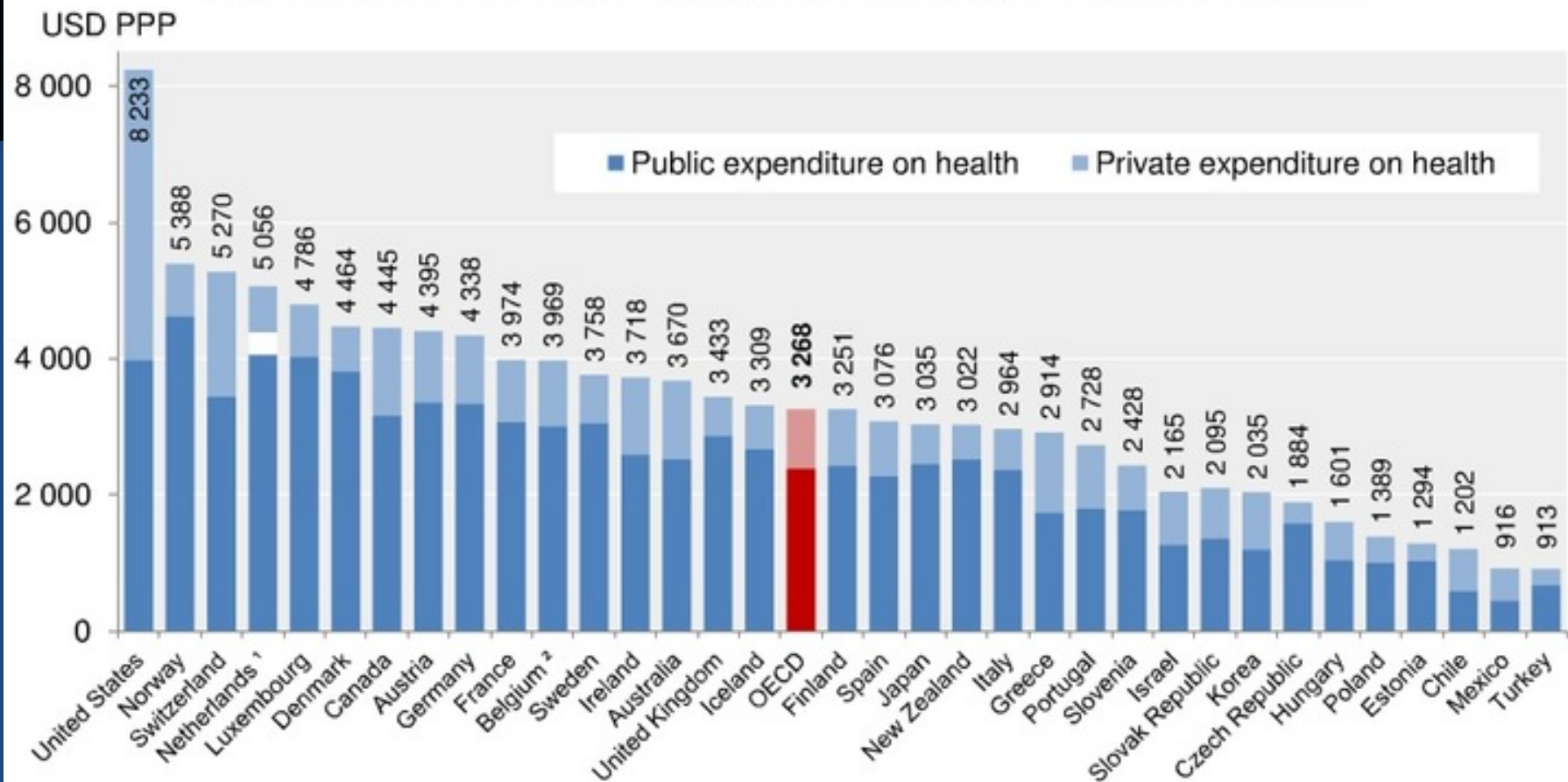


US spends two-and-a-half times the OECD average

Total health expenditure per capita, public and private, 2010 (or nearest year)



1. In the Netherlands, it is not possible to clearly distinguish the public and private share related to investments.

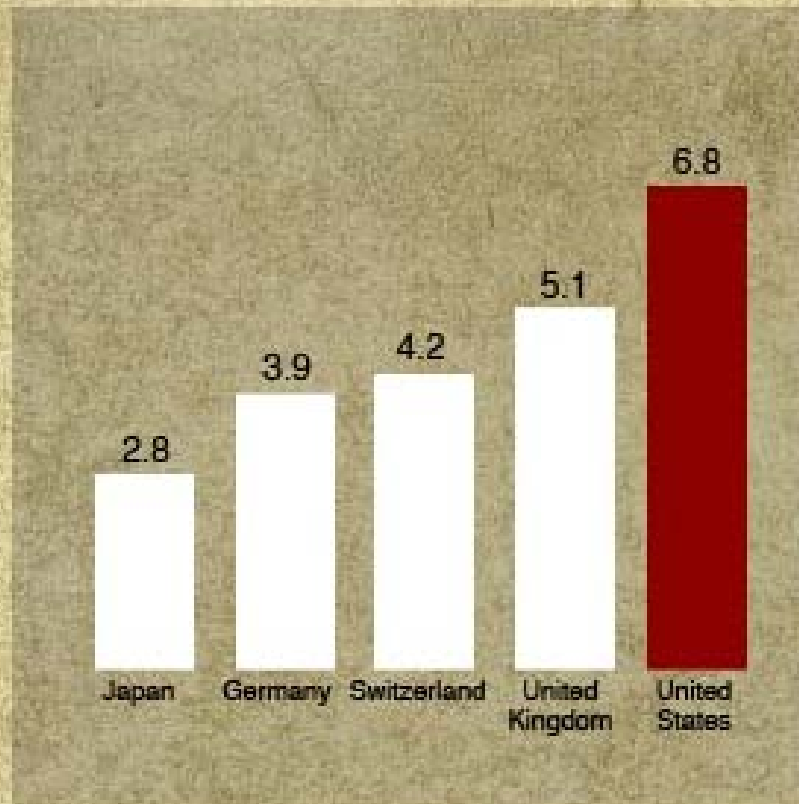
2. Total expenditure excluding investments.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

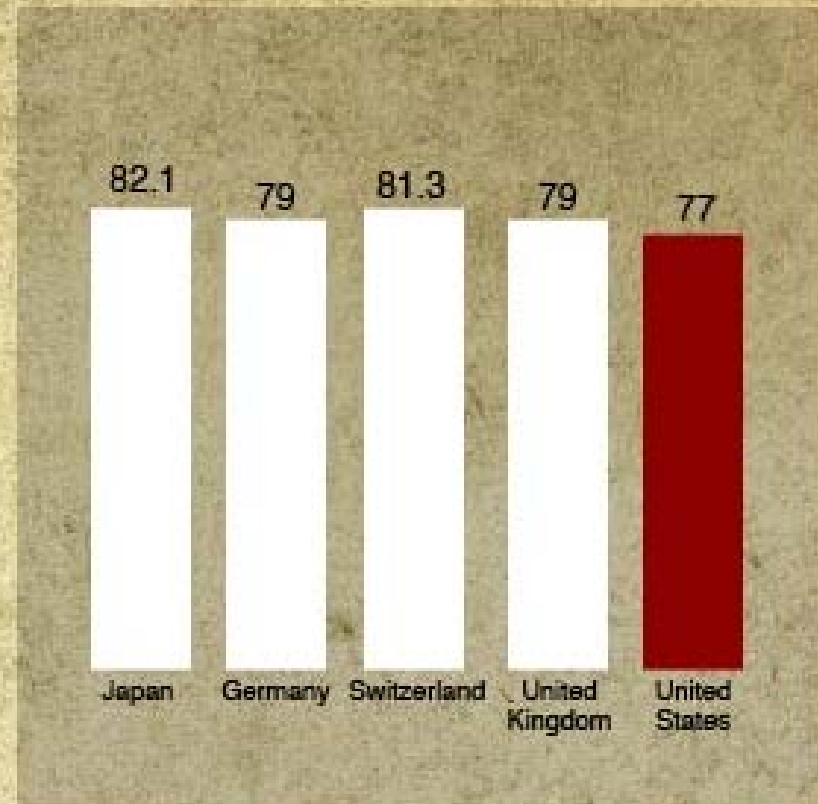
Source: OECD Health Data 2012.

Infant Mortality

(Deaths per 1,000 live births)



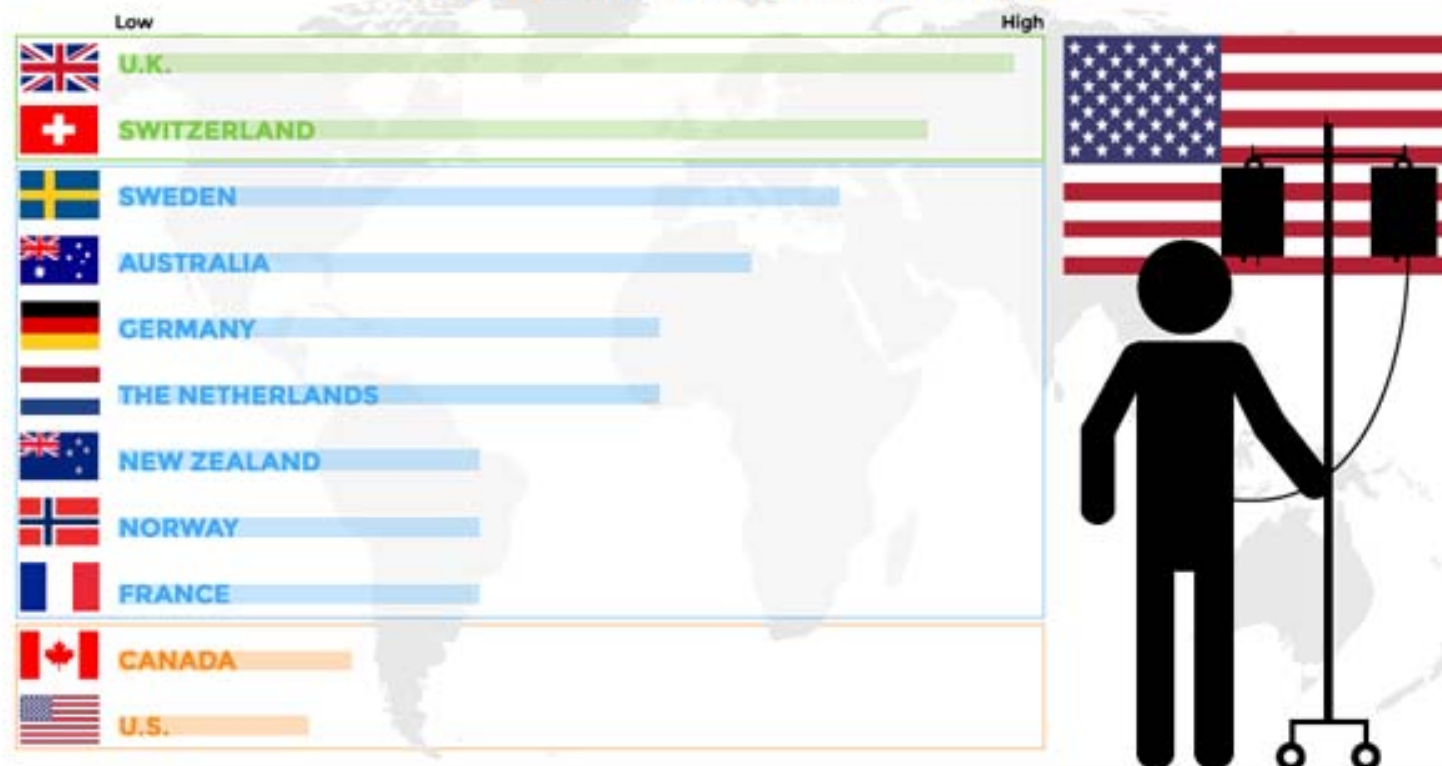
Life Expectancy



U.S. HEALTH CARE RANKS LAST AMONG WEALTHY COUNTRIES

A recent international study compared 11 nations on health care quality, access, efficiency, and equity, as well as indicators of healthy lives such as infant mortality.

Overall Health Care Ranking



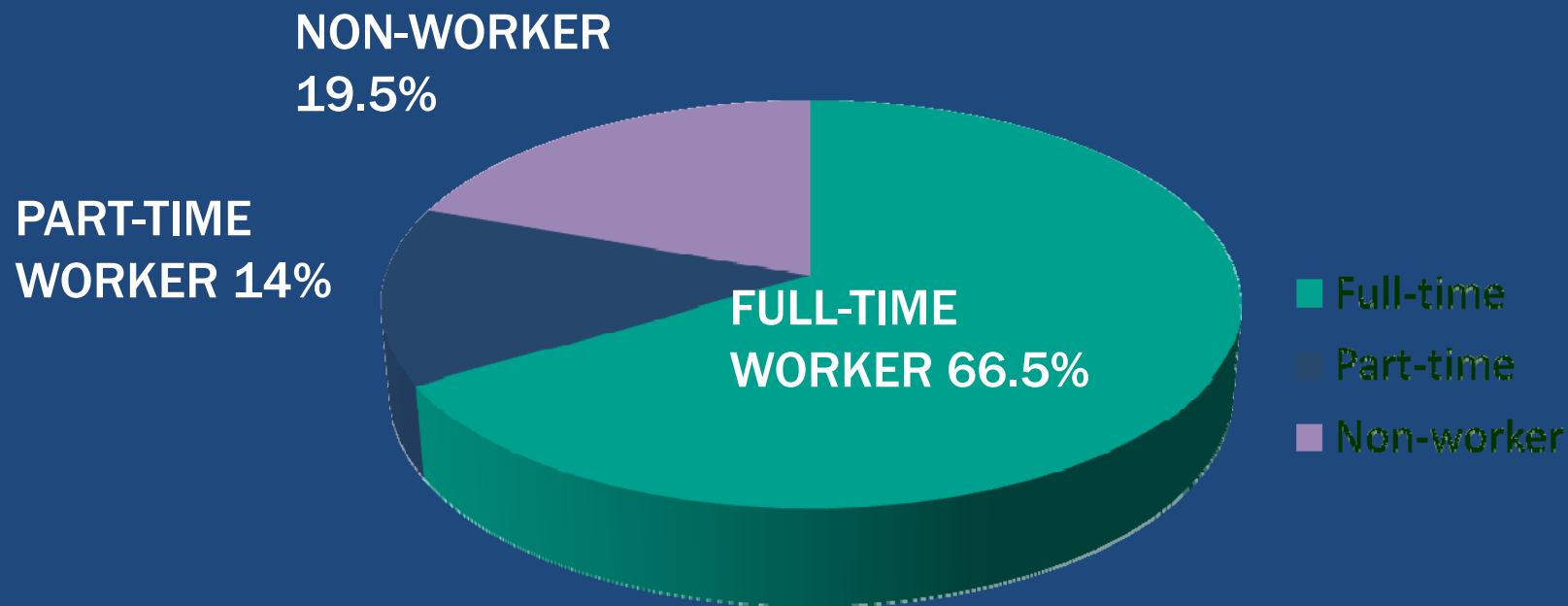
Source: K. Davis, K. Stremikis, D. Squires, and C. Schoen, *Mirror, Mirror on the Wall: How the Performance of the U.S. Health Care System Compares Internationally*, 2014 Update, The Commonwealth Fund, June 2014.



The
COMMONWEALTH
FUND

Who are the Uninsured?

