

To: HealthyCAforAll@chhs.ca.gov

From: Paulina M. Conn

October 26, 2020

An Environmental Analysis of Health Care Delivery, Coverage, and Financing in California.

Environmental Analysis Comments

Dear Commissioners,

This environmental analysis report for Healthy California for All's health care delivery, coverage and financing in California is incomplete, inadequate, often irrelevant, deceptive, and uses the language of business when health care is first and foremost a moral issue including financing. The wording must change to the language of service and equity not the business language the private health care industry has brainwashed everyone to use. The graphs are pretty. This data should already be in the hands of the State's Health and Human Service's Agency and the Insurance Commissioner. This "study" is heavy on the problems everyone already knows exist and very light to non-existent on a non-discriminatory, cost saving solution to the current system's inequality, segregation, and waste of health care dollars. This report seems to be yet another expensive "study" to again ensure inaction.

The goal of "Healthy California for All" seems to be to provide accessible, affordable, equitable, high quality, universal health care for all residents in the state of California. **The goal must also be for 100% of residents** to have the same secure, totally pre-paid, comprehensive health care benefits including dental, vision, mental health, long term care and the medical portion of Workers' Compensation with a single risk pool. Costs must be linked to State Gross Domestic Product, inflation rate, and new beneficial technologies to be sustainable and good for society. It must provide patients with choice of any participating private or public California licensed health care professional and California accredited health care facility. It must allow health care professionals the freedom to choose the setting in which to work - solo practice, clinic, public, private, etc. and include payment method. The system must pay all health care workers negotiated fees for the actual cost of care for all patients. The system must use health care dollars wisely and forbid investors and use of funds for political campaigns. A separate, dedicated, public health care trust fund must be set up to collect and pay out funds. The system must have transparent and public participation in governance. This environmental analysis is inadequate in handling all these issues.

A Sustainable, Non-Discriminatory, Non-Segregated Health System has to provide all needed care, be simple to understand, have low administrative cost, be paid for, accessible, and affordable to all, planned and budgeted, prevent disease and injury, educate, manage chronic diseases, pay care providers fairly, and have a separate, dedicated public health care trust fund. It must have a separate capital expenditure fund and plan for new or expanded facilities. There must be transparent governance. A health care financing and delivery system has to abide by the Hippocratic Oath just as physicians do. It has to "do no harm"; treat all patients equally to their needs"; "be of service to the community". Fraud and abuse must be easily discernable through the billing process and by patient and whistle-blower venues.

Health care is a MORAL issue. Nowhere in this report is morality or ethics even addressed.

1) P. 32. The state of CA is praised for "... reducing the number of uninsured, but 3.5 million Californians remain uninsured and many struggle with affordability." This is not praise worthy. The state and this report must address and immediately fix the inequality and segregation the current system perpetuates. The legislature is complicit in continuing the immorality of health insurance design, financial wastefulness and inhumaneness.

2) P. 27. This report misleadingly states: "Approximately 99 percent of Medicare enrollees pay no premium for Part A benefits [hospital benefits]." This is NOT TRUE! The premiums have been prepaid by employees' and employers' Medicare taxes during the working life of the eligible individual. The report does not differentiate or define "taxes" and "premiums".

Also on page 27, this report states: "Medicare Advantage plans for now must cap out-of-pocket spending at \$6,700 per year." What is not stated is that these private insurers are racketeering participants in Medicare. They promised extra benefits at the same cost as traditional Medicare. They soon demanded and received a 15% increase for "losses". This extra, unnecessary expense has increased costs of government Medicare and is being transferred, as much as is legal, to all Medicare recipients who have volunteered to pay for Part B (doctor, lab. etc.) coverage. Private insurance companies are bilking Medicare even more by illegally up-coding procedures. Thus, the Medicare [dis]Advantage plans cost at least 15% more plus extra in fraud and abuse than the original Medicare.

