



'A New Day' for California Health Care?

Dispatcher: 911, what's your emergency?

Caller: America's healthcare system is broken and people are dying! (ambulance siren)

Welcome to **Code WACK!**, where we shine a light on our callous healthcare system, how it hurts us and what we can do about it. I'm your host **Brenda Gazzar**. This time on **Code WACK!** On April 25th, 2022, a major report was issued on California's fragmented and uber-expensive healthcare system. Does this mean California is finally getting serious about fixing our health care? Let's find out! Today's guest is **Michael Lighty**, president of Healthy California Now, a statewide coalition dedicated to winning single payer / Medicare for All in the Golden State. He was also the Healthcare Constituency Director for Bernie 2020.

(5-second stinger)

Welcome to Code WACK!, Michael. It's great to have you back.

[\(00:48\)](#):

Lighty: Thank you, Brenda. It's great to be here again.

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Q: *Californians have been struggling to afford health care and insurance for some time, and it seems like it's only getting more expensive despite the Affordable Care Act. My*

insurance premiums keep going up and I know I'm not alone in 2019. Governor Gavin Newsom convened the Healthy California for All Commission to develop a plan for a unified financing system, including a single-payer option. What was the point of convening this commission and why is this significant today?

[\(01:18\)](#):

Lighty: Well, the point was really to bring together a diverse set of experts and stakeholders, advocates, folks engaged in health policy and engaged in (the) delivery of health services, to come up with a plan for how we get from here to there. And the “there” of course is guaranteed health care for all Californians and the mechanism that they wanted to consider is what they call unified financing or one-payer mechanism for all health services and what we often refer to as single payer. The idea being that if a diverse group of experts consider this issue, they come up with a good plan and analysis of where things are and how to move forward. And that's what happened. It's quite an extraordinary achievement that such a diverse group did come to a consensus in favor of unified financing and utilized some analysis that was very compelling – that California can save up to \$500 billion dollars, a half a trillion dollars over the next 10 years if they adopt a unified financing system, can save 4,000 lives or more annually and can address the inequities that have been exposed so thoroughly by the pandemic.

[\(02:30\)](#):

Q: Wow. Up to \$500 billion dollars in savings over the next ten years? I can't even wrap my head around that number. And at least 4,000 lives saved each year? That's priceless! So you recently said that this report on unified financing counters the notion that single payer is dead in California. What did you mean by that?

[\(02:39\)](#):

Lighty: Well, this notion came about in media narratives after (California's single payer bill) AB 1400 didn't get out of the Assembly earlier this year, that somehow there was no path to single payer. This report directly shows there is a path and that there is foundational work currently being done through the administration and through the legislature that can lay the groundwork for unified financing. The truth is that this media narrative was premature because this commission's report was in the works. And then when a commission report comes out and says, if we don't do this, we're going to spend another \$158 billion dollars more in 2031 if we do

nothing than if we adopt a unified financing system that just shows that whatever those narratives were about the demise of single payer were wrong in a sense that there is a plan, the savings are considerable, and that those really premature assessments reflected more a bias than reality. And so the reality, I think, has been shown by this report, that in fact there is a path and that the path is compelling and necessary.

[\(03:47\)](#):

Q: Right. Sometimes the media is eager to jump on the naysayer bandwagon, so to speak.

[\(03:53\)](#):

Lighty: That's exactly true and what we confront so much in this issue of guaranteeing health care for all and Medicare for All is that what people think they know is unquestioned and the report's strength is showing that in fact there's a set of evidence and analysis that points very clearly to reality. And that reality is that this is a system and an approach that solves the problems the present system cannot solve. And I think we get beyond that kind of false media narrative biases and assumptions, much of it driven by industry spending and propaganda and lobbying to get to the truth, which is that we can guarantee health care, improve quality, eliminate profit making, eliminate administrative waste and fragmentation, increase and really establish an equitable healthcare system and improve the quality of health and the lives of Californians. To me, it's just very compelling.

[\(04:53\)](#):

Q: Wow. It is. It is and before we talk a little bit more about the report itself, tell us about the commission and the perspectives of those on the commission. Are they a bunch of Medicare for All zealots, as some have suggested?

[\(05:11\)](#):

Lighty: <laugh> Ah, no. The reality is that some of these folks are very invested and have made their careers out of either the status quo or tweaking the status quo and so the truth is that this was a group going in that was by no means inclined to adopt a consensus approach in favor of unified financing. And there are still differences to remain. There are some academics who've been studying some of these issues and relying upon industry-funded research for that

who draw certain conclusions about the desirability of continuing to use health plans, for example, health insurance companies. But the commission as a whole said even if we were to do that, which is by no means certain and was not in fact the consensus position of the group, those health plans would look very different.

[\(06:03\)](#):

They wouldn't be insurance in the sense of profit making, denying people care, preauthorizations, restricting access to make money. That wouldn't be the kinds of plans we're talking about. There are other folks like health economist from Harvard [Bill Hsiao](#) who's designed national healthcare systems and was very clear about what it would take to set up single payer in California.