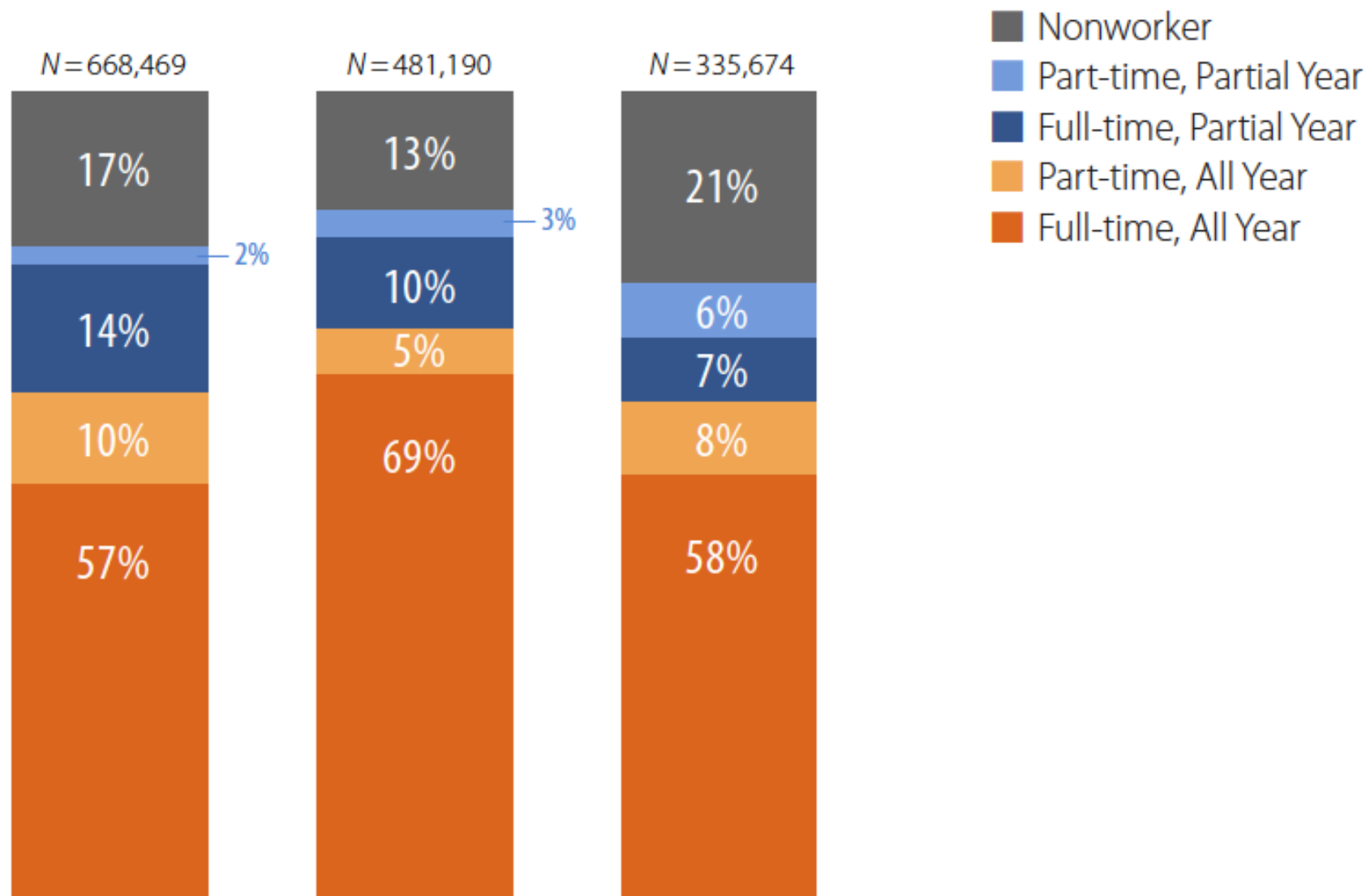
UNINSURED NON-ELDERLY ADULTS



■ 70% of all uninsured are from families with one or more full-time workers.

Uninsured Children, by Work Status of Head of Household

California, 2013 to 2015

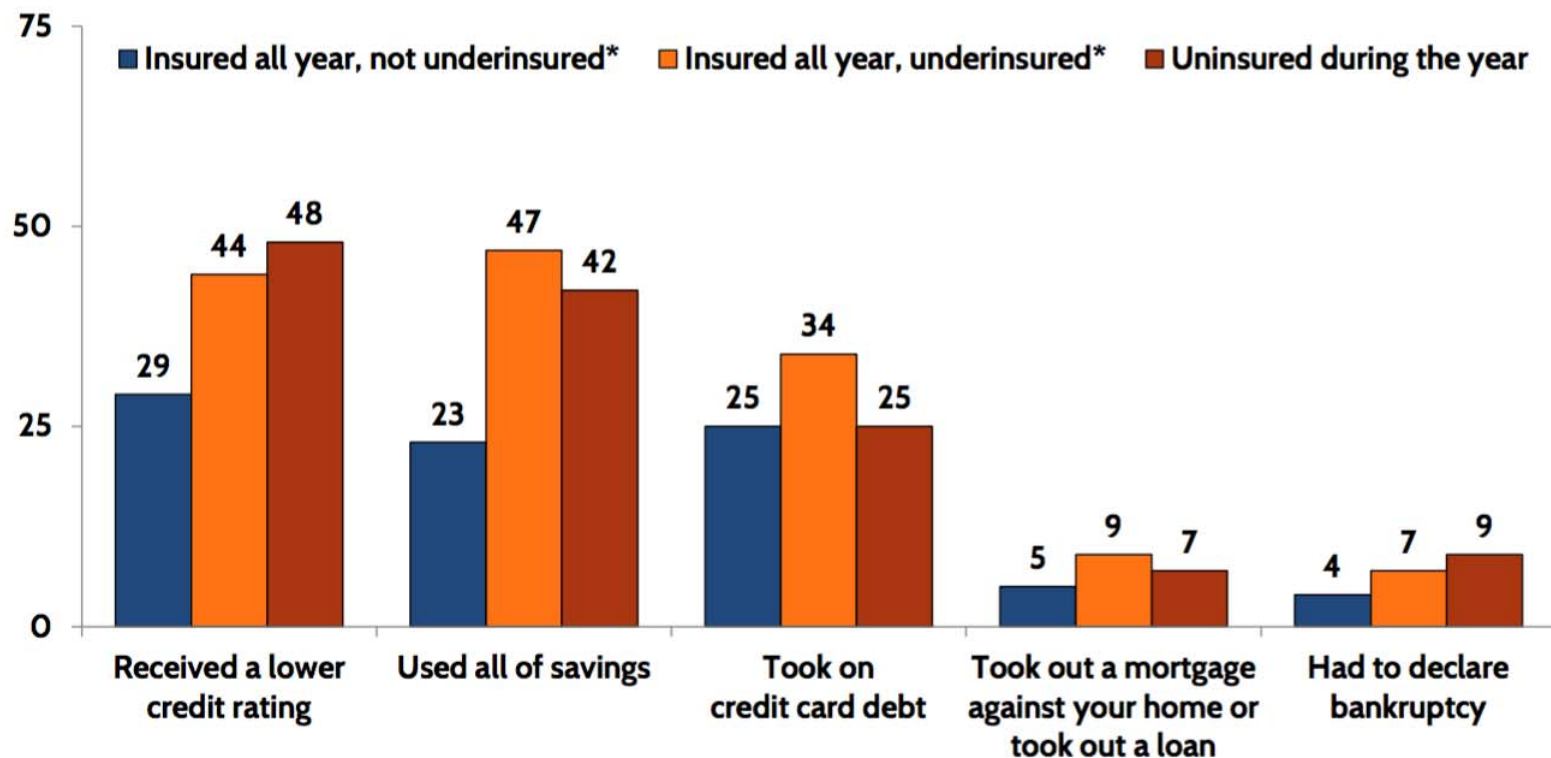


Medical Related Bankruptcies

- Number of medical related bankruptcies increased **50%** during the last 9 years.
- In 2014, there were over **1.7 million** medical related bankruptcies (**62%** of all).
 - **70%** were insured.

Exhibit 9. Adults with Medical Bill Problems Had Lingering Financial Problems Because of Their Medical Bills

Percent adults ages 19–64 with medical bill problems or accrued medical debt[^]



[^] Base: Had problems paying medical bills, contacted by a collection agency for unpaid bills, had to change way of life in order to pay medical bills, or has outstanding medical debt. * Underinsured defined as insured all year but experienced one of the following: out-of-pocket expenses equaled 10% or more of income; out-of-pocket expenses equaled 5% or more of income if low income (<200% of poverty); or deductibles equaled 5% or more of income.

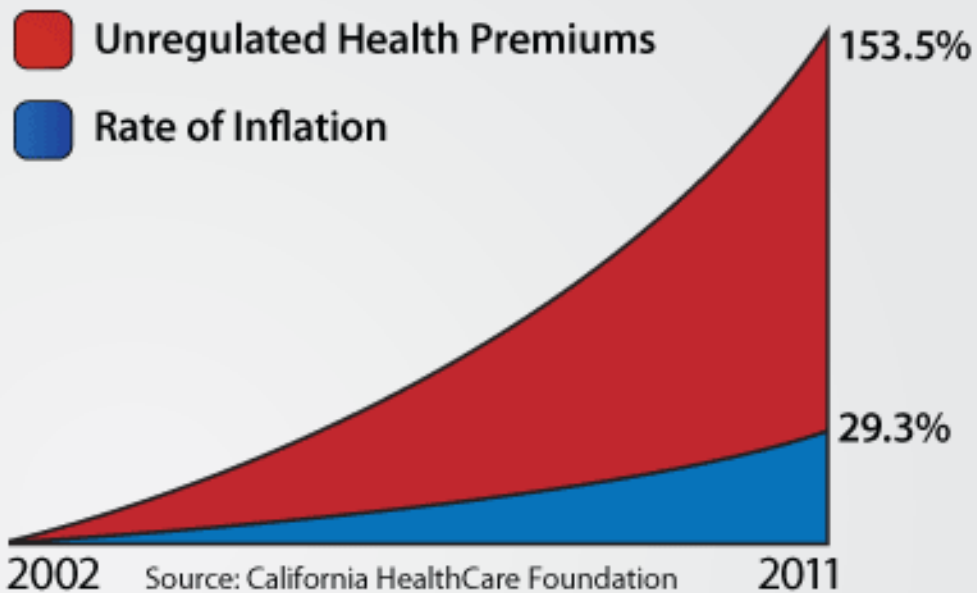
Source: The Commonwealth Fund Biennial Health Insurance Survey (2014).

Individual Freedom?

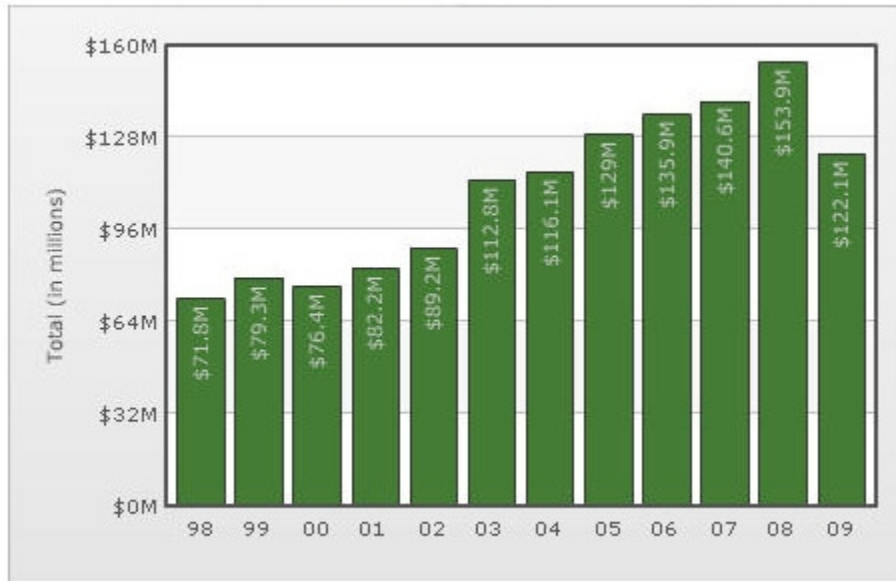


The six largest insurers denied over **45.7** million claims over the past nine years in CA alone.

INSURANCE PREMIUMS & INFLATION



Lobbying Expenditures by Insurance Companies



No insurance rate or drug price regulation

THE LANCET

Volume 374 • Number 9705 • Pages 1867–1944 • December 5–11, 2009

www.thelancet.com

"The health-care reform process exposes how corporate influence renders the US Government incapable of making policy on the basis of evidence and the public interest."

See [Correspondence](#) page 1887

Editorial

HIV/AIDS and South Africa
See page 1867

Articles

Self-rated health and retirement in France
See page 1889

Articles

Low-level laser treatment for neck pain
See page 1897

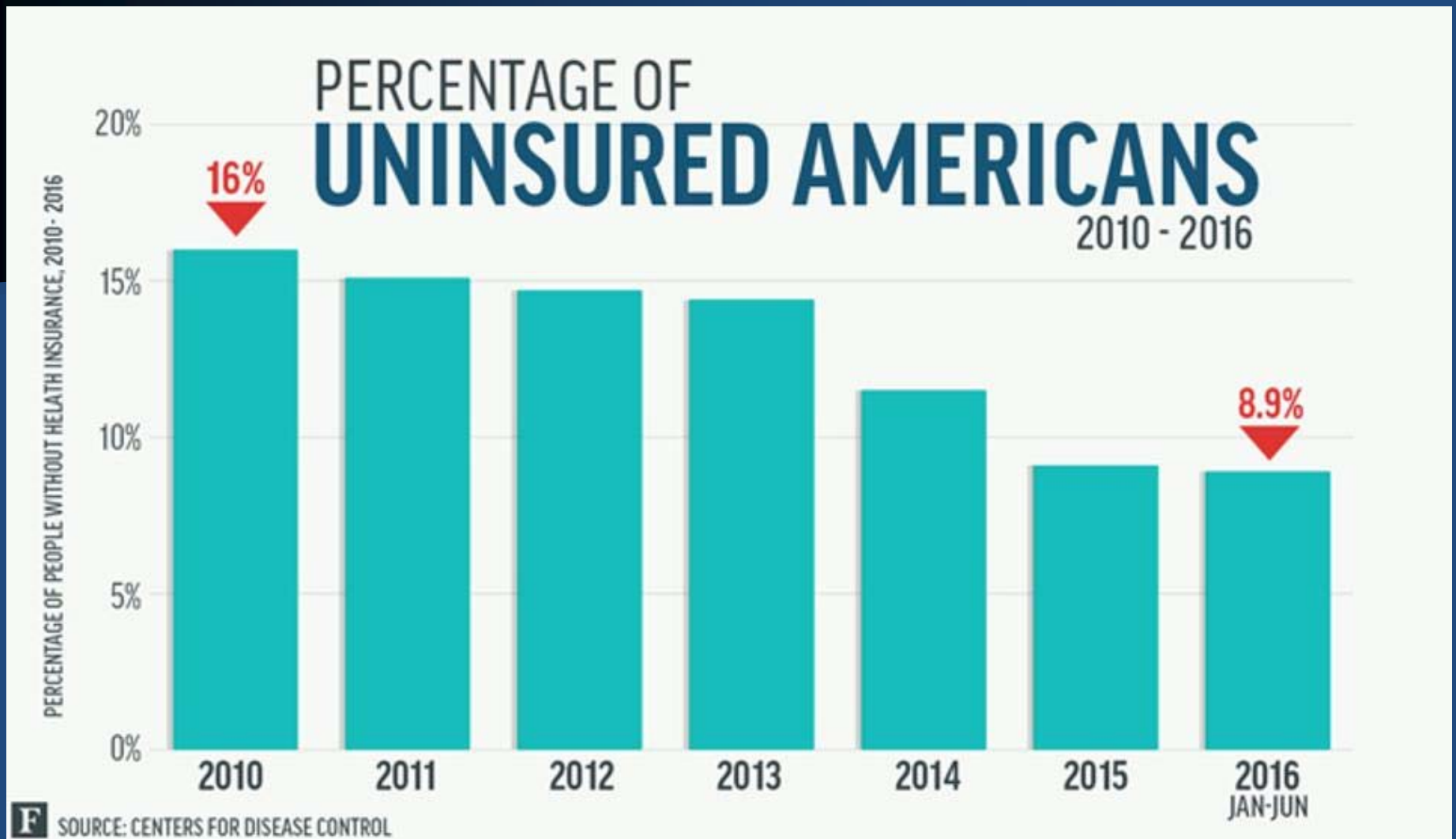
Articles

Effectiveness of intrapartum and neonatal chlorhexidine to reduce bacterial infection
See page 1909

