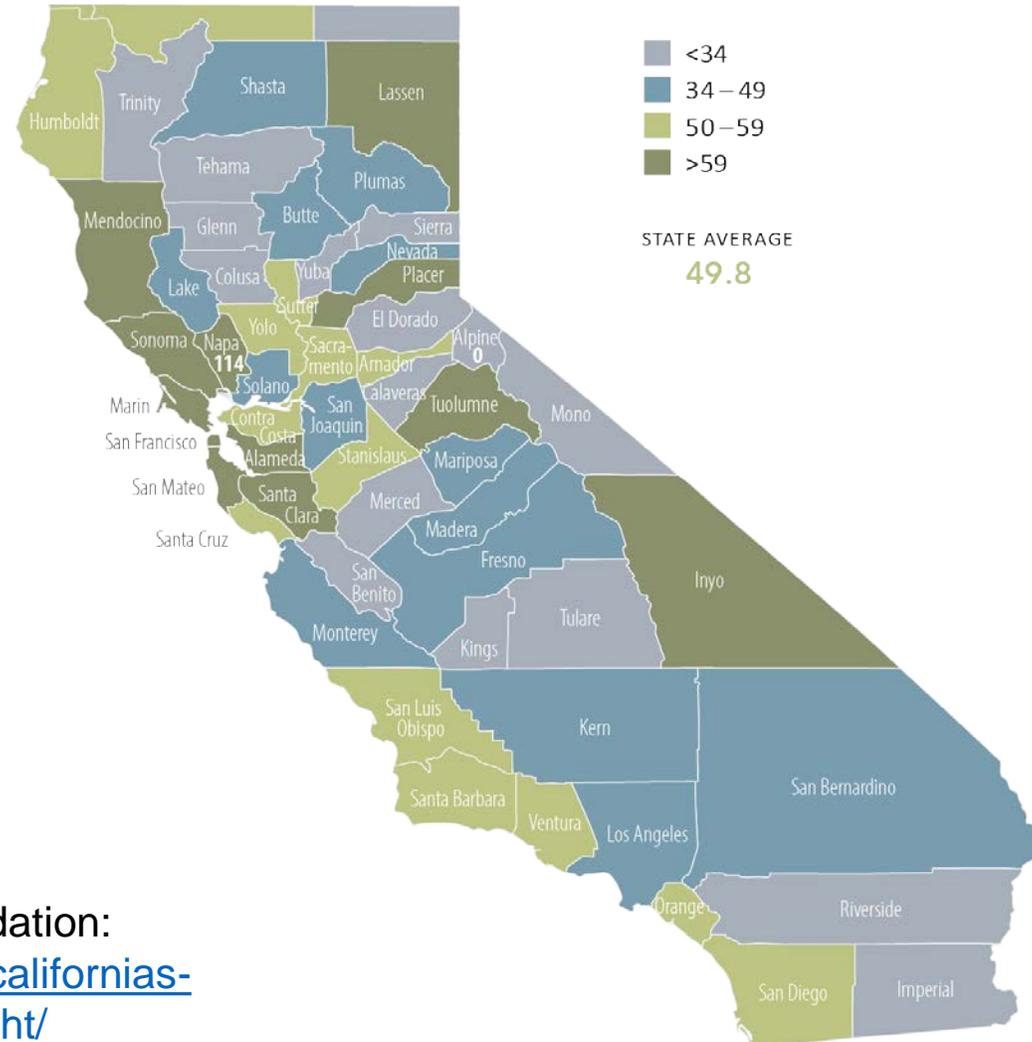


Differences in Usual Source of Care by Race/Ethnicity: California 2017

- Doctor's Office/HMO/Kaiser
- Community Clinic/government clinic/community hospital
- Emergency room/urgent care
- Some other place/no one place
- No usual source of care

