



Connecting the dots: A legislative path to healthcare justice?

***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!** What legislative efforts are underway to fix California's broken healthcare system? Would such reforms help prepare the Golden State for single-payer health care? Today we're continuing our discussion with **Anthony Wright**, executive director of **Health Access**, a health consumer advocacy coalition. Health Access works to connect the dots between community organizing and legislative advocacy, and has been at the forefront of many successful campaigns to eliminate disparities and expand health care to underserved communities.

Q: Welcome back to Code WACK!, Anthony! So how is Health Access supporting ongoing efforts to fix health care in the Golden State? What legislative campaigns are currently in the works?

(00:57):

Wright: Yeah, Health Access is proud to be actively involved in many of these campaigns to improve health care, not just to provide real relief to people now, but also to set up these building blocks toward the better healthcare system that we all need and deserve. So, for example, you know, the expansion of coverage and getting to some form of universal access to care is critically important – so expanding Medi-Cal regardless of immigration status, but also providing greater affordability assistance in Covered California so nobody has to spend more than a percentage of their income on coverage and that we can reduce or even eliminate deductibles and other forms of cost sharing that prohibit people from getting the care that they need. A lot of the work that we're doing is also in the focus of trying to get to a more equitable system and a more affordable healthcare system, holding the industry accountable for that.

(01:50):

There's a range of efforts to use the state's purchasing power as a contractor in Medi-Cal in Covered California to hold the health plans accountable for higher standards with regard to quality, with regard to reducing or eliminating racial and ethnic disparities and that's critically important. And then fundamentally on the issue of cost since a lot of this does come down to money, we're very excited about a couple of efforts this year, including an effort to create a new Office of Healthcare Affordability.

This new Office of Healthcare Affordability is something that we have worked on for several years now and we're hoping that we are in the last stages of trying to get this through. This Office of Healthcare Affordability would set cost targets for the industry by region and sector that would be enforceable so that providers don't get to just charge whatever they want or whatever they can get away with but you know have some goals with regard to affordability.

(03:02)

We're never going to meet a goal we don't set, and we want to give the industry the tools to meet these goals, but also accountability if they don't. A number of states are sort of working on these sort of cost commissions and we think we have a model here that could go a long way toward trying to provide some sort of oversight, you know, on increasing healthcare costs in California and it's a kind of office that would need to be created, you know, in a universal system with unified financing but it's also something that could start the process right now and potentially provide some relief and some signals to the industry right now that they need to focus on affordability as part of their goal as well.

(03:36):

Q: How can you hold insurance companies or providers accountable? Would it be financial penalties?

(03:41):

Wright: Yeah. The Office of Healthcare Affordability would set cost targets that would be enforceable. So if it says 'we're going to have a goal that healthcare costs only go up by the amount of wage growth in the state' you know, whether it's 2%. 3% or 4%, that will be a goal. There would be some adjustments by region and sector and if there were certain plans or providers that exceeded those targets significantly, without explanation, without justification, then those parts of the healthcare industry would enter into a performance improvement plan. But if that ultimately did not work, there would be penalties commensurate with how much they are overcharging Californians.

That's the model of the Office of Healthcare Affordability and that's something that we're looking at. Other states have had some initial success with this type of model, most notably Massachusetts in the last decade, and we want to make, you know, in our big state, we are ...looking at that model, but also learning from what other states are doing with regard to needing more enforcement, needing more oversight, needing more ability to look at the industry as a whole.

(04:49):

One of the reasons I'm excited about this proposal is that for years we've been working on specific efforts where there's been market failures, where it's on prescription drug prices, on surprise medical bills, but when we do ultimately

pass legislation or a policy remedy to deal with it, it still doesn't necessarily result in actual savings to consumers because there's just so many different middlemen and ways where the savings can be siphoned off. So this is an approach to look at the healthcare system comprehensively. We have lots of agencies that look at very specific parts of the industry that look at the individual market, that look at HMOs that look at, you know, Medi-Cal but this would be something that was looking at the healthcare system as a whole and we think that approach could ultimately yield real results for California consumers.

(05:44):

Q: Right, and the number of this bill is?

(05:47):

Wright: The Office of Healthcare Affordability is both proposed in the governor's budget and in a companion bill [AB 1130](#) by Assembly member Jim Wood, who is the chair of the Assembly Health Committee. Assembly member Wood also has another bill that we're excited about, which deals with the issue of healthcare consolidation. In California, we have a big state that, and ... there's been more and more literature that shows ... that in certain regions where the industry has gotten more consolidated, where hospitals have banded together into large chains, where medical groups have banded together, prices are higher and it's striking how different prices are in the same state with the same rules, with many of the same issues – that there's such variability in different regions and the biggest correlation to that is the consolidation of the health system.

(06:45):

And so we need to have greater oversight of this shift as more and more of these healthcare businesses merge and consolidate and so this bill would basically extend the existing attorney general review of these transactions to include transactions that include for-profits or, you know, hedge funds, private equity, those types of mergers and buyouts. It would also put in place some of the anti-competitive contracting provisions that were agreed to in the now famous Sutter (Health) settlement that the attorney general waged with Sutter Health, which is a large chain here in Northern California. This bill would do a lot to deal with what many academics see as the main driver for high, inflated healthcare

prices and it's a really important bill, [AB 2080](#), by Assembly member Jim Wood and we're trying to move this through the process.

(07:45):

Q: Wow. So I'm curious about what you think about the prospect of these reforms to be implemented or for these bills to be passed?