Series

Health and Climate Change 1 and 2: Household energy; Urban land transport
See pages 1917 and 1930

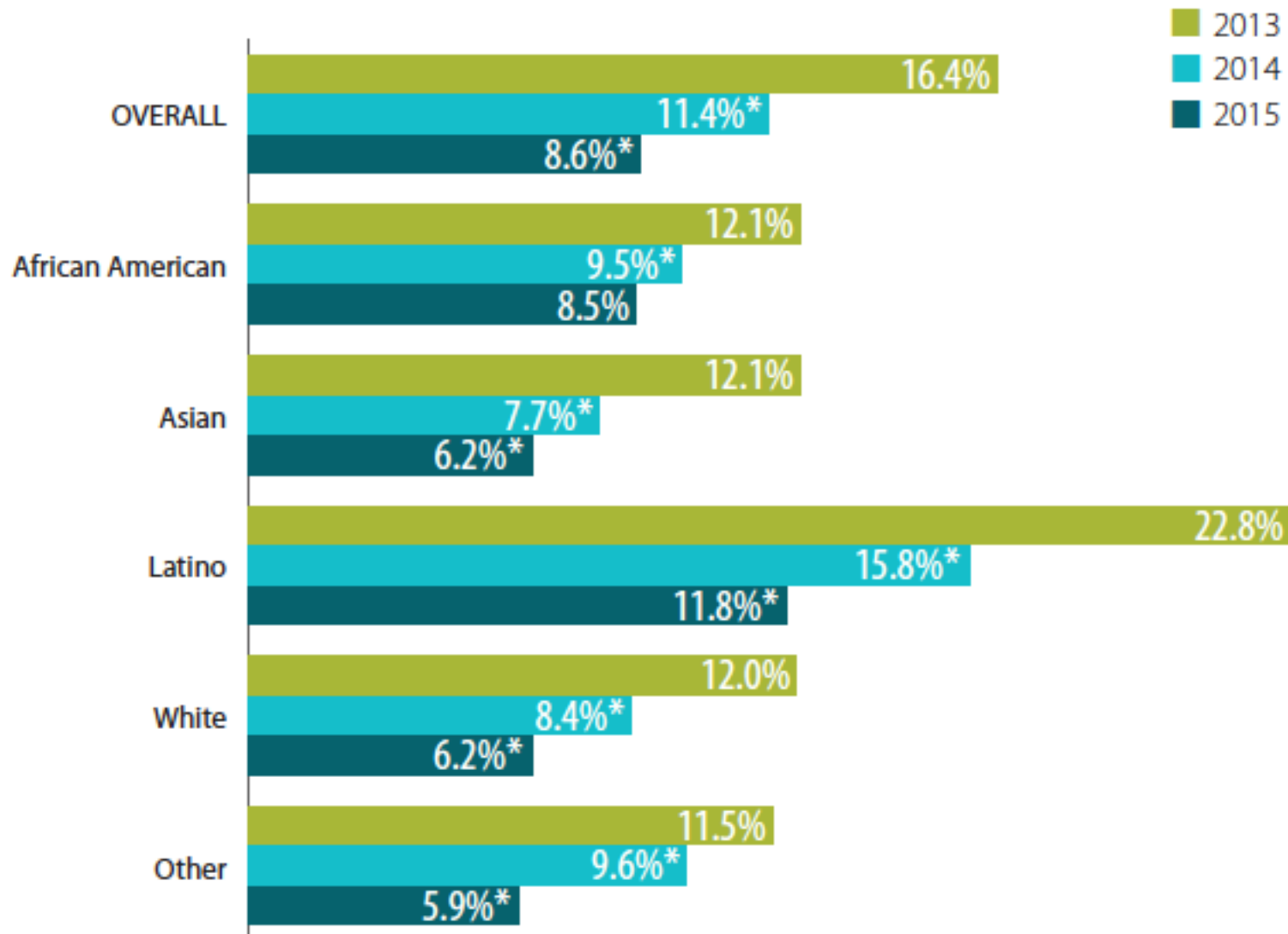
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23 Million have gained access to health insurance.

Likelihood of Being Uninsured, by Race/Ethnicity

California, 2013 to 2015

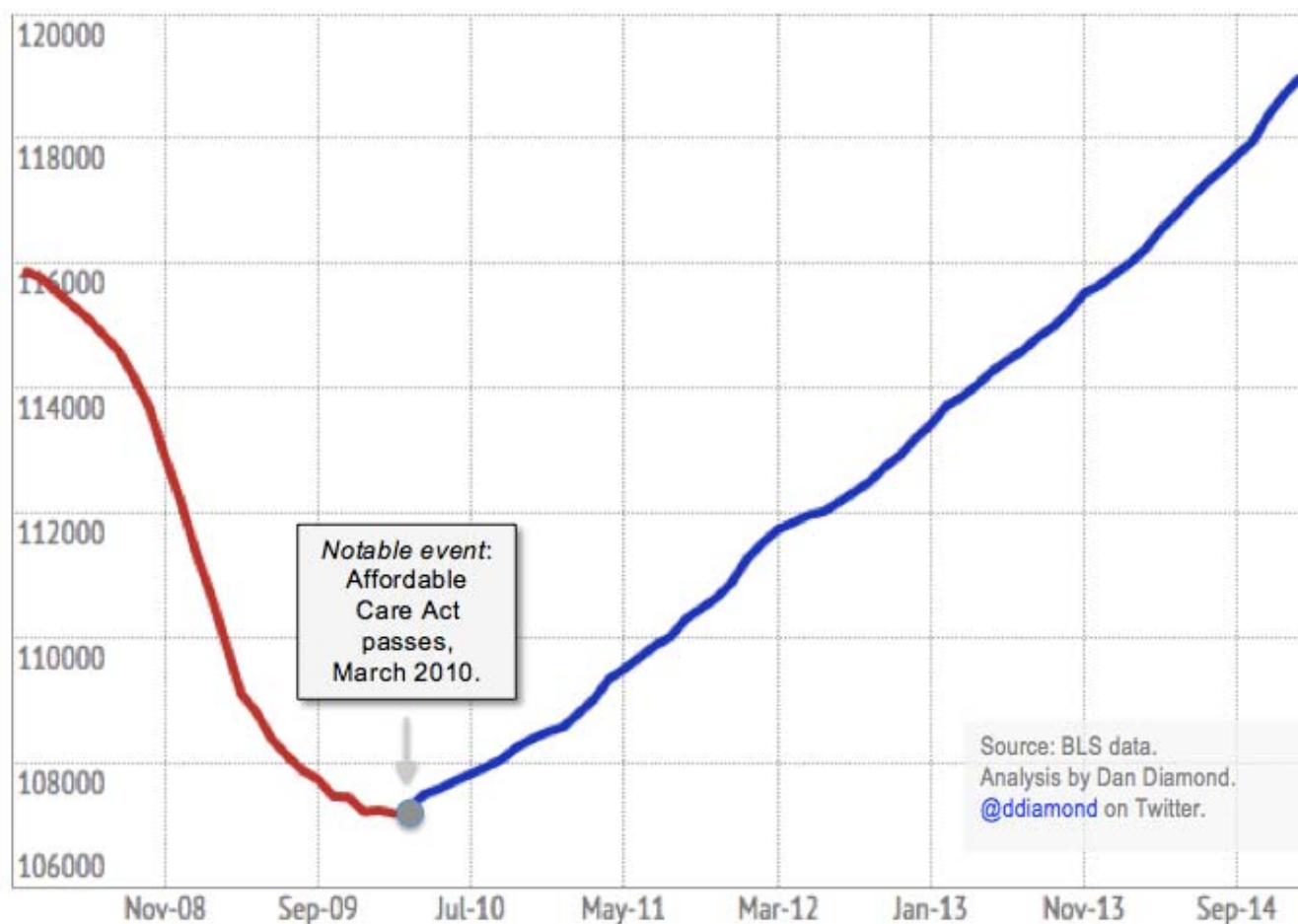


Private Sector Employment, United States

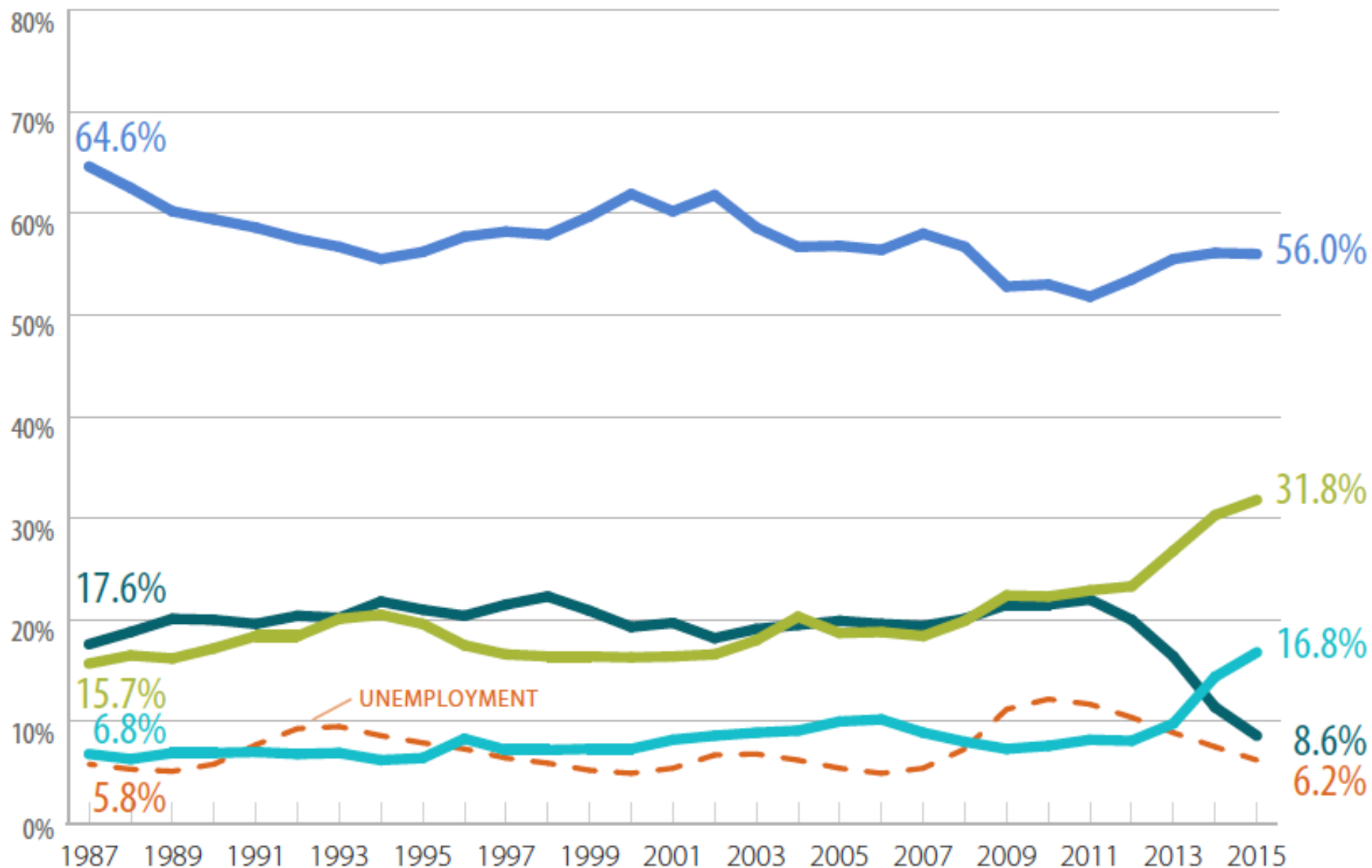
Monthly total jobs (000s), based on BLS estimates

Months private sector lost jobs

Months private sector added jobs



Employer-Based Public Programs* Individual Uninsured



MORE CALIFORNIANS HAVE HEALTH INSURANCE...



HEALTH INSURANCE SOURCES:



2013 2014 2015

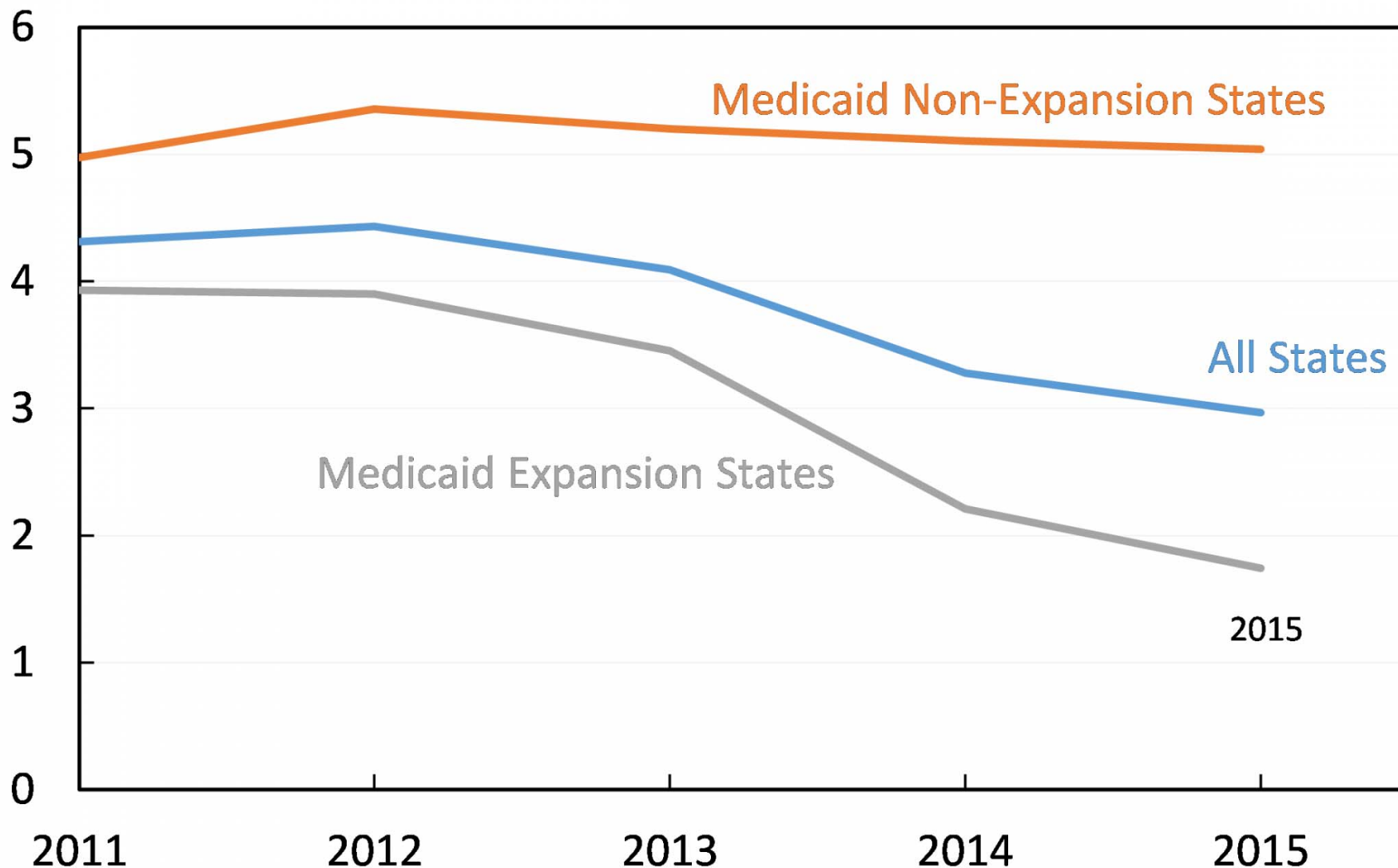
**4.6 Million
gained
coverage
due to ACA**

Medicaid Expansion

- People with incomes up to **138% (\$32,499 for a family of four in 2012)** of poverty eligible for Medicaid.
- **11,843,081** people in CA are on Medi-Cal.
 - 5.1 Million children
 - 1.36 Million seniors
 - **1.2 Million** gained under ACA.
- The level of uncompensated care was **21%** lower than the year before.