Part B premiums are paid from retirees' Social Security income before the government sends out the checks. Part B premiums are rising exponentially yearly to the maximum allowed. Seniors with lower Social Security income receive no Cost of Living increases. These seniors are going more and more into poverty. This is due in great part to the aggressive marketing of Medicare [dis]Advantage Plans by the inserted private health insurance companies. The Medicare Part C drug insurance is also an elected official condoned private insurance racket. By agreeing to not allow the government to negotiate drug prices, agreeing to clever cost sharing, and allowing insurance companies to change drug formularies yearly, seniors are going bankrupt by pharmaceutical costs and going bonkers dealing with insecure drug formularies when they find their needed medicines cut off their insurance plan. Seniors then have to search for new insurance. **This is all immoral and costly!** Dialysis patients, the severely disabled and Libby, Montana residents with asbestosis also receive Medicare and are adversely affected by these inhumane insurance company machinations of Medicare.

3). Pp. 38 - 42, 52. This report seems to imply that choice of health plans is good. In reality health insurance plan choice is BAD because it is costly and discriminatory. Each plan has different costs and benefits. **This is unjust, immoral and wrong!**

Competition has to be by the patient choosing the California licensed private or public health care professional and the California accredited health care setting of their choice not competition amongst inadequate health plan benefit packages and insurers. The ACA (Affordable Care Act) health plan deductibles and co-pays are unaffordable for most if they need to access care. It is also insecure coverage for those whose income fluctuates between MediCal eligible (low) and ineligible (too high) within a year. **The ACA is immoral, segregationist, anxiety producing and wrong.**

This report also states, with no verification, only the statement by the health care industry's own Integrated Healthcare Association (<https://www.iha.org/about-us/our-members/board-members>; <https://www.iha.org/about-us/our-members/executive-committee>) that HMOs (vertically integrated health care organizations) provide higher quality care than other health care systems. HMOs lock patients into a network that a person might not want. The patient has little choice to seek care elsewhere if his insurance does not pay for it or if s/he has to wait until after a certain date to leave. This lack of timely choice can be the cause of greater illness or death. That is NOT HIGH Quality!

No public government body is a voting member of the IHA. The IHA is a nonprofit that is part of the insurance/medical/pharmaceutical/industrial complex with each group making sure they get a piece of the lucrative, mostly government financed health care pie. The IHA can pretend legitimacy by being a "nonprofit" but its members and others get tax write-offs for donating to it. Nonprofit does not mean it is not protecting its own. **It is wrong to take this body's "research data" as reliable. The government has to do its own independent research on quality.**

On page 42, this report also claims that quality of care data is not really available except via the IHA. That in itself shows the unreliability of quality data. HIPPA (Health Insurance Accountability and Portability Act of 1996) supposedly protects patient privacy but private insurance companies know exactly who is getting what kind of care and when. With this data insurance companies figure out how to discriminate against insuring patients who are too costly. **The data ought to be gleanable by all without access to patient names, etc.**

This report is also inadequate because it uses the biased, discriminatory market-based language the health insurance industry has so successfully BRAINWASHED all of society to use. **This is wrong.** Language and words matter. Health insurance and access have become “products” instead of “needs” and “services”. Individuals and employers have become “shoppers” and “purchasers” of “health care products” as though these were refrigerator brands instead of life and death needs. People accessing health care have become “consumers of health care” instead of “patients”. Doctors and other health care professionals are called by the demeaning term “providers” instead of their well earned, and respected titles. **HOW MORE IMMORAL CAN YOU GET** than to turn health care that is needed by 100% of the population when they are at their most vulnerable, into a crass, profit-first, at-all-costs, business opportunity that hurts real people and squanders taxpayer and other health care funds!

This report uses the word “fragmented and “fragmentation” to describe the health insurance “system”. The words “fragmented system” sounds benign but it is not. **The word “fragmentation” is a euphemism for “discrimination”, “segregation”, “racism”, and “inequality”.** Legislators must enact laws NOW that forbid fragmentation injustice.