There are people from [CalPERS](#), which is the entity that administers health benefits for public employees in California. There were representatives from [Covered California](#), which provides private commercial health insurance through the Affordable Care Act exchange. They were obviously led by Secretary [Mark Ghaly](#), who was the Secretary of the Department of Health and Human Services in California who chaired the commission and led a process that achieved extraordinary consensus among diverse stakeholders who came in with very different points of view.

[\(07:06\)](#):

And there were some strong single-payer advocates, most notably [Carmen Comsti](#) from the California Nurses Association, [Anthony Wright](#), who's the executive director of Health Access played a very strong role in favor of a single-payer approach. [Sara Flocks](#) as well. Others emerged, [Cara Dessert](#), who coordinates, is the executive director for an LGBTQ center in San Diego was very persuasive about the need for bold action to be brave in going forward. And in fact, even members of the commission from the big foundations, philanthropic foundations devoted to health care, the California Endowment and California Healthcare Foundation, [Bob Ross](#) and [Sandra Hernandez](#), respectively came out in favor of this consensus approach and Dr. Ross in fact said that he was saddened by the demise of AB 1400 and committed the endowment to preparing better for the next time such a proposal comes before the legislature and seems fully engaged in figuring out how we can move this forward. Most significantly the commission said the key next step is to get and secure federal support through the waiver process and that really means Governor Newsom leading the way.

[\(08:26\)](#):

Q: So what are the report's major recommendations?

[\(08:28\)](#):

Lighty: The major recommendations are that we need to take foundational steps now, and we need to engage with the federal government as I mentioned. The idea is that in order to come up with what California's going to have to pay, we need to know what the federal government is going to contribute and what the parameters of that support are. That means the administration, the Newsom administration, engages with the federal Health and Human Services agency to set those parameters, that we go through a public and transparent process to come up with a program for applying for that waiver as it's called from the federal government, and that we ultimately pass that authorization through the legislature.

The other thing that the report clearly states is that we need to lay these foundational steps, that the Office of Healthcare Affordability is currently undergoing a proposal in the legislature that would establish certain rate regulation mechanisms that can be used now and under single payer.

[\(09:29\)](#):

The expansion of Medi-Cal to all undocumented folks would be a huge step toward universal coverage – not complete – part of the reason why we need this, this other program of unified financing, single payer. And there's a whole set of things. There's reform of the Medi-Cal system called Cal-AIM. There's the integration of prescription drug purchasing into one payer for Medi-Cal beneficiaries. There's a set of things now, some of which involve frankly private health plans and we would have to change that in our view in order to achieve true single payer and some of them are of course, stepping stones like the Office of Healthcare Affordability, not by any means the fully comprehensive approach to payment and rate regulation and cost reduction that we would do under single payer, but again, a step in that direction. So I think the gist of what came out from the commission meeting on April 25th was that this is not a report that's going to sit on the shelf, that it's intended to be implemented to promote action and to do so immediately. And I think that the key next step is that engagement with the federal government led by Governor Newsom.

[\(10:51\)](#):

Lighty: So what do you think the report's findings and recommendations mean for the prospect of a single-payer system in California?

[\(11:01\)](#):

Lighty: It's a new day, let's face it. We thought that the pandemic would open people's eyes to this extraordinary need to address health inequities and disparities – that's reflected in this report. We thought that the case for how much a single-payer financing could save Californians would compel folks to adopt this reform. This report shows that. The idea that we can actually guarantee health care to all and substantially save money and control cost was something that advocates have known for quite a while. Now we have the official imprimatur of a diverse commission that instigated a comprehensive analysis of the present system (that) drew the same conclusion – that it was fragmented, costly, wasteful, inefficient, and inequitable, and that this approach, what we call single-payer – they've termed unified financing – can solve those problems in a way that the present system simply cannot. That's a huge step forward for guaranteed health care in California and it's a huge step forward, frankly, for the quality of life and the health of Californians.

[\(12:13\)](#):

Q: This is wonderful news. So what's next? How can everyday Californians like me get involved?

[\(12:17\)](#):

Lighty: Well, urge Governor Newsom to engage with the Biden administration to secure federal support for single payer in California, to write your legislators and urge them to authorize that negotiation and approvals from the federal government and ultimately to pass single payer in California and then be prepared to carry out a fight at the ballot to overcome industry opposition and implement this program. And I think there are certain things we can support now.

Let's support Health for All, the expansion of Medi-Cal to undocumented folks. Let's make sure that this Office of Healthcare Affordability AB 1130 is the best possible version and actually carries out single-payer principles. But I think the most important thing is to urge Governor Newsom to lead, to win guaranteed health care in California, and folks can join Healthy California Now, participate in those activities, that is HealthyCA.org, and there's a lot of

opportunities to advocate and engage and to take the best parts of this report and the momentum created by it to win guaranteed health care in California.

(5-second stinger)

[\(13:31\)](#):

A big thank you to Michael Lighty.

Do you have a personal story you'd like to share about our 'wack' healthcare system?

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