Figure 14: Uncompensated Care as a Share of Hospital Costs

Percent of hospital operating costs



Source: Centers for Medicare and Medicaid Services, Hospital Cost Reports; CEA calculations.

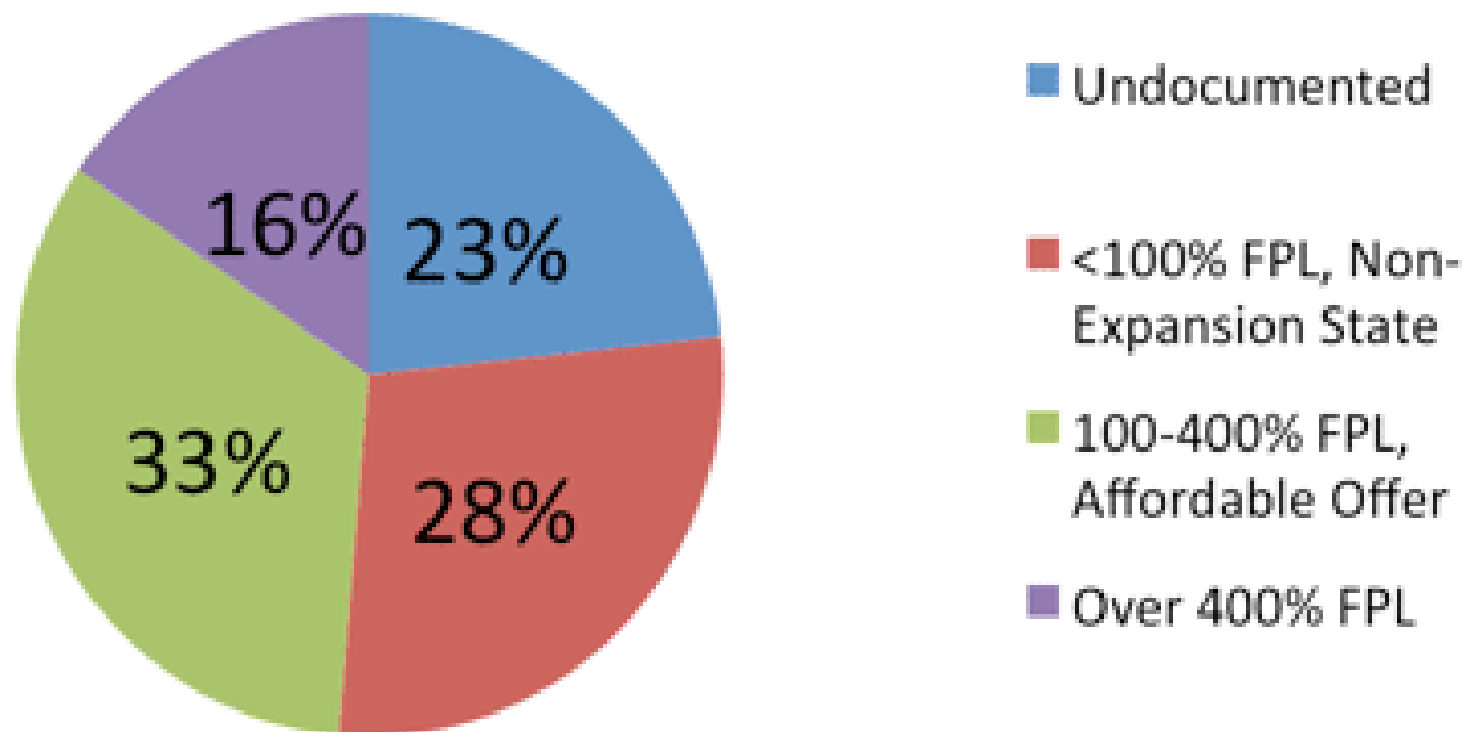
Note: State Medicaid expansion status is as of July 1, 2015. Data for 2015 are incomplete.

But...



29 Million still be uninsured

Figure 2: Reasons for Lacking Access to Medicaid or Marketplace Tax Credits



4.6 million Californians' have health coverage funded by the ACA

BUT

WHY ARE NEARLY 3 MILLION CALIFORNIANS STILL UNINSURED?



High Cost
(main reason
cited for lack
of insurance)



Not eligible
due to
citizenship



Don't believe
in insurance
or don't see
the need

...BUT MILLIONS REMAIN UNINSURED.

OF THE 2.9 MILLION UNINSURED:



1 in 4 is between the
ages of 25 and 34



Nearly 3 out of
5 are Latino



1 out of 3 is
a noncitizen



1 in 5 has an annual
family income of
\$75,000 or more

1.8 MILLION ARE EMPLOYED:



1 in 6 is self-employed



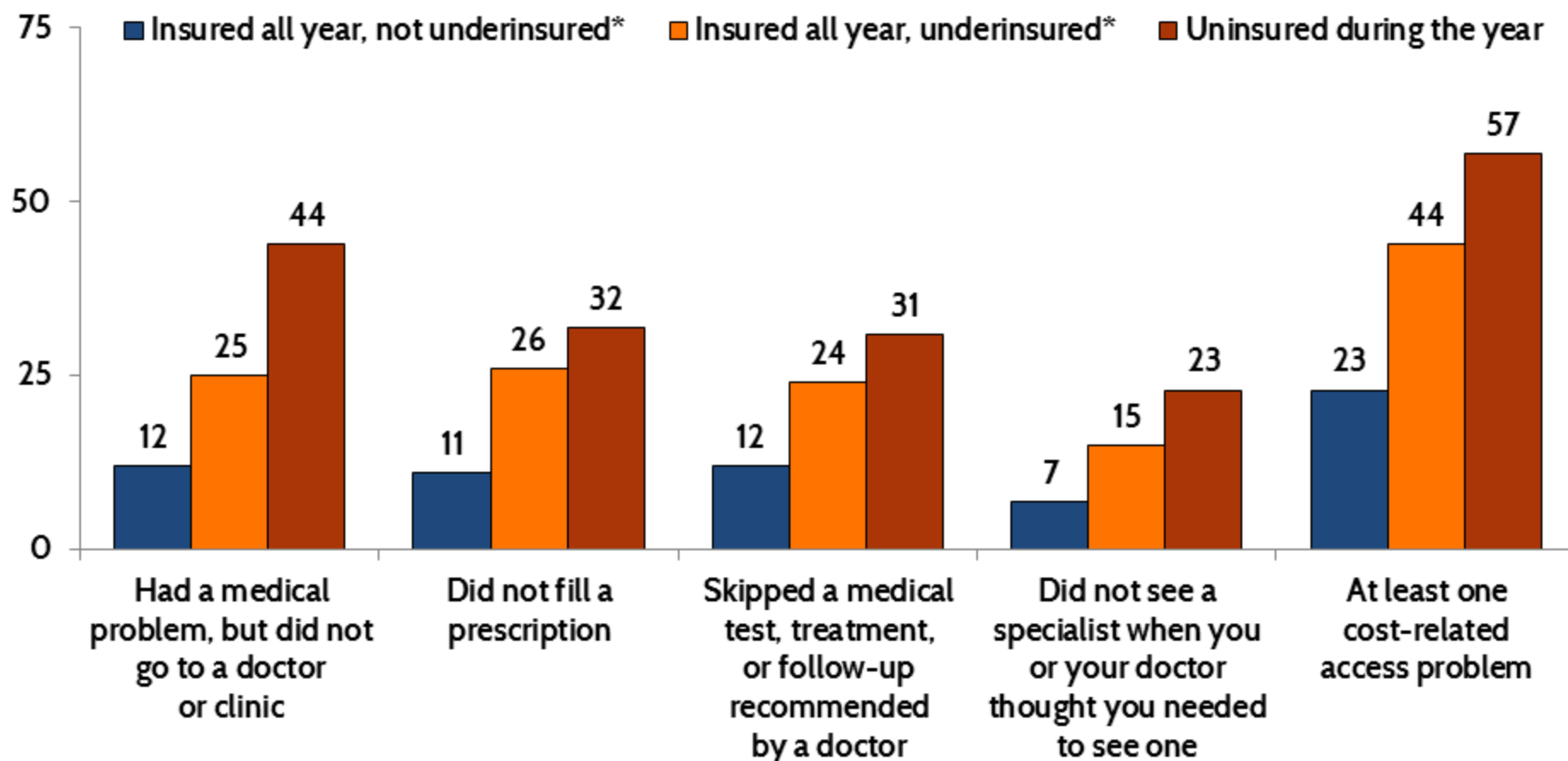
1 in 4 is an employee of
a very small private
company (>10 workers)

Inconvenient Truth

- Family premiums already are at **\$15,500** per year and rising, with employees having to contribute more every year.
- Premiums, copays, and out-of-pocket costs will continue to increase as insurance companies continue to maximize their profits under the ACA.
- **36%** still are delaying seeking care.
- **35%** still cannot pay their medical bills.
- **No provisions to regulate excessive insurance premium or drug prices.**

Exhibit 10. More Than Two of Five Adults Who Are Underinsured Reported Problems Getting Needed Care Because of Cost

Percent adults ages 19–64



* Underinsured defined as insured all year but experienced one of the following: out-of-pocket expenses equaled 10% or more of income; out-of-pocket expenses equaled 5% or more of income if low income (<200% of poverty); or deductibles equaled 5% or more of income. Source: The Commonwealth Fund Biennial Health Insurance Survey (2014).

Delayed Care, by Insurance Source California, 2015

Reason for Delay

Cost/Lack of Insurance Other

PERCENTAGE DELAYING CARE

OVERALL *N=4,066,000*



Individual *n=354,000*



Medi-Cal *n=1,410,000*



Employer-Based *n=1,666,000*



Uninsured *n=521,000*



*Statistically unstable.

Note: Other public not shown, but included in OVERALL.

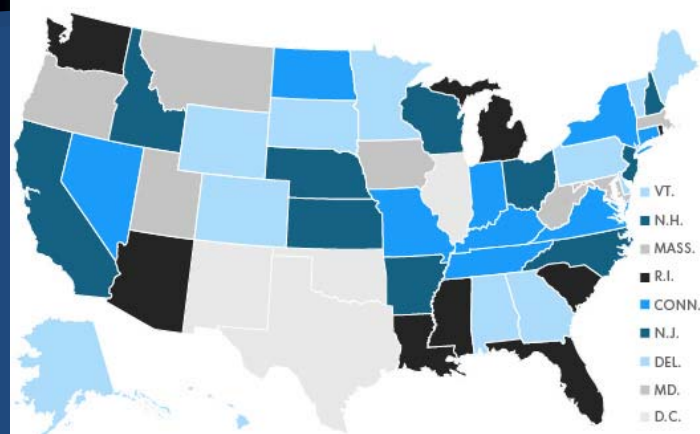
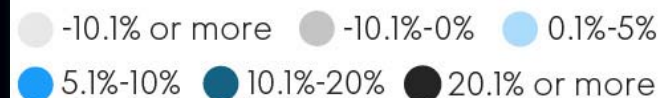
Source: UCLA, California Health Interview Survey (CHIS), 2015.



Many patients enrolled in the exchange are finding less and less providers who will see them.

INCREASES IN DEDUCTIBLES

Average annual deductibles for federal and state exchange plans will increase in 39 states in 2016, especially in states that saw little rise in premium costs. Percentage changes in states:



HIGHEST PCT. DEDUCTIBLE INCREASES

State	2015 avg.	2016 avg.	Pct. chg.
Washington	\$2,300	\$3,391	47.4%
Mississippi	\$3,522	\$4,995	41.8%
S. Carolina	\$2,716	\$3,537	30.2%
Arizona	\$2,837	\$3,677	29.6%
Michigan	\$1,719	\$2,176	26.5%

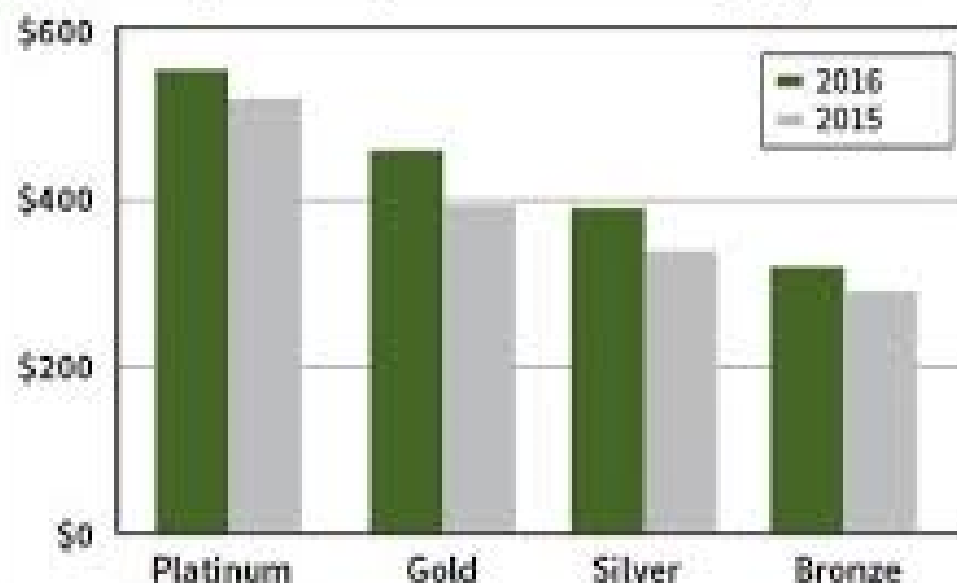
Calculations show average percentage increase, which is not directly calculable from average premiums. Deductibles calculated for male, age 27; average deductibles are weighted by the number of plans in an area/state.