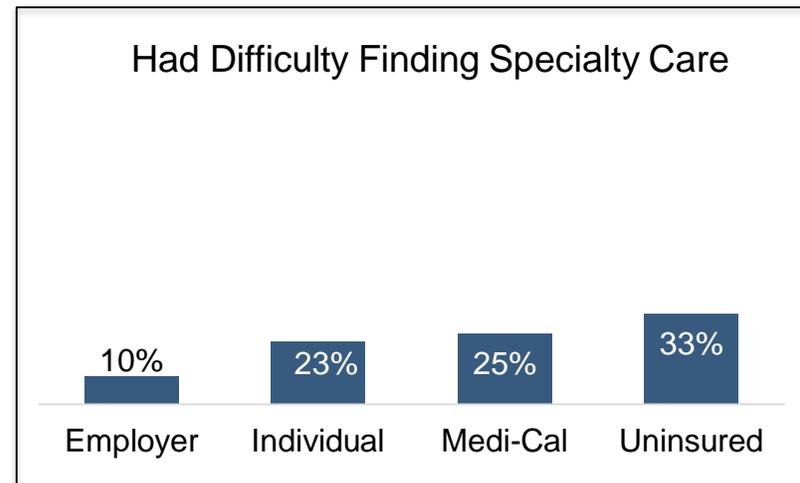
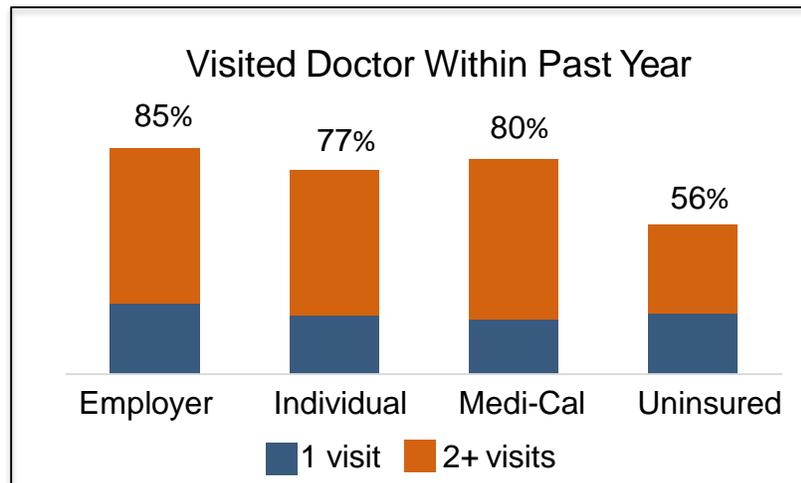
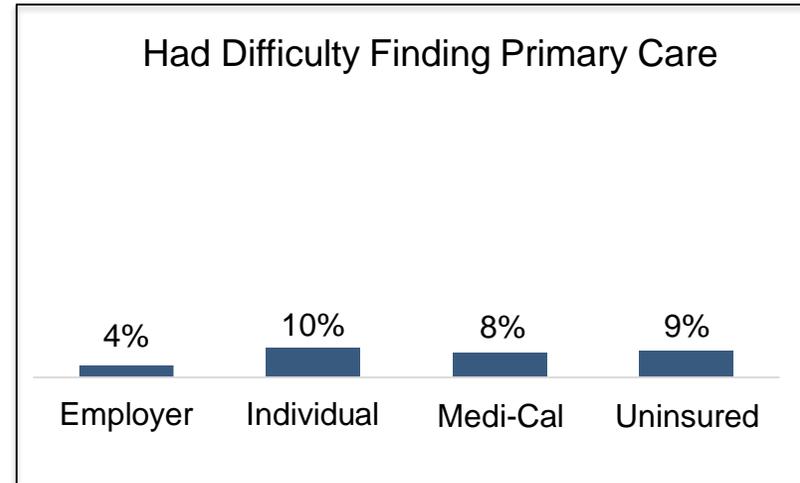
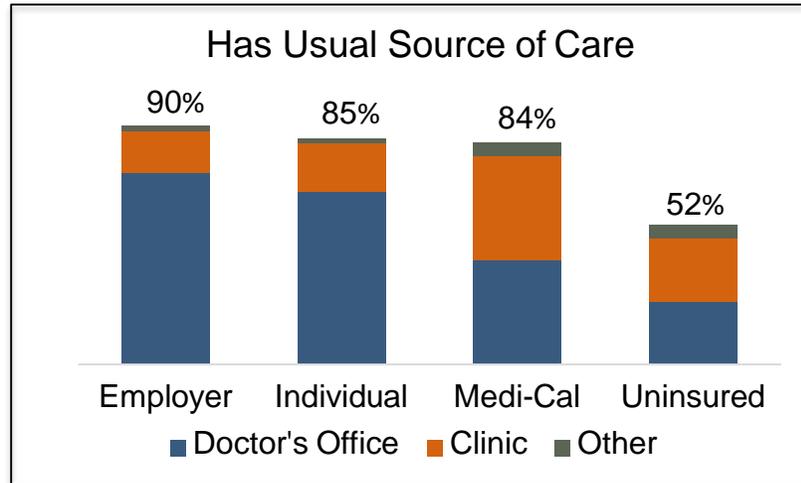


