



**Healthy California for All
Commission Meeting
August 13, 2020
Meeting Synopsis**

Note: a video recording of this meeting can be found at: [Healthy California for All Commission August 13 20200 meeting video recording](#).

Commissioners in attendance: Anthony Wright, Richard Scheffler, Janice Rocco, Sandra Hernandez, Jennie Chin Hansen, Peter Lee, Don Moulds, Carmen Comsti, Will Lightbourne, Rupa Marya, Jim Wood, Bob Ross, Bill Hsiao, Antonia Hernandez, Sara Flocks, Andy Schneider (commissioner biographies can be found here: [Healthy California for All Commissioner Biographies](#))

1. Welcome and Introduction

- Virtual meeting protocols
 - Karin Bloomer, a member of the consulting team, reviews the virtual meeting protocols, and gives a general overview for the day.
- Roll call
 - Eric Douglas, a member of the consulting team, conducts roll call for the commissioners.
- Introductory remarks and agenda overview
 - Dr. Alice Chen, CHHS Deputy Secretary for Policy and Planning, welcomes the group and notes the administration’s focus on the pandemic and ensuring public health practices and capacity are there to ensure responsible opening of schools and the economy, with a focus on helping the most vulnerable. Dr. Chen gives an overview of the sequencing of topics for the Commission and the agenda for today, which includes the environmental analysis report revision and advisory vote, noting support for the report from California Health and Human Services Agency (CHHS) Secretary, Dr. Mark Ghaly.

2. Environmental Analysis Report

- Overview of report timeline and input process
 - Dr. Chen introduces consulting team member Marian Mulkey, who gives an overview of the report timeline and input process for the revised environmental analysis report.

- Preview advisory vote
 - Dr. Chen gives a preview of the advisory vote on whether the Healthy California for All Commission should accept the environmental analysis report, and whether it should therefore be transmitted to the governor and legislature.

- Public comment
 - Karin Bloomer invites verbal public comment.
 - Note: For a transcript of all public comment provided during the meeting, please go to [Transcript of Public Comment from August 13 2020 meeting](#).

- Commission discussion
 - Eric Douglas invites commissioners to preview how they plan to vote and why. Commissioners provide comment, including:
 - The report is comprehensive, and the changes are appreciated.
 - There are many notations of data in the report that reference policy matters that are before the legislature now, and that could well be acted upon now.
 - The report is a good problem statement, detailing a fragmented, complex and confusing health care system. However, the report might have spoken more to the current consumer experience of disempowerment, not just gaps in coverage, but people making life choices, career choices based on the ability to have access to affordable health care.
 - There is a shortcoming in the transition section.
 - It is important to include social determinants of health, equity, and community-based prevention.
 - Many recommended actions would not prepare California to transition to unified financing and some would further our fragmented system, for example, the reform of commercial plans or further regulation of fragmented plans within public programs.
 - The Commission should clearly and unequivocally recommend and prioritize a recommendation that the legislature and the governor not only draft, but pass legislation implementing a single payer program. And the Commission should recommend that the legislature and governor draft waiver applications and enter into negotiations with the federal government.
 - The drafting process should have had more transparency. The report does not address where there was disagreement amongst commissioners, and not all comments submitted were incorporated.
 - It is important to focus on the delivery system in any changes made.
 - The system we have now is a system that has systemic racism within it.
 - How can our health system interact with the broader levers to improve people's health?
 - It will be important to have more collaboration with each other in development of the second report. We need to spark ideas and come up

with the best possible solution by engaging with each other in this public format more thoroughly.

- There could be more discussion of the waste in the health care system. We don't want to finance waste.
 - The health workforce section needs to be broadened beyond physicians and might have included further discussion of other health workers, nurses, frontline workers, etc.
 - It would be interesting and important to note some of the innovations in the health care system both on the medical level and innovations in the delivery of health care throughout the state.
- Advisory vote
 - Eric Douglas previews the advisory vote: The advisory vote is on whether the Healthy California for All Commission should accept the final environmental analysis report and that it should be transmitted to the Governor and the Legislature.
 - Eric Douglas conducts a roll call vote of voting members of the Commission.
 - Commissioners voting yes: Chin-Hansen, S. Hernandez, A. Hernandez, Hsiao, Scheffler, Ross, Schneider, Flocks, Rocco, Wright
 - Commissioners voting no: Comsti, Marya
 - The advisory vote carries 10-2.