SOURCES: Robert Wood Johnson Foundation;
 Jodi Upton, USA TODAY research
 George Petras, USA TODAY



Obamacare to Get Less Affordable

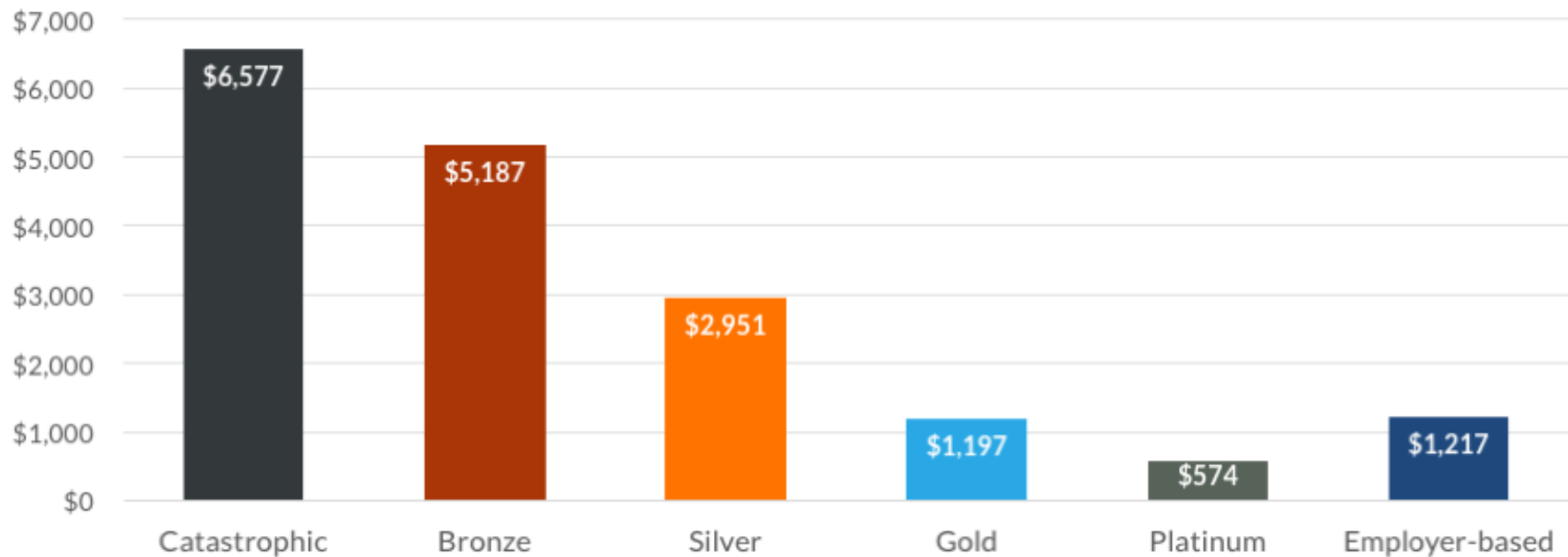
In this example developed by HealthPocket.com, the premiums for a single 40-year-old non-smoker go up in 2016 regardless of the plan level chosen. Premiums for the most popular tier, the Silver, will increase on average by 14%.



Sources: HealthPocket.com, Money Morning Staff Research

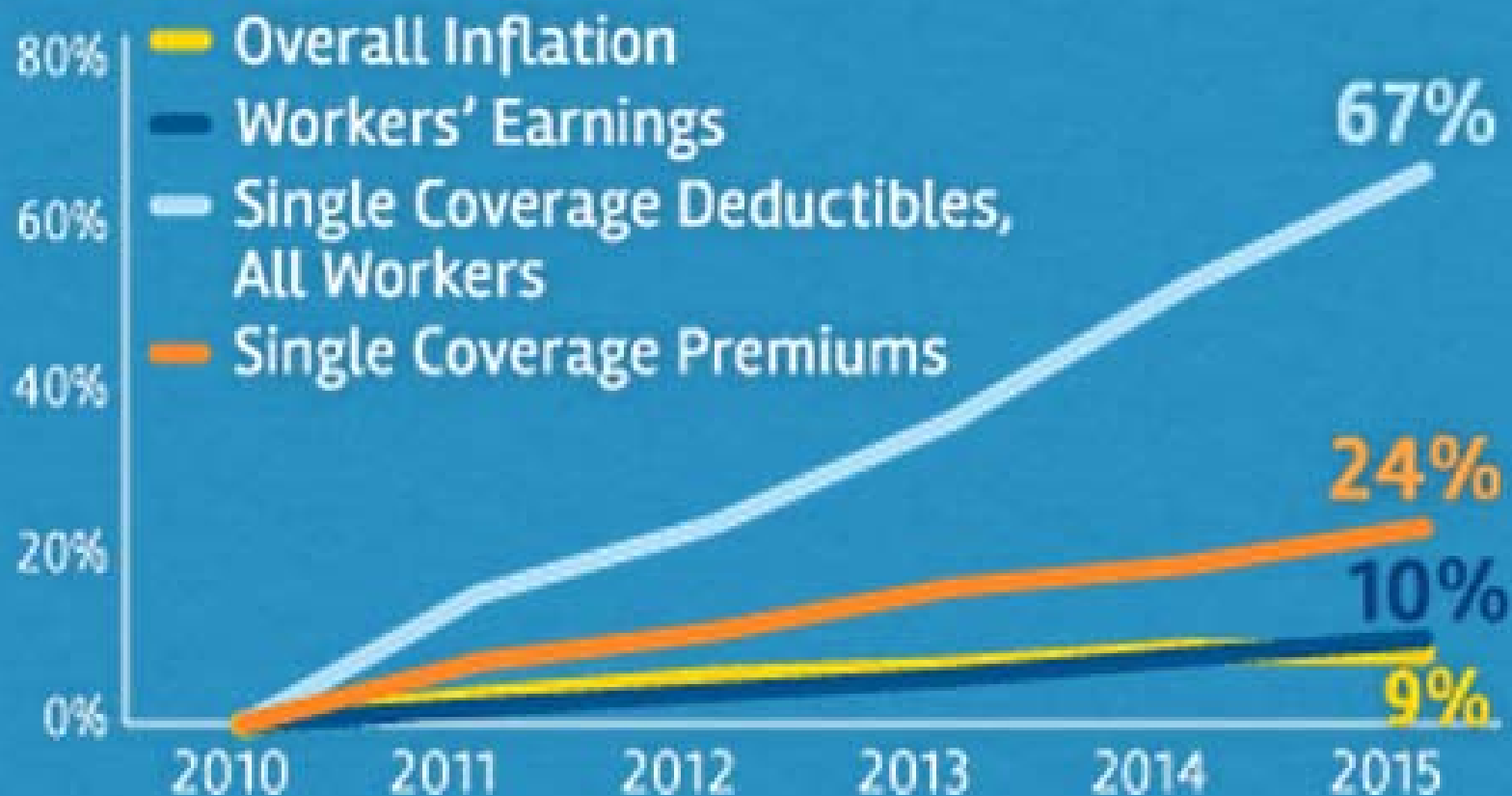
Exhibit 4

Average General Deductible for Marketplace and Employer-Based Plans (for plans with deductibles)



Sources: Qualified health plan landscape files for federally facilitated marketplace, Nov. 2014; state insurance websites and marketplace websites.

Deductibles Rising Much Faster Than Premiums, Wages, and Inflation



Source: "2015 Employer Benefits Survey," Henry J. Kaiser Family Foundation, September 22, 2015.

Introduction

In addition to pensions, California's public employees receive non-pension benefits for life upon retirement. These "Other Post Employment Benefits" (OPEB) mainly consist of healthcare benefits. These costs have exploded in recent years as health care costs have risen, Baby Boomers are retiring en masse, and retirees are living longer.



State of California

Largest State Liabilities Nationwide

- | | |
|---------------|----------------|
| 1. New York | \$66.5 Billion |
| 2. California | \$65.9 Billion |
| 3. New Jersey | \$63.9 Billion |
| 4. Texas | \$55.4 Billion |
| 5. Illinois | \$33.3 Billion |

Average (All States) \$10.8 Billion



CALIFORNIA
COMMON SENSE

Making Sense of
Government

For more info, visit California Common Sense at www.cacs.org.

California's \$150 Billion Unfunded Retiree Healthcare Debt

\$66
Billion

\$33
Billion

\$18
Billion

\$20
Billion

\$13
Billion



University of California

Unfunded Liability
Per Student
\$54,398

Counties



Largest Unfunded Liabilities Per Resident

- | | |
|-----------------------|---------|
| 1. Alpine County | \$6,677 |
| 2. Trinity County | \$4,455 |
| 3. Los Angeles County | \$2,686 |
| Average (In Study) | \$1,076 |

Cities



Largest Unfunded Liabilities Per Resident (Large Cities)

- | | |
|--------------------|---------|
| 1. San Francisco | \$5,357 |
| 2. San Jose | \$1,920 |
| 3. Oakland | \$1,386 |
| Average (In Study) | \$625 |

K-12 School Districts

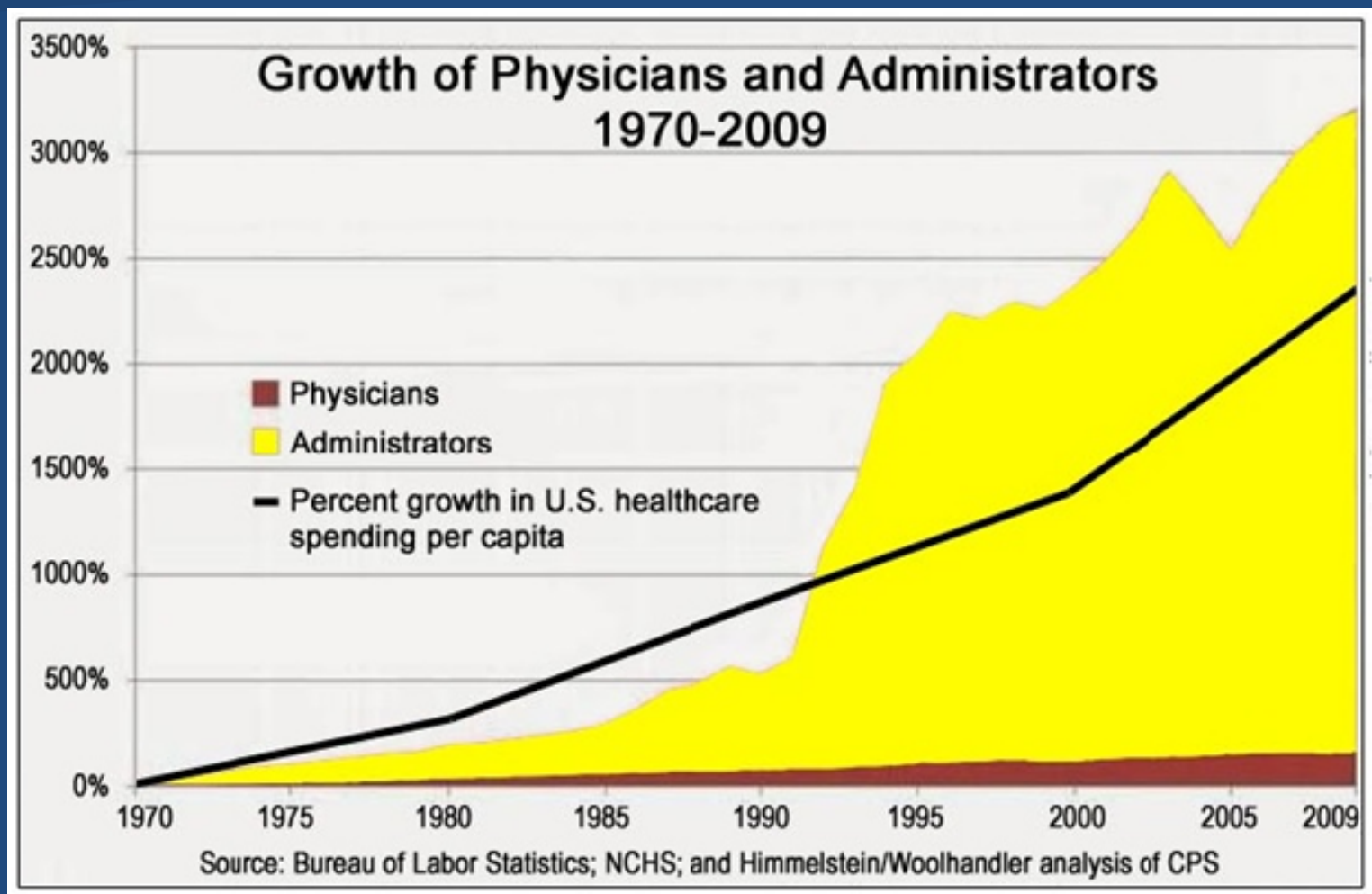


Largest Unfunded Liabilities Per Student

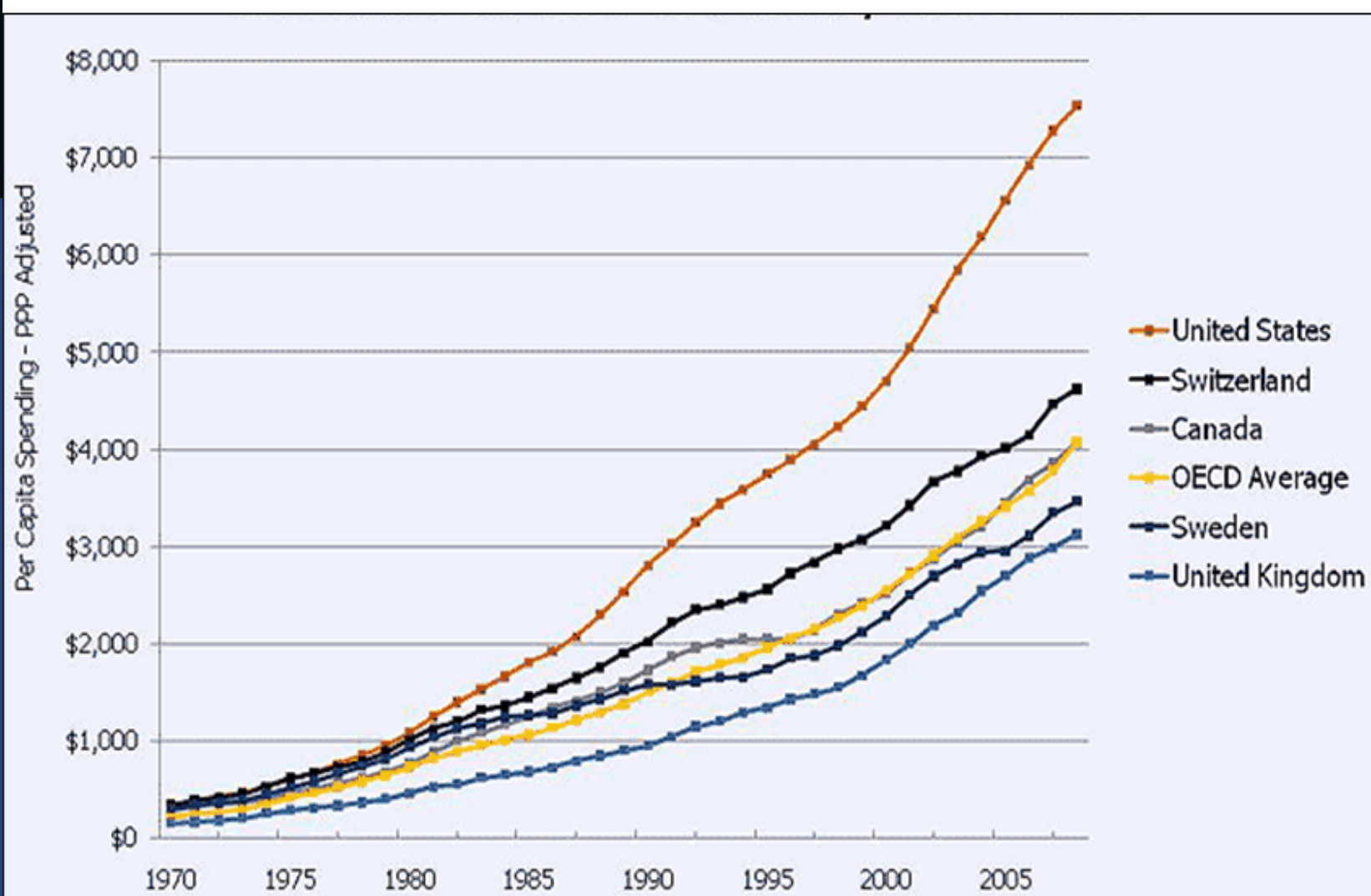
- | | |
|----------------------------|----------|
| 1. Los Angeles Unified | \$17,016 |
| 2. Fresno Unified | \$13,313 |
| 3. Sacramento City Unified | \$13,287 |
| Average (In Study) | \$3,918 |

**So why are we spending
so much and getting so
little?!!!**

Private Insurers waste about **\$475 billion** a year of our premiums on **non-patient** costs like administrative overhead, sales and marketing, lobbying, billing, underwriting, and exorbitant executive compensation.