For this report to be an adequate health care environmental report, it has to explain and use the words and language of human needs, human rights and justice for all. It has to use language that shows that a well designed, single payer, publicly financed and privately delivered health care plan with a single pre-paid comprehensive benefit package in a single risk pool is not only fiscally responsible because it saves billions of dollars and stabilizes health care costs now and over time but is also morally just because it provides all of society the best health care with the most freedom, opportunity and security for all. This report has to compare what is with what must be. **This report has to become a moral document.**

4.) Private health insurance is an obsolete business in the 21st century. Discrimination is built in; costs are uncontrolled; benefits are unequal; practices are harmful to all California residents and all US residents. A tax system can provide better universal coverage benefits. Health insurance companies may continue to provide claims processing services but no sales for covered benefits. Everyone knows the waste, fraud, and abuse of private health insurance companies. Just look at the impressive stock market gains in the Covid-19 pandemic. Non-COVID patients are needlessly dying because of fear of going to the emergency room when needed. Businesses close and employees lose their private health insurance. Society is hurting while health insurance companies laugh all the way to the

bank. <https://www.investopedia.com/health-insurance-stocks-in-the-sweet-spot-despite-pandemic-5070412>. **A well-designed single payer system stops this immorality.**

5). P. 81. This report is inadequate because it does not state that the California Legislative Analyst's Office (LAO) misled the legislators and Californians in 2018 when the LAO came up with a single payer system cost of \$400 billion. That figure was the calculation for the broken system that was budgeted. The LAO left out all the cost savings the Lewin Group had modeled several times in California for the well-designed single payer bills that had been introduced into the Legislature since 2003. See the "History of Single Payer Health Care in California from 1997 to 2019" by Dan Hodges. Search by title or go to: https://healthcareforall.org/wp-content/uploads/2019/08/History-of-CA-SP-Leg_1997-2019.pdf. The LAO analysis did not take into account any of the cost savings, which were substantial, even after expansion to 100% of residents covered with prepaid comprehensive benefits. Legislators rely on the LAO. LAO information has to be accurate and honest not distorted as in this report.

6). Having health insurance does not mean having access to health care.

Health insurance that is means tested, has co-pays and deductibles, has different unequal, incomplete benefit packages, has unequal payments to health care professionals and health care institutions not reflecting the actual cost of care, and lacks choice of health care professionals by patients can all cause lack of access to needed care and refusal of care by health professionals. Extra costs at the time of care cannot only prevent access but are a major cause of family bankruptcies. This is immoral and inhumane. Everyone's health care access must be totally prepaid.

7). 21st century health care in California and the United States of America has injustice built into the language and institutional way of looking at society and must be changed. The Black Lives Matter movement has shown the systemic biases and injustice in our institutions, in our legislation and in our laws. Health care financing is systemic injustice. This injustice must STOP NOW!

Martin Luther King Jr. said in a presentation on March 25, 1966 at the Second National Convention of the Medical Committee for Human Rights in Chicago, *"Of all forms of inequality, injustice in health care is the most shocking and inhuman"*.

There is debate as to whether King said "inhuman" or "inhumane". Both concepts are awful and unacceptable but continue in 21st century health care in California and the USA.

Our current health care system prevents people from:

- the equal life, liberty, and pursuit of happiness of the **Declaration of Independence**;
- the liberty and justice for all in our **Pledge of Allegiance**;
- the guaranteed general welfare in our **United States Constitution**;
- the equal opportunity, security, and freedom for **We the People**.

"The care of human life and happiness, and not their destruction, is the first and only object of good government." – Thomas Jefferson

Current health care financing is destroying human life.

8). From page 79 to the end, this report is inadequate and incomplete and perpetuates immorality and injustice in its proposal for health care reform. It makes way too many unproven assumptions. It looks at things as obstacles instead of looking at things that have to change now because of the truths that the Black Lives Matter movement is showing us and therefore doable. I see no references in the bibliography for studies done on single payer universal health care. **There are no “tradeoffs” with a well-designed single payer system.**

Government already pays 70% of health care costs. We the People are not getting our money’s worth. It is time for the government to take away the private health insurance plans and provide a single comprehensive plan with a single risk pool for everyone.

All studies done in California, other states and by the Federal Government’s own Congressional Budget Office (CBO) show that there is enough money currently in the health care system to provide comprehensive health care to all residents and have money left over. See Physicians for a National Health Program website, www.pnhp.org for all the health policy studies you could desire.