3. Community Engagement

- Update on community engagement plan
 - Dr. Chen introduces consulting team member Bobbie Wunsch, who gives a presentation on the updated plan for *Community Engagement: Listening Sessions and Stakeholder Meetings* (found here: [Community Engagement Process presentation](#)).
 - Highlights from the presentation include:
 - The timeline has been revised based on feedback.
 - Changed from a geographic focus to a population group focus.
 - Criteria have been set for choosing co-hosting community organizations.
 - Guidelines have been set for participation of community resident and organizations.
 - Questions for the listening sessions have been revised based on feedback.
 - There will be a series of input sessions with high priority population-based groups throughout the state via Zoom for two hours with 12-25 representative participants in each session:
 - Series #1: mid/late September – early October 2020.
 - Series #2: mid/late November – early December 2020.
 - Recruiting will seek out persons of color, low-income and underserved individuals, marginalized populations including youth, Medicare, Medi-Cal or Covered California, people who have lost health coverage due to

- COVID-19 unemployment, people who have no insurance due to immigration status, etc.
 - To capture key stakeholder input, there will be multiple sessions with invited organizational representatives from statewide health advocacy organizations, labor groups, single payer advocates, employers, and providers.
 - Held September 2020 – January 2021.
 - Written summary will be shared with Commission, and then with the public at regularly scheduled Commission meetings.
 - 2-3 co-host community leaders will offer short verbal summaries at future Commission meetings to highlight participant voices and reflections.
- Commission questions and discussion
 - Eric Douglas invites commissioners to provide feedback related to Bobbie Wunsch’s presentation.
 - Commissioners provide comments, including:
 - Commissioners are generally pleased with the changes made to the listening sessions based on feedback they provided.
 - Bob Ross states for the record he has recused himself from decision-making at The California Endowment related to this process.
 - Will the commissioners be able to provide feedback on the selection about who is selected as a co-host or participant? Will the Endowment have some sort of veto power? Will they be part of the decision making on who is a co-host or will that fully be a function of CHHS or the consulting team?
 - It is important to solicit public and commissioner feedback on the selection of these groups, because if folks believe the participants accurately reflect their community, commissioners should know.
 - Make sure listening sessions aren’t turned into a performative engagement with marginalized communities.
 - A specific recommendation is made to include community-based activists and organizing groups, including Black Lives Matter in Los Angeles.
 - It’s important to involve people from the margins and not just those with whom The California Endowment has good relationships.
 - A request is made for more transparency and soliciting of commissioners’ feedback as the process moves forward.
 - For the stakeholder sessions, look for the most vociferous opponents and consider the arguments they make, so they can be addressed in the final report.
 - Focus on how people interact with the health care system, for example a focus group of medical professionals or those who are uninsured, or those with a chronic condition.

- The questions asked still need feedback to be developed more. Open-ended questions may receive a different response among lay people, as opposed to asking lay people to respond to specific proposals.
 - The Master Plan for Aging is suggested a resource for commissioners.
 - This is not a random sample of California. Commissioners want to hear from the people who are having the most problems with the system and why, and what their ideas would be to improve it.
 - Sixteen million Californians get their health care through the three largest programs, Covered California, CalPERS and Medi-Cal, so we need to hear also from the folks who receive their health care through those benefits.
 - We need to be sensitive to privacy concerns for the people participating.
 - Homeless individuals as a population group should be included.
 - Eric sums up the commissioners’ comments and reiterates that there will be additional opportunities to give feedback on session content questions and about participation.
- Public comment
 - Karin Bloomer invites verbal and written public comment.
 - Note: For a transcript of all public comment provided during the meeting, please go to [Transcript of Public Comment from August 13 2020 meeting](#).
 - Dr. Chen sums up with three points highlighting, 1) the urgency of the moment with COVID-19 and the diversity of the state with 20% of residents with limited English language proficiency, 2) clarifying that The California Endowment does not decide which organizations will be involved—this is the role of CHHS in consultation with the consulting team, and 3) we need to figure out a process where we can get everyone's input in a fair, transparent and thorough way to really leverage the full extent of expertise and opinions and perspectives of the commissioners, who were selected for their expertise and vantage points.
 - The meeting adjourns for a ten-minute break.