(07:51):

Wright: Like with other proposals, there is opposition, but both of these proposals have been around for a couple years and so we are hopeful that we can get them past the finish line. It's very rare that we win things in the first year, but we have a track record of getting things done by a) building a broad coalition of groups representing not just consumers, but labor and business. Frankly, even those parts of the industry that are willing to be part of a positive change for the better. We also are able to better marshal our arguments, you know, prove the case to legislators because at the end of the day for voters, healthcare costs is a top of mind issue. I mean, you know, there's a lot of talk about inflation these days but the inflation that has gotten so much attention, whether it's the price of milk or the price of gasoline, is off the charts if you would put them on the scale of healthcare costs.

(08:46):

\$5 a gallon for gas would be \$30 a gallon for gas if it went up at the same rate, as health care did over the last few decades. The price of milk again would be multiple times what it is if it went up at the rate of health care. So voters know that and see that and so legislators need to have an answer to their constituents and some legislators are willing to say, 'I want to move to a universal system with unified financing' and that's great and in the meantime, here's some specific proposals that can start us on our way that can at least provide some initial oversight, some initial relief for people as we continue to do the work of seeking federal approvals and building a broader legislative consensus on broader reform.

(09:30):

Q: Do you see these legislative efforts as preparatory to implementing a single-payer healthcare system?

(09:35):

Wright: Yes. I think that these are steps toward further reform. I'm a believer that as a community organizer, I believe that changing our healthcare system is not going to take one bill or it's not going to take one campaign for one piece of legislation, it's going to need a movement and a movement that requires a series of victories and wins over a period of time, that this is not something that's done overnight and especially on something that people care about so deeply like health care where we need to build trust. There's so much cynicism out there and those who want to keep the status quo use that cynicism to attack any form of change, any form of reform. We need to sort of show that, 'hey, we can actually make improvements' and that builds the trust and builds the momentum for the next improvement and the next reform.

(10:23):

Wright: I think the fact that we had a successful implementation of the Affordable Care Act here in California helps provide the momentum to say, 'okay, now let's take the next step.' So, you know, we have one of the best exchanges in Covered California. That doesn't mean that there aren't more things we can do, but we can build on that success to then take another step and I think that's really important in something like health care, because when people get concerned and cynical, then they get frankly conservative about care that is so important to themselves and their families. Then their instinct is 'okay, how do I make sure that my family is protected for just me? Health care is something that works better when it's a community solution. If we learned anything in this pandemic, it's that our health care is deeply entwined with the health care of everybody else that we can't just do this by ourselves.

(11:10):

There was no individual way to solve the pandemic. It was us having to work collectively and I think that if we can use that ethos of how can we work together, we can get to a system where people recognize that I'm going to be healthier. I'm going to have a healthcare system that is stronger for me if it includes everybody, if it has clear goals and incentives that improves the health for everybody. I do think that you've seen that in the polls. We've seen a spike in improvements of not just the Affordable Care Act but of the goal of universal healthcare coverage going up 5%, 10%, 15% because I think people recognize that, you know, in the

pandemic, how important that was, that we all need to be included. We all need to be in a system that's working together to keep us all healthy as a whole.

(11:56):

Q: Anthony, how can listeners get involved in supporting and making these reforms happen?

(12:01):

Wright: You can certainly support our work at Health Access. You can look at our website at www.health-access.org. We have email lists that you can sign up for where you can get alerts of work we do. You can get lots of information and fact sheets on the bills I've talked about, including links to, you know, the reports of the Healthy California for All commission and elsewhere. You can also get connected to the many groups that are part of our coalition. Health Access gets its strength from our individual supporters and members, but also from our coalition, from the groups representing children and seniors and working families and labor unions and, you know, communities of color and others that are part of our coalition and that's our goal.

We want to help both organizations and individuals that if they're gonna spend X percentage of time, even if it's a relatively small percentage of your time working on health policy, we want to provide the information and alerts and campaign structures to plug into so that that time is used most effectively to advance these goals of getting to a quality affordable, equitable health care for all Californians.

(13:15):

Q: Great. What else would you like us to know?

(13:18):

Wright: I think what we've shown in California with the work that we've done to protect patients, to expand coverage, to implement and improve the Affordable Care Act is that progress is possible. It's very easy to be cynical these days with everything going on in the world, but we are making progress, but we can't let up. We have an opportunity in California, which doesn't have the same internal level of division as maybe some other states that haven't even banded their Medicaid program under the ACA yet. You know we've moved forward and we can take

additional and important steps to get to a healthcare system we all need and deserve and that's the key message – is that progress is possible. It may take some steps to get there. I think we can do both. We can take both immediate steps to provide real relief now while also working on the education, and the organizing, and the negotiations with the federal government and everything else to get to the broader vision of a fully universal unified financing system and we can and should do both and we should take that opportunity now so we can be the shining example for the rest of the nation about how we can improve our healthcare system so that it's worthy of all Californians and hopefully eventually America.

Thank you, Anthony Wright. Here's an update since I spoke to him. The Office of Health Care Affordability is being negotiated as part of the state budget which will be finalized in the coming days. AB 2080 – preventing harmful health care consolidation – passed off the Assembly floor and is heading for a Senate Health Committee vote in a few weeks amid heavy hospital opposition.

Do you have a personal story you'd like to share about our 'wack' healthcare system? Contact us through our website at heal-ca.org.

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