Primary Care Physicians per 100,000 Residents, by County, 2015



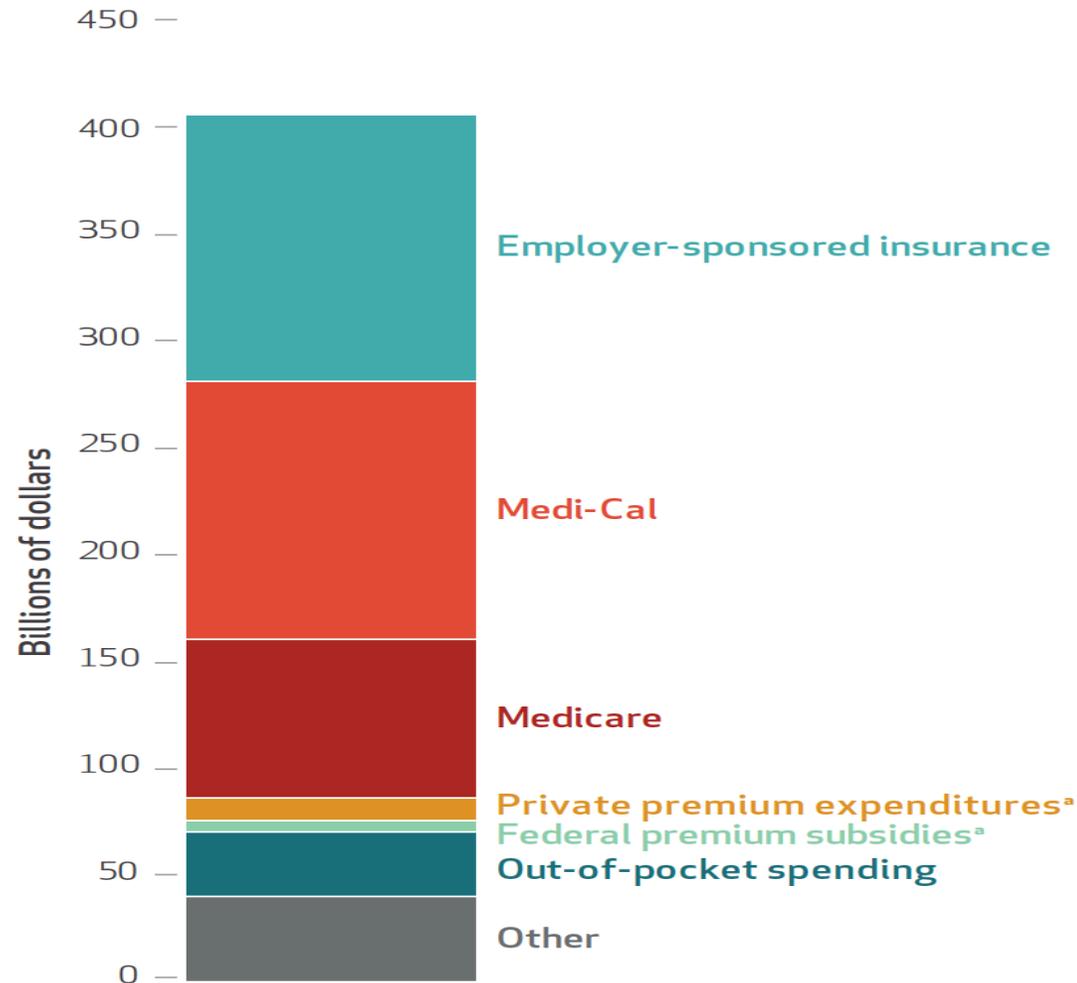
California Health Care Foundation:
<https://www.chcf.org/publication/californias-physicians-headed-drought/>