Comparison studies between private and public ways to expand health care in California was financed in 2002 by the California Health and Human Services Agency. It was called the “Health Care Options Project (HCOP) of 2002 (SB480 Solis). This study, removed from the state website, needs to be restored for all to see as it is as relevant today as it was 18 years ago. The HCOP showed that single payer saved money, while covering everyone with comprehensive, high quality health care and was sustainable over time. The Lewin Group did the fiscal analysis and AZA Consulting analyzed quality of care. (<http://www.healthcareoptions.ca.gov/> - “Health Care Options Project can not be found.”)

Words matter. Never call single payer as proposed in California “Socialized Medicine”. Single Payer HAS ALWAYS BEEN A PUBLIC /PRIVATE PARTNERSHIP with transparency of administration and costs. Study SB 840 (Kuehl) for a well-designed single payer health care bill. It passed the state legislature and landed on Governor Schwarzenegger’s desk where it was vetoed. SB840 included funds for training displaced workers, transition funding, a “Rainy Day Fund” for emergencies such as natural disasters or an epidemic such as Covid-19. It had rules for Capital Improvements. It showed governance and sustainability. Private doctors provided care.

Do not believe or use polls! They are NOT accurate measures of support. Questions in polls seem to constantly be skewed, distorted, or inaccurate in some way. Bias seems to be built in every time. I have yet to read or take part in an accurate, fair, poll regarding health insurance, single payer, and delivery of health care.

9). Financing of single payer, pre-paid health care. Where can the money come from?

A. 70% of all health care dollars now spent is government taxpayer money. With private insurance removed, a greater percent can go for actual health care. Administrative costs will be reduced for government and all health care professionals and facilities.

B. Keep all federal health care dollars in the form of Medicare, Medicaid and others funds coming to California. CA Rep. Ro Khanna has written a bill. HR 5010, requesting waivers including ERISA. Perhaps there are other legal ways to keep federal health care funds in California.

C. The most stable form of the extra financing needed that is not already government money is said to be from business and employee payroll taxes. Senator Kuehl's Bill had less than 9% come from businesses and slightly more than 4% come from employees with the first \$7,000 exempt for each entity to make the tax progressive. This was less than currently paid by those providing health insurance. All businesses would be required to pay including those not currently providing health insurance, the self-employed, and those whose income was investment based including rents.

D. Tobacco taxes now part of the health care system would continue.

E. Alcoholic beverages could have a 1/8% or 1/4% or other modest dedicated health care tax added.

F. An extra 1/8% or lower tax on whatever items are now taxed with sales or excise tax would ensure that all members of society paid something for health care.

G. A small tax of 1/8% or less could also be imposed on all stock transactions.

Uses of the Financing:

- 1). Operations – Delivery of care including administration.
- 2). Small amount for professional/volunteer regional oversight/policy committees.
- 3). Separate capital fund if new facilities are needed.
- 4). Rainy day fund for unforeseen pandemics, natural disasters, etc.
- 5). Transition costs to buy-out prepaid private insurance if needed so nobody loses benefits.
- 6). Funds to retrain employees who will lose health insurance paper-pushing, sales and other jobs.
- 7). If enough funds are available then subsidies for training primary care physicians and other health care workers in short supply.
- 6) Incentive pay for physicians to work in underserved areas.

Jobs:

It is anticipated that there will be a net increase in good quality, high paying, meaningful, life inspiring jobs as more doctors, nurses, techs, interpreters, drivers, aides, therapists, nutritionists, etc. will be needed while the dull, demoralizing, inhumane health insurance jobs including some claims jobs disappear.

Some private health insurance claims processing jobs would remain.

Support for single payer universal health care:

When described accurately, an Original, Expanded and Improved Medicare style system for All at the state level or the federal level is embraced by likely at least 80% of the people - Republicans and Democrats, businesses and social justice groups. Why? People know, understand and like traditional Medicare, flawed and unfair as it is, better than private insurance.

Please create a well-designed single payer system for California. It really needs to be nationwide so it is portable from state to state, but like Canada, that portability can be delivered over time. Let's start NOW in California.

Don't even think of copying the post 2006 health care system of the Netherlands as this report suggests. (Duke University's *Journal of Health Politics, Policy and Law*, Volume 33, Issue #6, December 1, 2008, pages 1031 – 1055; https://en.wikipedia.org/wiki/Healthcare_in_the_Netherlands)

Thank you.

Sincerely yours,

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