4. Design Element: Financing

- Dr. Chen introduces consulting team member, Dr. Rick Kronick, who gives a presentation entitled *Financing Considerations: Background for August 13 Commission Meeting* (found here: [Financing Considerations: Background for August 13 Commission Meeting](#))
- Commission discussion
 - Eric Douglas solicits commissioner feedback on the seven criteria (Equity, Adequacy, Do No Harm, Neutrality, Stability, Simplicity, Healthy Behavior) asking if there are any missing criteria for weighing financing options.
 - Commissioners provide comment, including:
 - One missing criterion is something that speaks to how we deal with increased costs over time, as health care costs will rise, and that has an impact on what we ultimately choose for a financing option.

- There's a bigger broader part of this that I think is important, but unrelated to this, and that is cost, how do we how do we control costs?
- The "Do No Harm" principle is disturbing because it assumes an increase in wages would be harmful because they would incur federal income taxes. It fails to weigh the benefits and savings to individuals and families, both in terms of financial savings and improvements to health care and access.
- Regarding the "Do No Harm" criterion, it is not meant to discourage the workers getting the \$100 billion back that employers are now paying, but this principle is suggesting if they get it back and then they have to pay that hundred billion in either increased state income tax or increased or new gross receipts tax or sales taxes on services, then they aren't really getting it back. So, to the extent that revenues can be raised in a way that does not give the federal government more money, that seems like a better rather than worse thing.
- The "Neutrality" principle needs to be pushed back on. By moving to a unified financing or single payer, we are fundamentally changing our economic structure. We want to end the prioritization of insurance and provider profiteering over health. We shouldn't be striving to protect the status quo economic structures profiteering from our health.
- One tax that I see missing is a wealth tax.
- I would love to see a gross receipts tax. It can be structured so small businesses wouldn't be impacted the same. Regarding "Healthy behaviors," tax those industries that are causing the burden of health care problems that we're seeing in the hospitals, i.e. the pesticide industry, fossil fuel, sugars with a soda tax, etc.
- It's important to keep cost control and waste in mind as we talk about financing.
- It is appropriate to use tax policy to change corporate behavior, but in terms of taxing individual behaviors, this often ends up being very regressive and punitive. We need to be careful about that.
- There's almost \$73 billion in tax expenditures that we could look at. And most of those would probably stay in place. But if you could find \$10 billion there, that's a lot of money.
- It will be key to figure out how to make this work over time and how to have expenditures increase at a rate that is sustainable.
- Eric Douglas assigns commissioners and the public to breakout rooms for further discussion of financing options.
 - Breakout room recordings and transcripts can be found here: [Breakout room recordings and transcripts for the August 13th HCFA meeting.](#)
- The commission reconvenes and facilitators from the breakout groups summarize breakout group discussions:
 - Group 1 summary: We began with how important progressivity, fairness, and equity fundamentally are in any approach for raising funds, and it was

emphasized by most commissioners. There was attention to fundamental structural reforms to tax code, closing tax loopholes, and a suggestion to consider a wealth tax. There were some concrete, practical considerations raised around the notion of raising funds that are earmarked and put in a rainy-day fund or a lockbox. Would they be resilient to unexpected changes, such as the pandemic? Broad based approaches that target centers of wealth and power now are the right thing to do. The question is, are they politically feasible? How many opponents or potential challenges can you take on at once in a set of reforms? There was a conversation around cost structures and cost inflationary drivers, a suggestion that they must be addressed concurrently with any revenue raising and discussion of how that can best be done. We closed the conversation with thoughts about “doing no harm”, thinking about it in the context of not crowding out funding for essential social investments.

