



Dear members of the Healthy California For All Commission,

The California Alliance for Prevention Funding (CAPF) is a coalition of twenty statewide organizations representing nonprofits and local health departments that is advocating for a new source of sustained, dedicated funding to promote health equity and address the social determinants of health in CA. Our campaign has reached out to hundreds of stakeholders across multiple sectors throughout California. Across this diverse divide, there is one collective point of agreement - if we do not invest in preventing the leading causes of premature illness, injury and death, we will never achieve health equity, improve the overall health status of Californians or contain health care costs.

On behalf of CAPF, we are pleased to see that the Healthy California for All Commission's report, *An Environmental Analysis of Health Care Delivery, Coverage, and Financing in California*, leads with a section on Equity and Community Health, noting early on that, "...medical services are estimated to affect only 10 to 20 percent of modifiable health outcomes. The remainder results from the social determinants of health..." (pg 12). The report further makes the case for investing in the social determinants noting that, "When the Commission considers ways to improve health care in California, it will be important to consider the barriers to health equity that exist today and ensure that proposed solutions lessen those barriers." (pg 9)

As advocates for health equity and sustained investment in addressing the social determinants of health, we couldn't agree more.

We believe it is essential that the report's vision for financing of California's health care system include strategic, sustained investments in community-based prevention and health equity. Just as the Affordable Care Act envisioned the Prevention and Public Health Fund, California needs to have dedicated funding for organizations to implement community-based prevention programs and policy/system/environmental change strategies that create healthier communities for all.

A mere \$10/capita/year invested in community-based programs to address the social determinants of health would represent just 1/1000th of what California spent on health care in 2018. Such an investment could create a State Wellness Trust that would allocate funds to local health departments and nonprofit organizations in every California county, with funds earmarked to implement and scale up effective policies and programs that work primarily outside of health care settings to reduce the underlying causes of preventable illness and injury.

Interventions would be shaped by epidemiologic data and community priorities to close gaps in health outcomes and inequities, including, but not limited to, evidence-based and pilot interventions that:

- Promote healthy eating and food environments
- Increase access to safe physical activity
- Prevent childhood trauma
- Improve neighborhood safety and reduce substance abuse
- Support aging with independence and dignity
- Promote youth leadership and development

State Wellness Trusts or Funds are a proven model. Through sustained investment in prevention, Massachusetts, Minnesota, and Oklahoma have demonstrated concrete improvements in community health such as: a reduction of smoking among teens, increased access to healthy food and physical activity for students, a decrease in soda consumption, decreases in senior falls and associated hospitalizations, and more. You can read about models for State Wellness Trusts and their successes here: <http://bit.ly/StateWellnessFunds>. See here for a model of how we could create a State Wellness Trust in California. <https://www.ca-allianceforpreventionfunding.org/california-wellness-trust-proposal>

In California, we also seeing positive outcomes from a local Wellness Fund that is investing in community-based prevention. California Health and Wellness, a local Medicaid provider in Imperial County, agreed to a per-member/per-month investment in community health as part of their rural expansion contracting. The funds are overseen by a local health commission comprised of a range of appointed stakeholders and have been invested in asthma prevention, building resident leaders, increasing the capacity of local nonprofits, and other upstream strategies that improve community health and wellbeing.

In addition, the Commission's report states that, "frequent transitions in coverage reduce the rewards to health systems to invest in prevention..." (pg 31). Conversely, we believe that the creation of a pooled funding stream for upstream interventions, that is not dependent on a resident's health insurance on any given day, can reward health systems. These systems stand to save by investing in community-based prevention strategies that impact all residents in their catchment areas. Just one example - one-third of California young adults have prediabetes, with disproportionately high rates among Latino, Pacific Islander, American Indian, African-American, and multiracial Californians.

(<https://healthpolicy.ucla.edu/publications/Documents/PDF/2016/prediabetes-brief-mar2016.pdf>.) Proven community-based strategies can help prevent prediabetes from turning into chronic diabetes, which has a high price tag for any health system that a resident may transition into, from employer-based insurance to Medicare, in addition to high costs in quality and length of life for vulnerable populations.

Finally, there are frequent references to "fragmented financing" of health care throughout the report. We suggest that the vision of fixing "fragmented financing" be expanded to include

community-based strategies that prevent health inequities. Local health departments and nonprofits across California can attest to the impact that restrictive, insufficient, sporadic grant funding has on their ability to initiate programs that address unmet local needs and to sustain programs that are showing success in promoting health equity and keeping people healthier.

Conclusion - Forty Million Reasons Why

We are encouraged that the report mentions “increasing health equity and improving quality” as the first example of topics to be discussed as the Commission develops its second report with key design considerations for a unified financing system (pg 83). Sustained investment of new dollars to create healthier community conditions will increase health equity, contain health care costs, and improve the health status of all Californians. Without changing how we invest to build health, we can’t expect health inequities to change.

As partners in health,

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