Medi-Cal Enrollee Access is Generally Comparable to Individual Market and Better than Uninsured



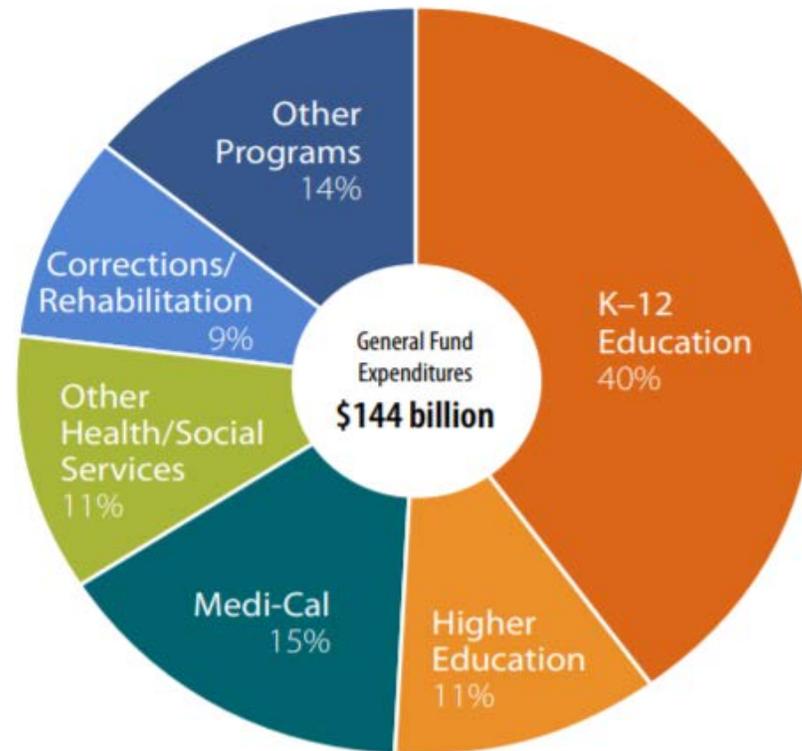
Source: California Health Interview Survey (CHIS), 2016. Those answering yes to either of the following questions were categorized as having difficulty finding care: During the past 12 months, did you have any trouble finding a general doctor (or medical specialist) who would see you? During the past 12 months, did a doctor's (or medical specialist's) office tell you that they would not take you as a new patient?

CA Health Care Expenditures By Payer 2017-2018



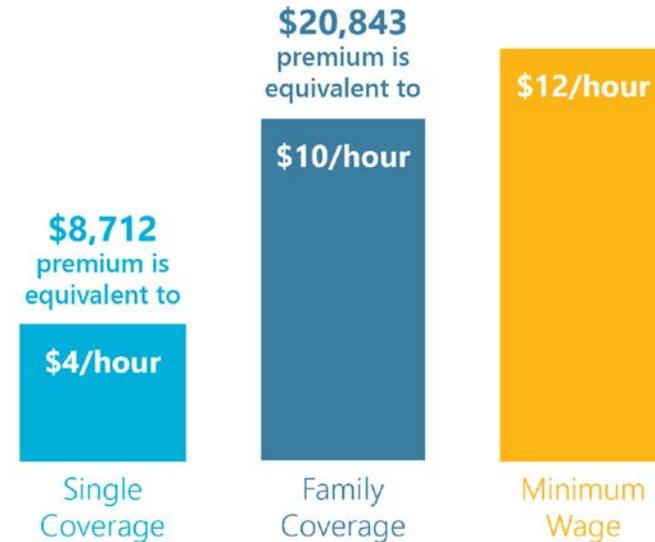
>\$20 Billion of Annual General Fund in Medi-Cal

General Fund Distribution
FY 2018–19



Average Job-based Family Premiums Exceed \$20,000 per Year

Average premiums for job-based coverage in California, 2018, shown as hourly equivalents for a full-time worker