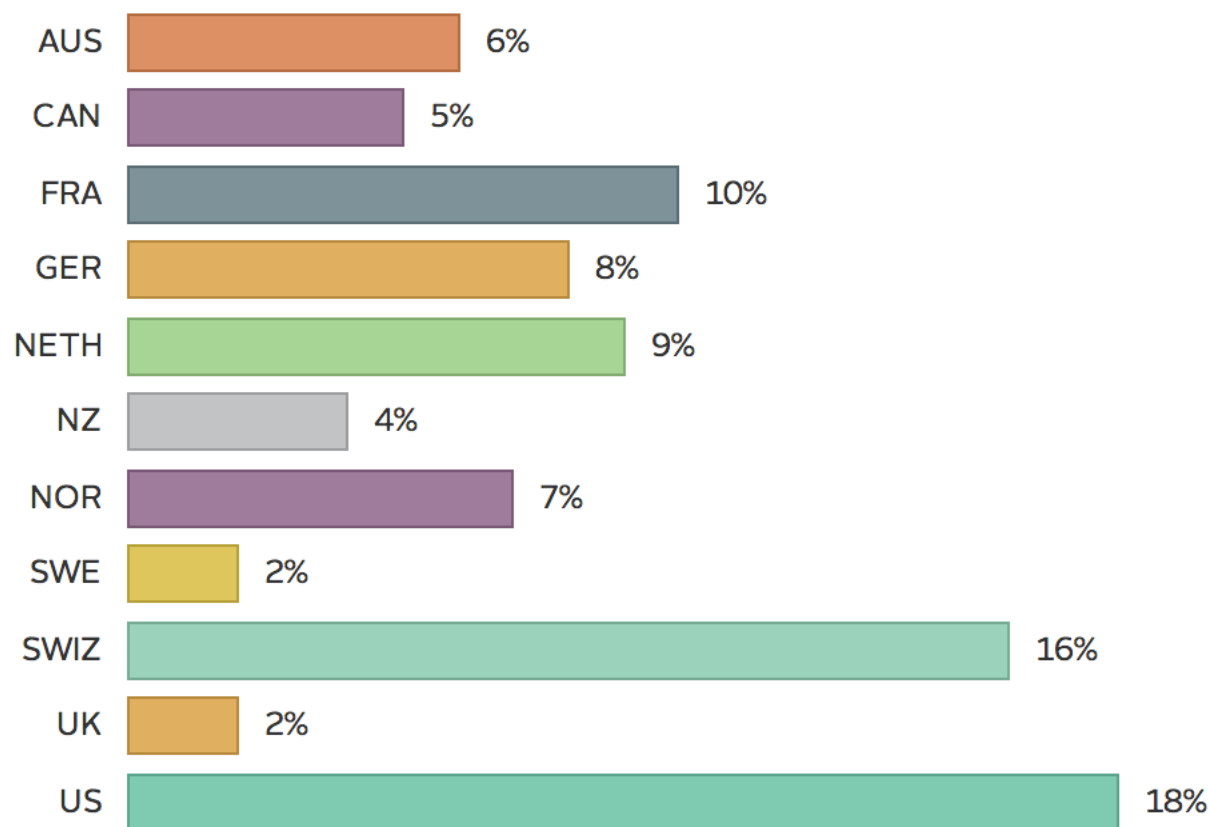
Growth in Total Health Expenditure Per Capita, U.S. and Selected Countries, 1970-2008



Source: Organisation for Economic Co-operation and Development (2010), "OECD Health Data", *OECD Health Statistics* (database). doi: 10.1787/data-00350-en (Accessed on 14 February 2011).

America has the least efficient health care system

Percent of patients who reported spending "a lot of time on paperwork or disputes related to medical bills"



Source: The Commonwealth Fund



**WE WASTE
\$750 BILLION**

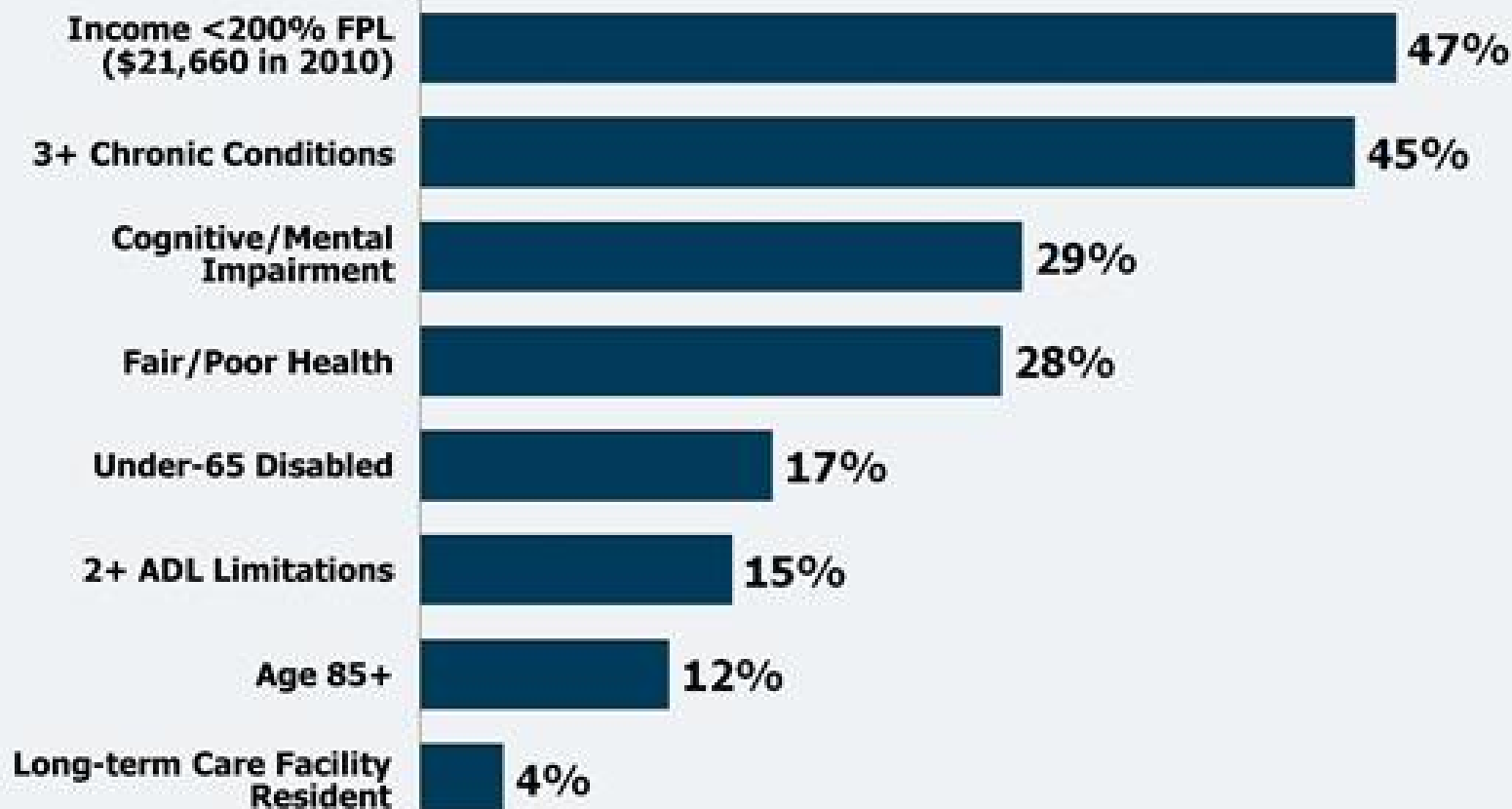
A YEAR IN HEALTH CARE SPENDING



**THE SAME AMOUNT
WE SPEND ON
NATIONAL DEFENSE.**

Characteristics of the Medicare Population

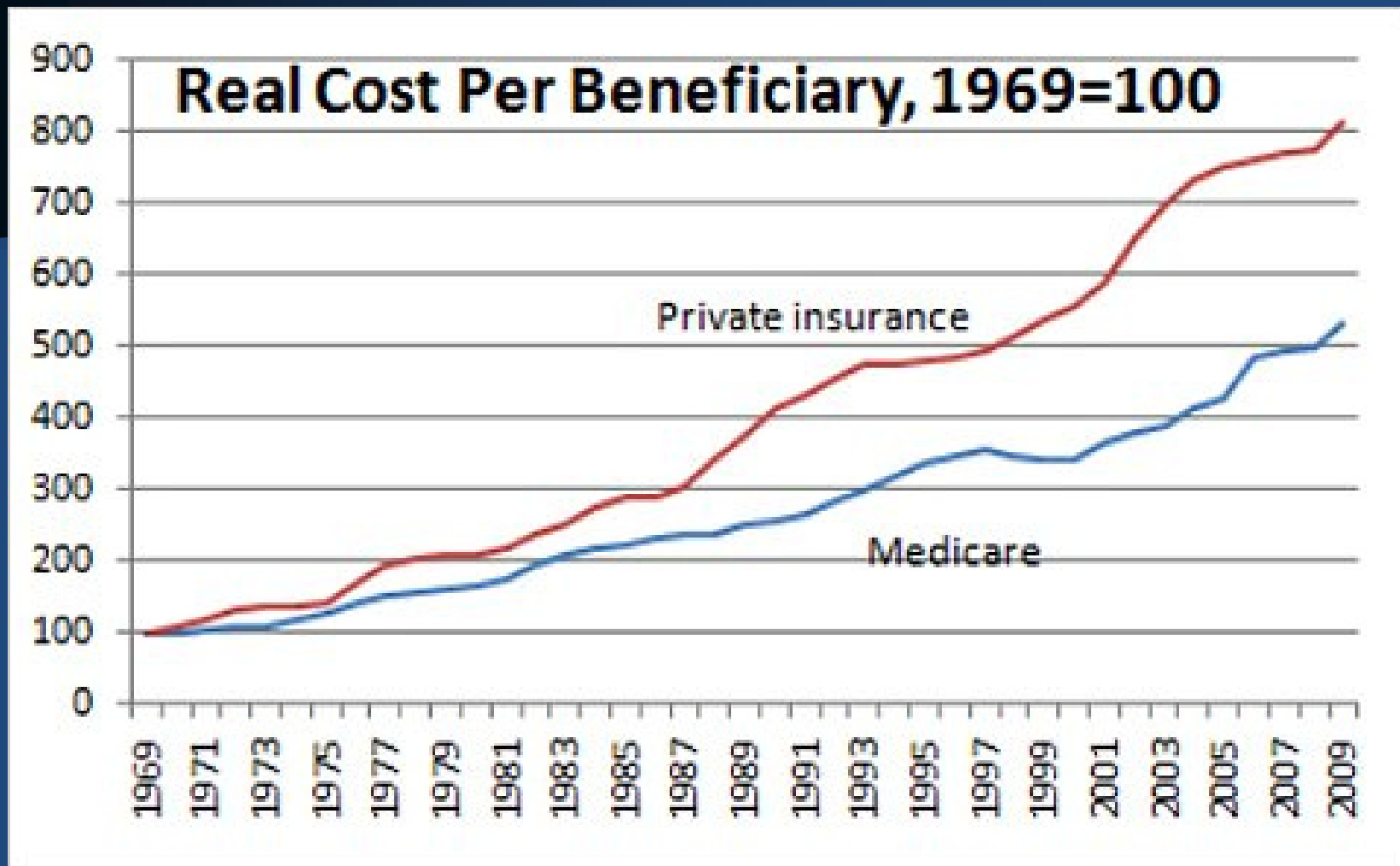
Percent of total Medicare population:



NOTE: ADL is activity of daily living.

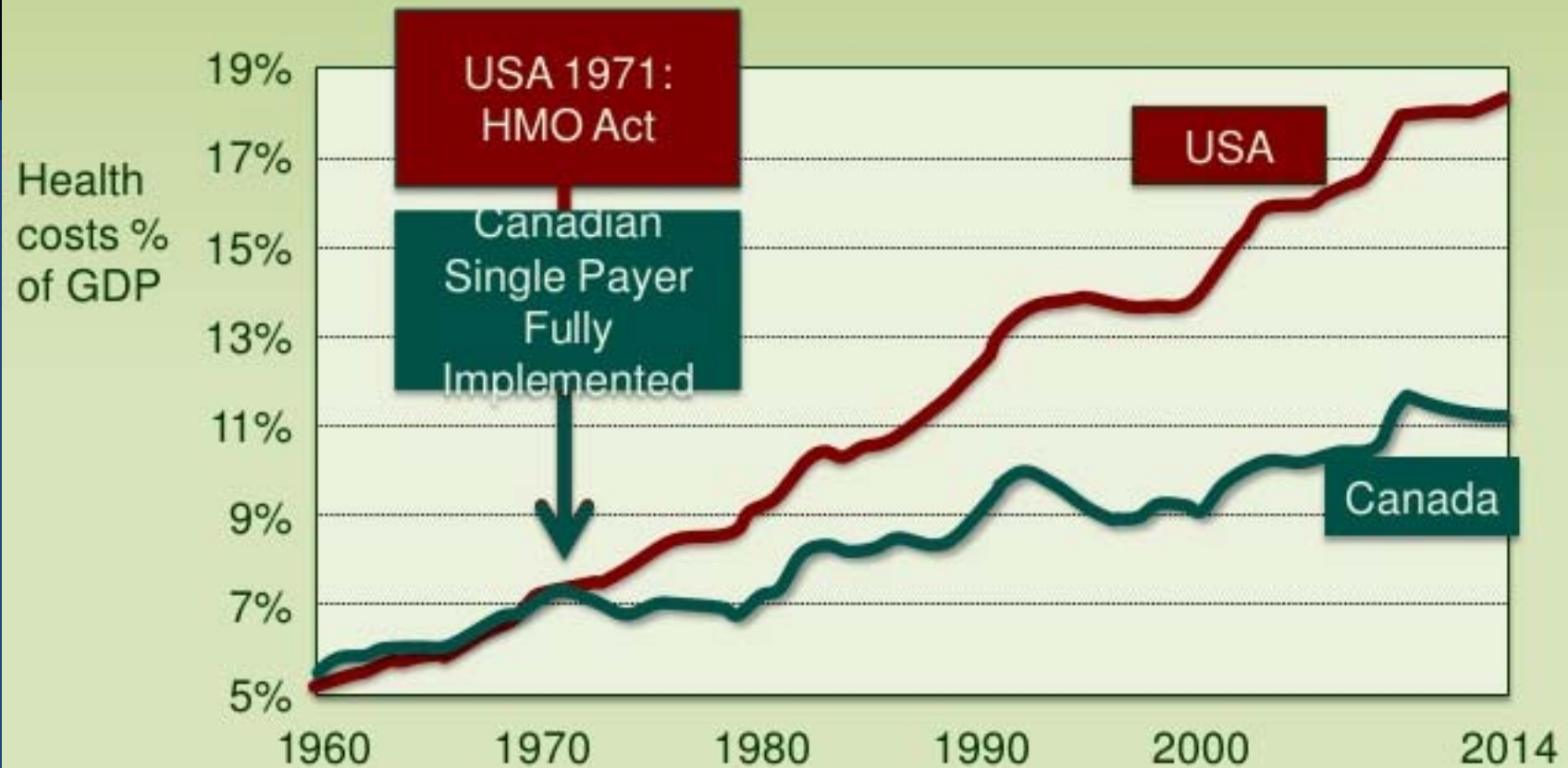
SOURCE: Income data for 2009 from U.S. Census Bureau, Current Population Survey, 2009 Annual Social and Economic Supplement. All other data from Kaiser Family Foundation analysis of the Centers for Medicare & Medicaid Services Medicare Current Beneficiary 2008 Access to Care file.