- Group 2 summary: This revenue needs to be progressive and from a combination of sources—both as it relates to taxes, as well as perhaps redirection of state budget items and new approaches, plus an analysis of what savings over time might be gained from unified financing. Considering new taxes, think about which ones will decline over time versus which ones will increase. Forty percent of any new taxes go to education, and so how can we work within or around that current rule? We still need more information on what the savings would be and an analysis and discussion with the Commission of which revenue sources would decline over time versus which would increase. What additional costs over time do we need to make accommodations for? Look at how other countries pay for their unified finance health care system. And what is the potential impact of the Biden health care proposal?
- Group 3 summary: Whatever revenue needs to be raised should be based on an understanding of the savings and what is needed to close the remaining gap. Politically, it is important to first communicate to the public what can be saved. It is important to have a blended combination of revenue raising, focusing on progressive options. The group was interested in lessons learned from Vermont, specifically around the communications to the public and what we might learn in order to avoid where that stalled. The group was also interested in other countries’ lessons learned from the financing for their health care systems.
- Eric Douglas sums up commissioners’ comments, noting the consensus around Equity as a paramount principle in designing revenue structure, the importance of an analysis of potential savings, building a resilient system aware of counter cyclical trends, and designing with awareness of the pragmatic political realities.
- Eric invites commissioner discussion.

- Commissioner Hsiao shares his experience working on single payer systems around the world and in Vermont. The key is to first look at savings and let the public know, so they will be willing to pay higher taxes. Second, use a combination of sources, not a single source. Third, tie what we pay for to a set of benefits you're going to get, so people hold the system accountable to do so.
- Given that we have a vastly inequitable system, equity is the prevailing principle by which we should consider any combination of these revenues.
- Do no harm has a set of issues to work through, the federal income tax that would be borne by hopefully workers getting higher wages as a result of a single payer system.
- We must address the price and costs of health care.
- We need to think about the job displacement associated with cost savings and where those jobs are and where they might go.
- A question for Commissioner Hsiao: What could be learned from Vermont that would have brought it over the line to make it possible? Is there something we can learn from your reflection and your knowledge and experience there that we kind of can tuck into our toolbox to be ready?
- Commissioner Hsiao mentions the issues with Vermont's attempt at single payer, noting the struggles that occurred while waiting for ACA financing, including increased costs beyond the recommendations, an issue with implementing health system technology, and the failed re-election of the governor.
- We need to get the expertise of the commissioners in this process, for example, Commissioner Rocco's expertise in insurance waste. We need to reorient this discussion so that the narrative of the second report is driven by the Commission instead of by the consulting team.
- We should be more explicit on the income tax side about a wealth tax.
- Andy Bindman, a member of the consulting team, sums up the comments from the commissioners and thanks them for their participation. He notes the importance of cost containment and savings and how difficult it is to consider the financing options without exact numbers, but that has surfaced key issues. The consulting team can build on these suggestions and go out and get additional information and will loop around to financing again as the next meetings dive deeper into related subjects.
- Public comment
 - Karin Bloomer invites verbal and written public comment.
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5. Adjournment

- Dr. Chen recaps the main action items, first that the environmental analysis report will be forwarded to the legislature and governor, noting the dissent of two

commissioners and mentioning that their comments will be included in the report. Second, commissioner guidance and input will be solicited as we move forward with listening sessions and the community engagement plan. Third, videos of breakout sessions will be posted online. Dr. Chen notes the difference between cost savings from administrative simplification and cost containment/affordability, and that both will be addressed. Lastly, Dr. Chen reiterates the commitment to engage with and leverage the expertise of the commissioners, creating a forum for more direct engagement as there was today.

- Dr. Chen adjourns the meeting.