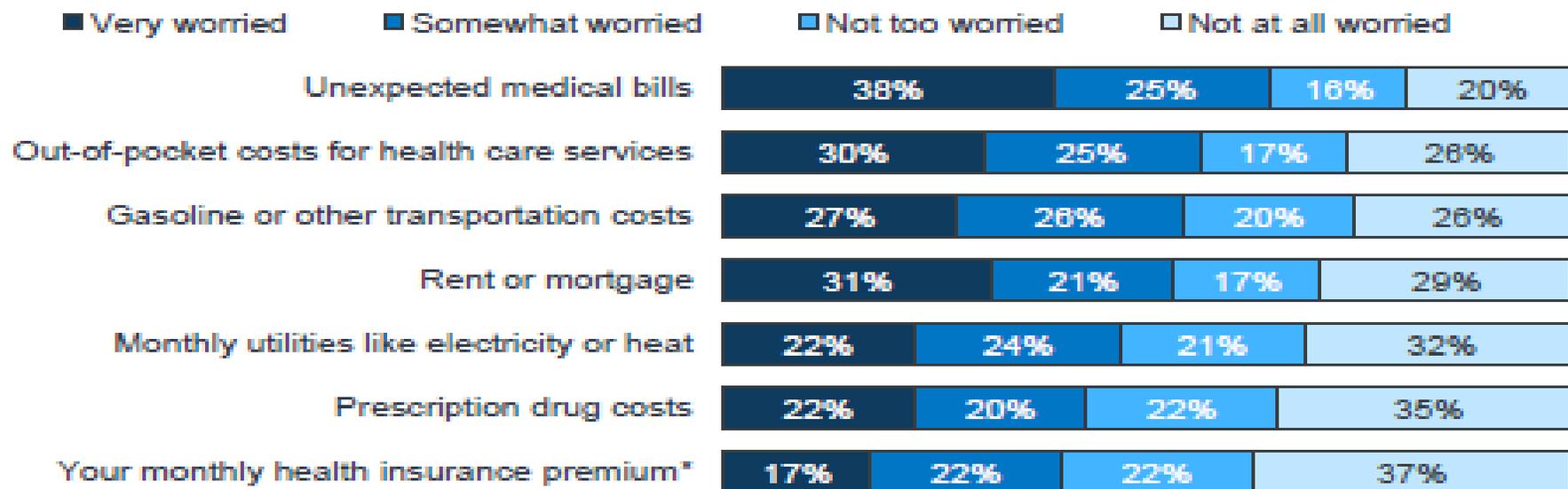
Source: UC Berkeley Labor Center analysis of average premiums from CHCF California Employer Health Benefits Survey 2019

Health Care Affordability is a Big Concern for Californians with Insurance

Figure 33

Unexpected Medical Bills And Out Of Pocket Health Care Costs Rank High On List Of Californians' Affordability Concerns

How worried are you about being able to afford each of the following for you and your family?