Source: Kaiser Family Foundation; Centers for Medicare and Medicaid Services

A Fork in the Road



Rank 2014	Rank 2013	Country	Efficiency score	Life expectancy	Health-care cost as percentage of GDP	Health-care cost per capita (US\$)
1	2	Singapore	78.6	82.1	4.5	2,426
2	1	Hong Kong SAR	77.5	83.5	5.3	1,944
3	6	Italy	76.3	82.9	9.0	3,032
4	3	Japan	68.1	83.1	10.2	4,752
5	8	South Korea	67.4	81.4	7.0	1,703
6	7	Australia	65.9	82.1	9.1	6,140
7	4	Israel	65.4	81.7	7.0	2,289
8	19	France	64.6	82.6	11.8	4,690
9	12	United Arab Emirates	64.1	77.0	3.2	1,343
10	14	United Kingdom	63.1	81.5	9.4	3,647
11	-	Norway	63.0	81.5	9.1	9,055
12	15	Mexico	59.1	77.1	6.3	618
13	20	Ecuador	58.4	76.2	6.7	361
14	5	Spain	58.1	82.4	9.9	2,808
15	9	Switzerland	57.9	82.7	11.4	8,980

Bloomberg World Rankings 2014

Report Card



	Grade	Net Score
South Korea	A+	635
Argentina	A	421
Japan	A-	291
Belgium	A-	270
Australia	B+	216
United States	B+	199
Poland	B	160
Germany	B	132
Canada	B-	105
Great Britain	C+	93
Sweden	C-	9
France	D+	-2
Italy	D	-70
Hungary	D-	-136
Spain	F	-372

2013 World Healthcare Satisfaction Rankings

Los Angeles Times

GOP Bets on HMOs to Cut Medicare Costs

October 23, 1995 | ROBERT A. ROSENBLATT | TIMES STAFF WRITER

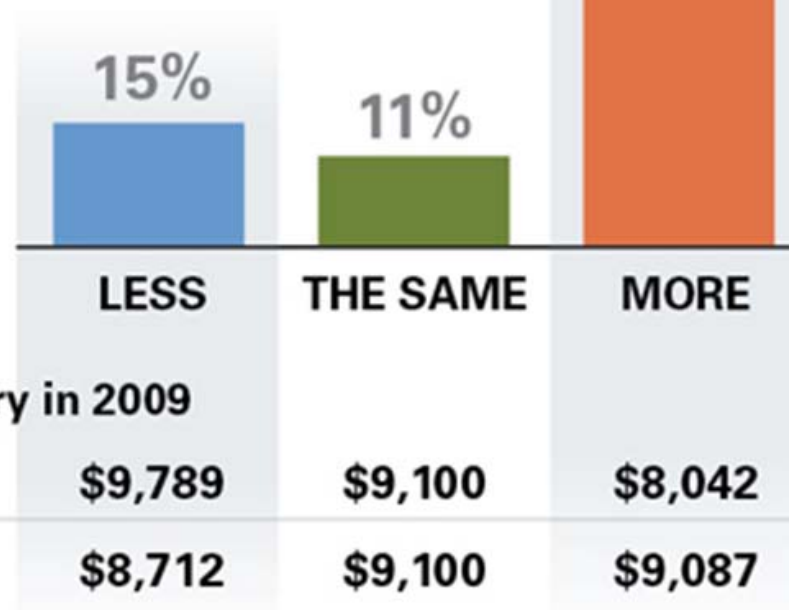
*GOP pledged that by placing at least **20%** of Medicare beneficiaries in private HMOs would save **\$270 Billion** over **seven years**.*

Medicare has overpaid private insurers by \$282.6 billion, or 24.4% of all Medicare payments, since 1985.

Medicare Advantage more costly than traditional Medicare

In only 15% of U.S. counties (in 2009) do private Medicare Advantage plans have lower average costs per beneficiary than traditional Medicare.

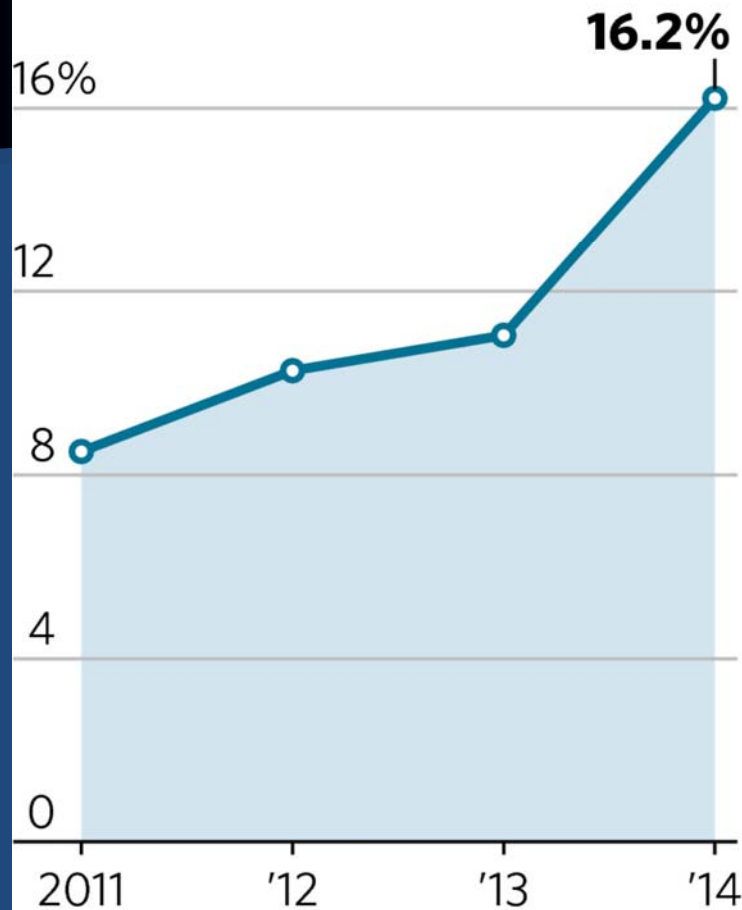
Compared to traditional Medicare, percentage of counties where Medicare Advantage cost...



Source: "Why Premium Support? Restructure Medicare Advantage, Not Medicare,"
<http://www.urban.org/publications/412662.html>

© URBAN INSTITUTE

Expensive specialty medications consume a rising share of Medicare's spending for drugs*



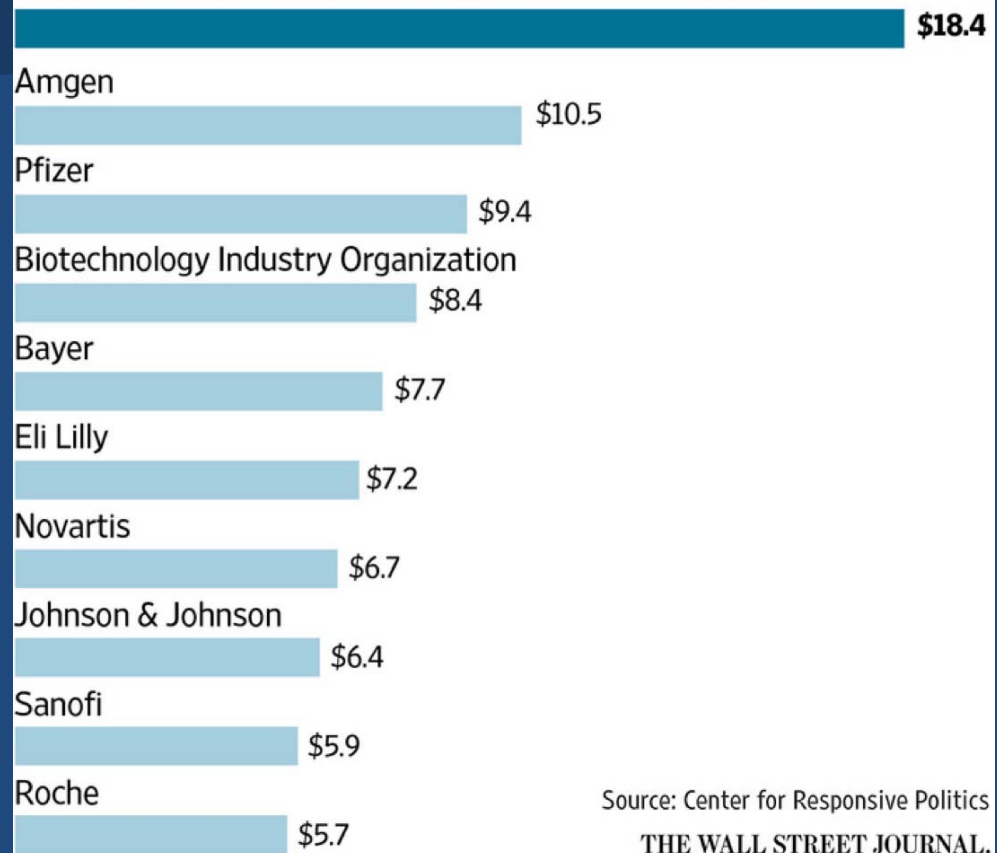
*Medicare Part D program for prescription drugs taken outside doctors' offices

Source: Centers for Medicare and Medicaid Services

Directed Funds

Federal lobbying expenditures by the top 10 pharmaceutical companies and trade groups in 2015, in millions

Pharmaceutical Research and Manufacturers of America

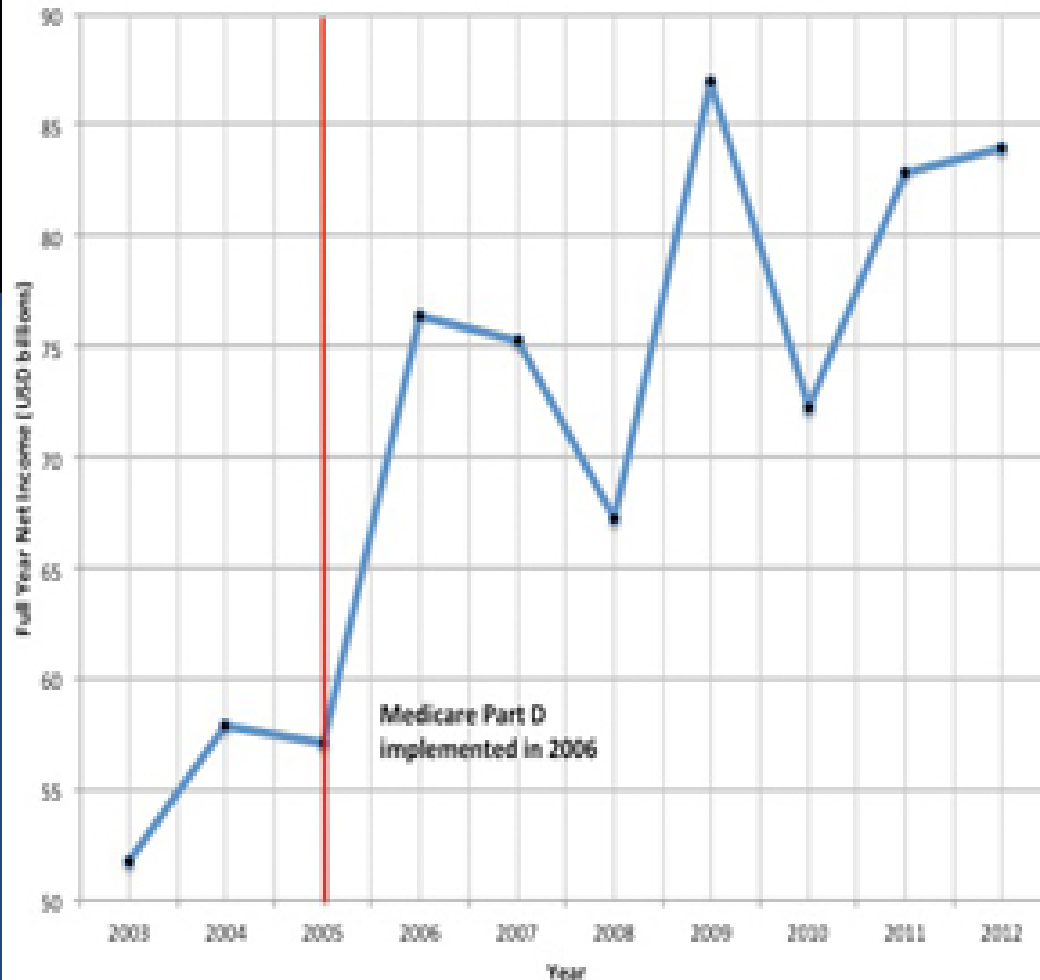


Source: Center for Responsive Politics

THE WALL STREET JOURNAL.

Medicare is prevented by Congress from negotiating Drug prices.