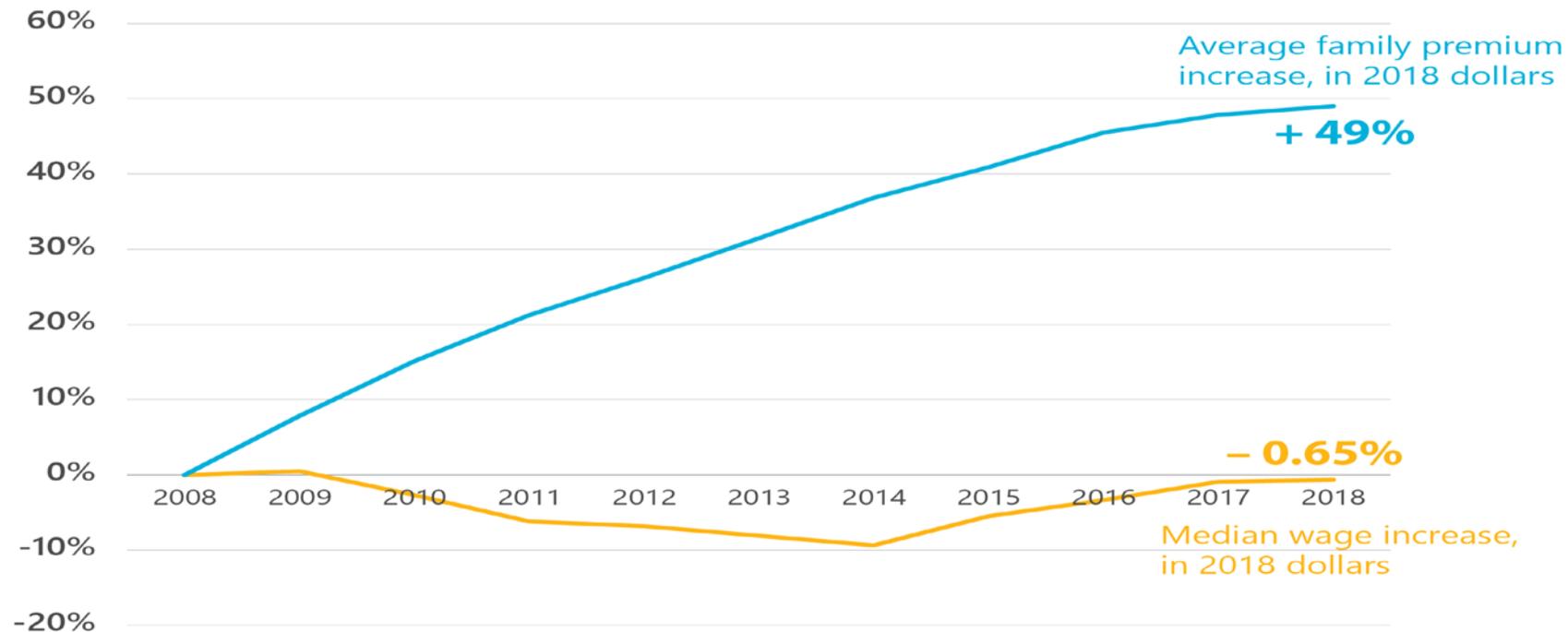
NOTE: *Item asked of those who have insurance.

SOURCE: KFF/CHCF California Health Policy Survey (Nov 12-Dec 27, 2018). See topline for full question wording and response options.



Job-based Premiums Have Grown Rapidly While Wages Have Not Budged

Premium growth and wage growth, California, 2008–2018



Source: California Employer Health Benefits Survey (premium growth based on fixed enrollment—see definition at <https://www.chcf.org/wp-content/uploads/2018/06/EmployerHealthBenefits2018.pdf>), UC Berkeley Labor Center analysis of EPI Current Population Survey data, 2008–2018. Premium and wage growth adjusted to 2018 dollars based on California CPI.

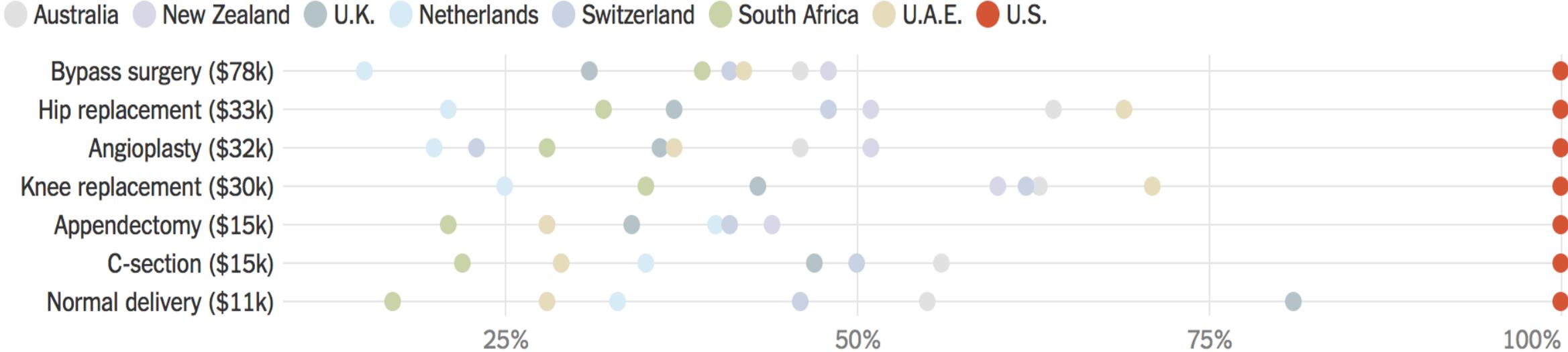
US Health Care Cost Drivers: Annual Growth 2018

Health Care Prices	53%
Health Care Utilization	33%
Population Growth/Aging	13%
Total	100%

CMS Office of the Actuary: <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2019.01451>

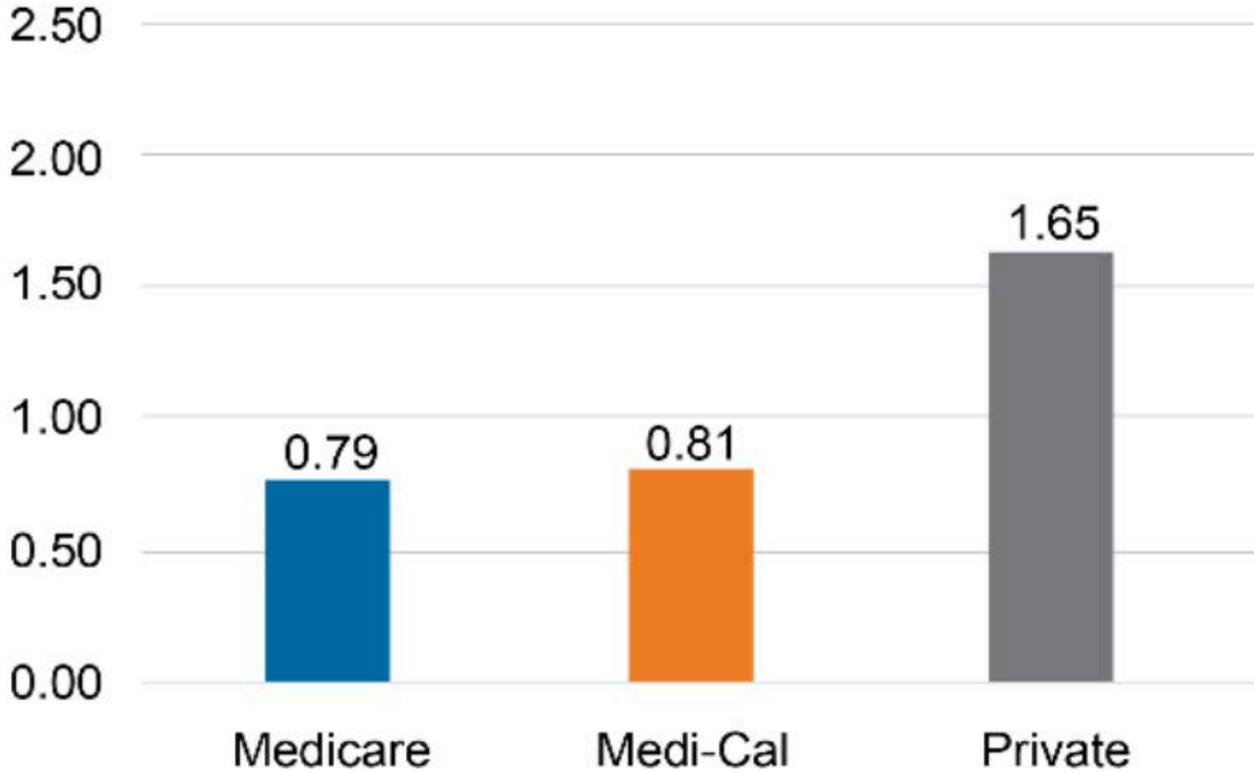
Medical Care Prices Are Higher in US

Percent of U.S. price in 2017.



Source: International Federation of Health Plans • By The New York Times

California Hospital Reports of Proportion of Costs Reimbursed By Payer: 2015/2016



Kronick and Neyaz: <https://s8637.pcdn.co/wp-content/uploads/2019/05/West-Health-Policy-Center-Hospital-Pricing-Analysis-May-2019.pdf>

Administrative Costs

From Kahn, Kronick et al Health Affairs (2005):

California Hospitals

Total administrative costs as % of revenue : **20.9%**

Billing and insurance-related costs as % of revenue: **6.6-10.8%**

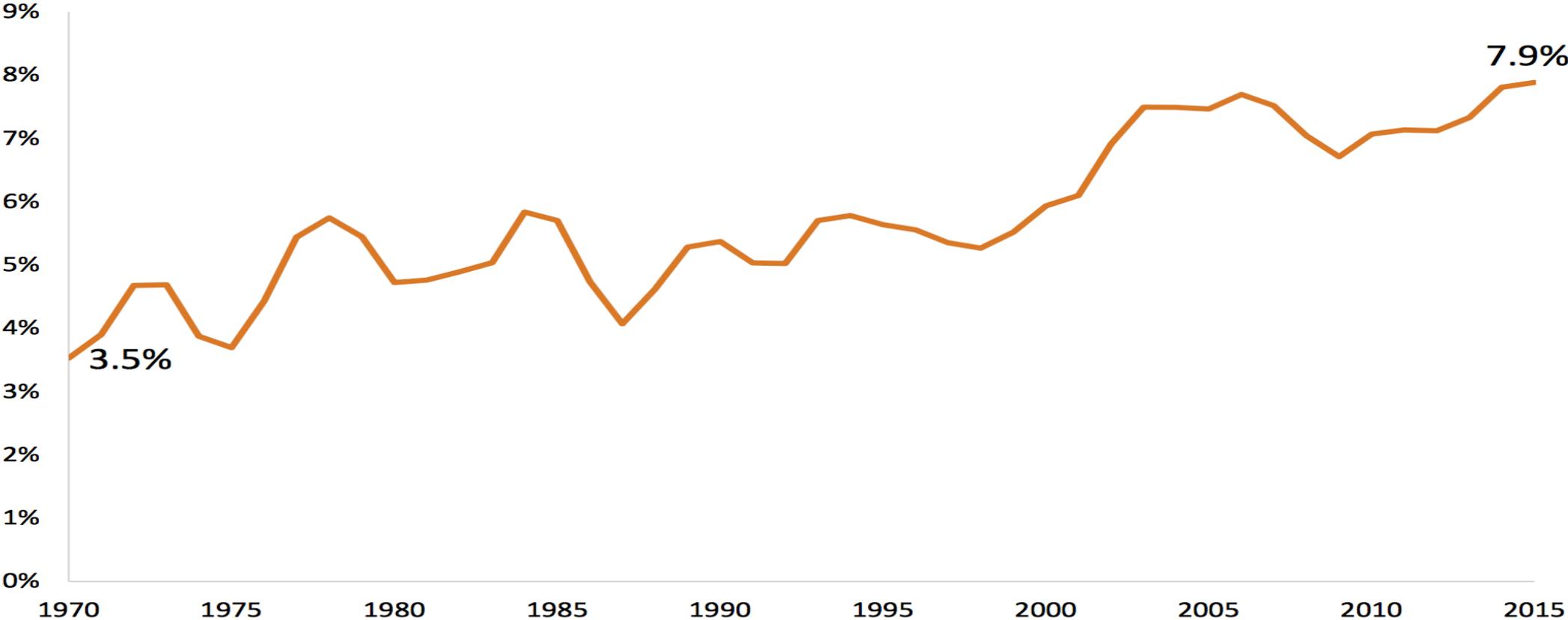
California Physicians

Total administrative costs as % of revenue: **26.7%**

Billing and insurance-related costs as % of revenue: **13.9%**

Share Of Health Spending For Health Insurance Administrative Expenses Over Time

Net cost of health insurance and administration, as a share of total health expenditures, 1970-2015



Source: Kaiser Family Foundation analysis of National Health Expenditure (NHE) data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group

Questions For Commissioners to Consider

- Are these data appropriate for inclusion in the environmental scan the Commission is required to submit to the Governor and Legislature by July 1, 2020?
- What additional data would help you to better understand the current California health care landscape?