Combined Net Profits for Top 11 Global Drug Companies



Net Profits for Top 11 Global Pharmaceutical Companies, 2003-2012

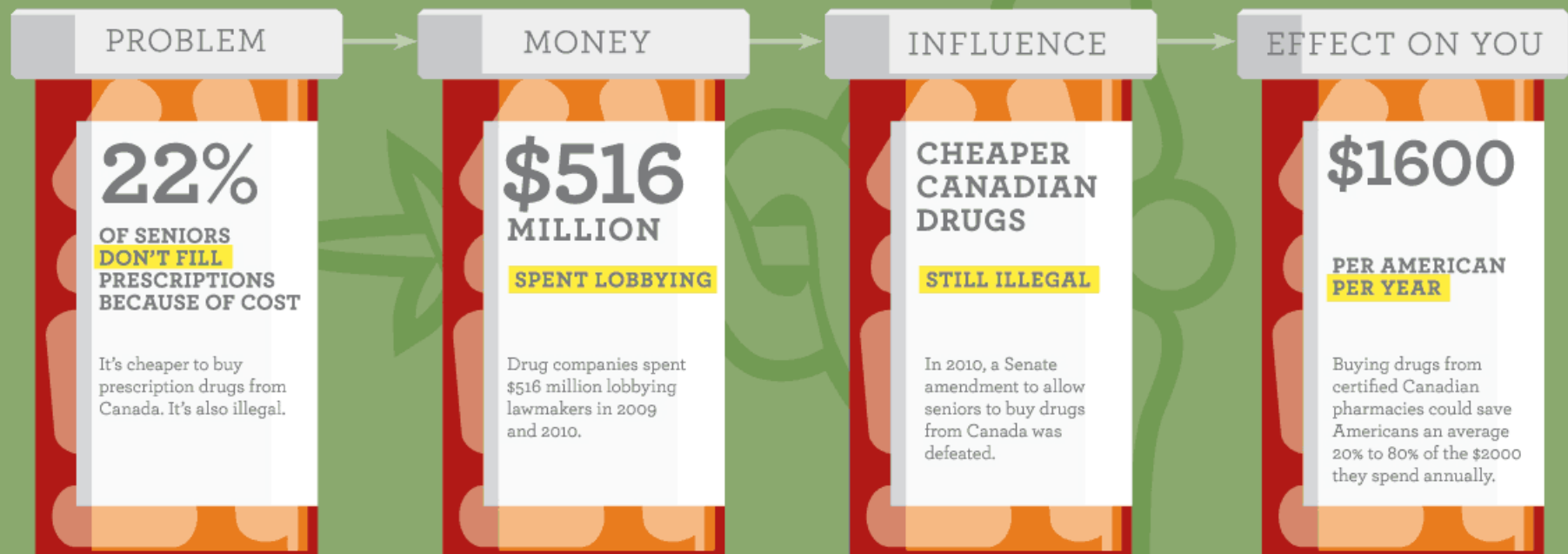
(in billions of US dollars)

Johnson & Johnson	\$105.8
Pfizer	\$100.4
Novartis	\$83.1
Merck	\$59.1
Roche	\$73.3
Sanofi-Aventis	\$57.7
GlaxoSmithKline	\$77.8
Abbott Laboratories	\$40.6
AstraZeneca	\$58.9
Eli Lilly	\$27.7
Bristol-Myers Squibb	\$27.0

Total: \$711.4 BILLION

In 2006, the first year of Medicare Part D, the combined profits of the largest drug Companies soared 34% to \$ 76.3 Billion.

HEALTH CARE



SOURCES: SAFRAN ET AL. (2002), CENTER FOR RESPONSIVE POLITICS, U.S. SENATE, AARP

Analysis of Donald Trump's Health Care Plan

Key Findings

- Donald Trump's plan to repeal and replace Obamacare would cost nearly \$550 billion over a decade, or \$330 billion incorporating economic growth.
- The plan would nearly double the number of uninsured, causing almost 21 million people to lose coverage.
- Block-granting Medicaid could generate a wide range of savings, but insufficient details have been provided to estimate the savings under Mr. Trump's plan.

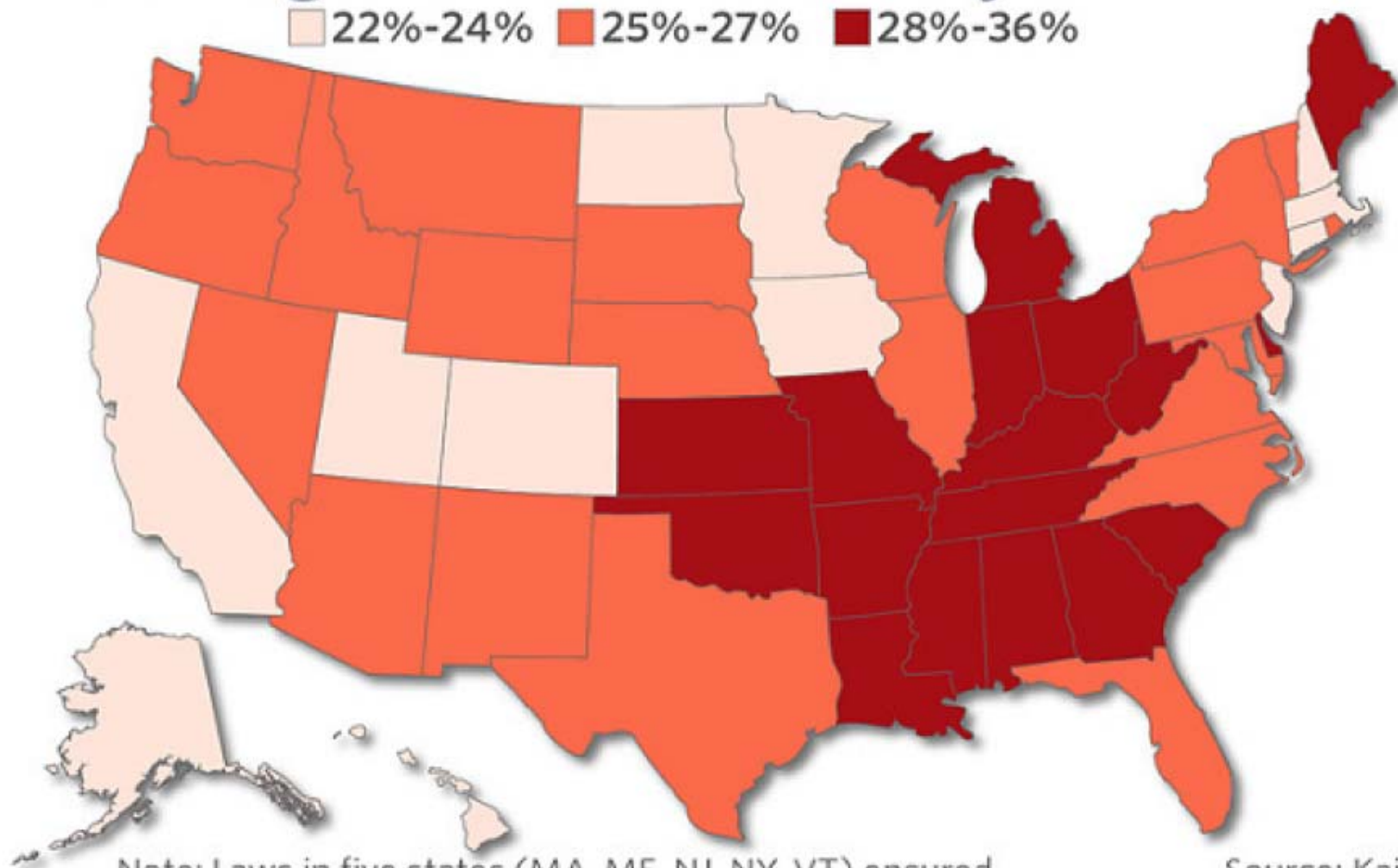


www.crfb.org/FiscalFactCheck



A project of the
Committee for a Responsible Federal Budget

Percentage of adults with uninsurable pre-existing conditions varies by state



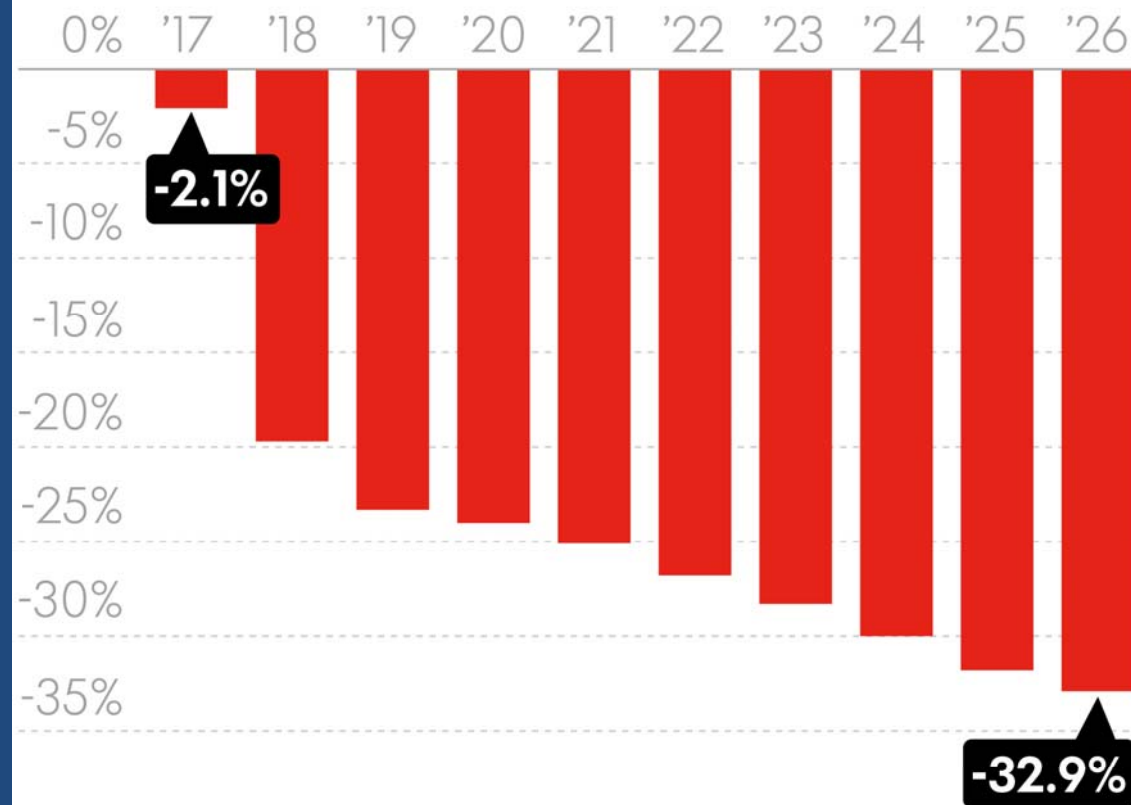
Note: Laws in five states (MA, ME, NJ, NY, VT) ensured access to health insurance prior to the ACA

Source: Kaiser Family Foundation

52 Million estimated to have a declinable pre-existing condition.

HOUSE PLAN WOULD CUT MEDICAID

A House Budget Committee plan for Medicaid assumed \$1 trillion in cuts through either block grants or a per-person cap on benefits. Here's what the cuts would be if, as expected, Medicaid is converted to block grants to states.



SOURCE Center on Budget and Policy Priorities analysis of January 2016 Congressional Budget Office Medicaid baseline and House Budget Committee documents
George Petras, USA TODAY

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

7500 Security Boulevard, Mail Stop: S2-26-12

Baltimore, Maryland 21244-1850



July 14, 2016

Mari Cantwell
Chief Deputy Director
Department of Health Care Services
Director's Office, MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) authorizes up to \$472 million in total computable funds for the Uncompensated Care (UC) component of the Global Payment Program for each of demonstration years two through five under California's section 1115 demonstration project, entitled Medi-Cal 2020 (Project Number 11-W-00193/9). CMS determined the UC component based upon its analysis of information contained

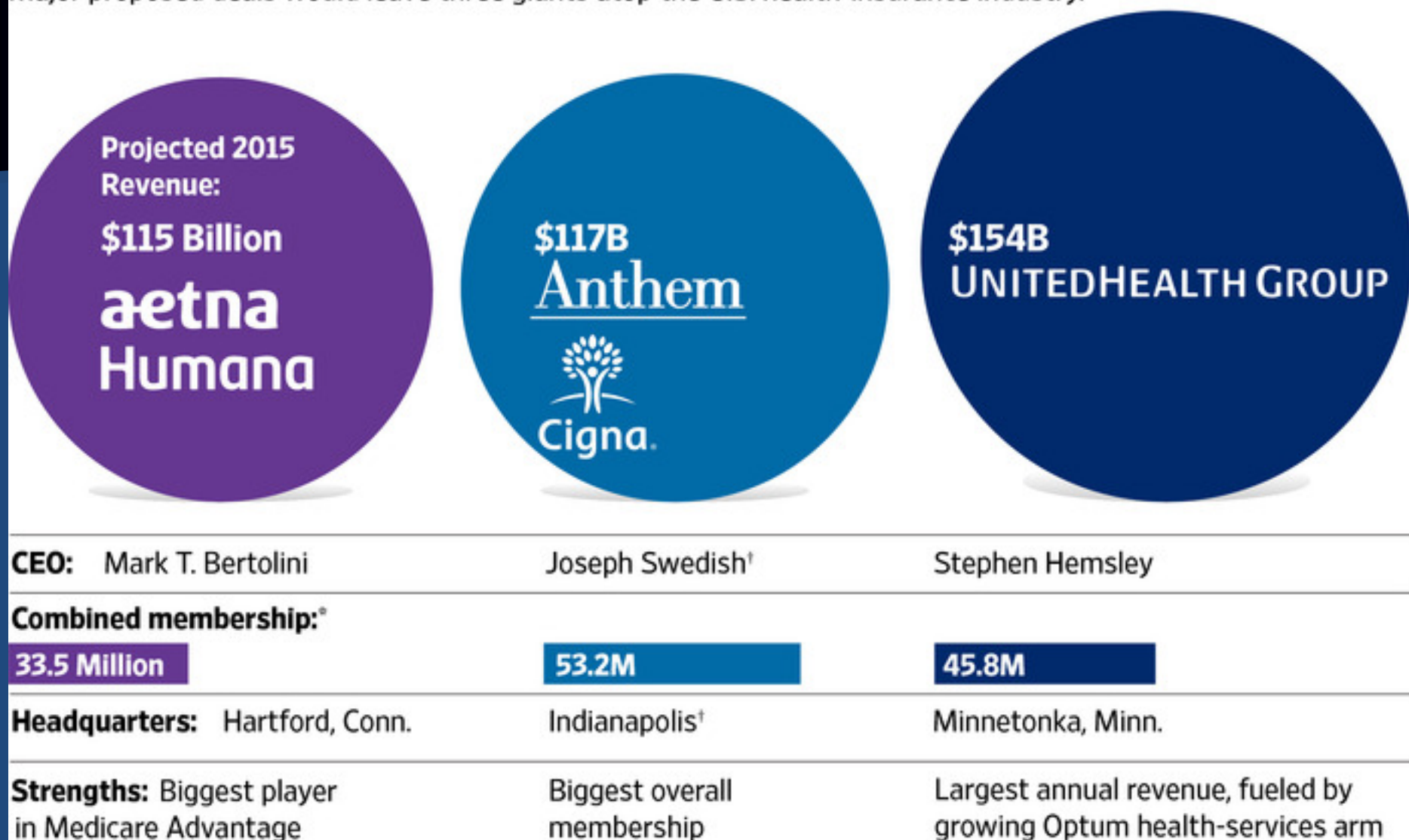
What will happen to the nearly \$2B that has been promised?

Effects in CA of GOP Repeal

- Repeal could cost CA as much as **\$20 Billion** in annual federal spending on the state's Medicaid Program. Roughly **18%** of the entire state annual budget.
- CA already pays **\$20 Billion** of its own general fund towards Medi-Cal.
- Raising the state income tax would require nearly a **25%** increase and require a 2/3 majority.
- Reducing the number of Californians insured under the ACA to address this **\$20 Billion** federal cut would require kicking **4 million** individuals off Medi-Cal or Covered CA.

The Big Three?

Major proposed deals would leave three giants atop the U.S. health-insurance industry.



*As of March 31, 2015. †Assuming Anthem maintains CEO and headquarters
Source: the companies

THE WALL STREET JOURNAL.

Health Policy Brief

August 2016

Public Funds Account for Over 70 Percent of Health Care Spending in California

Andrea Sorensen, Narissa J. Nonzee, and Gerald F. Kominski

*“California’s
health care
is primarily
a publicly
funded system.”*

SUMMARY: In California, personal health care expenditures are estimated to total more than \$367 billion in 2016. Approximately 71 percent of these expenditures will be paid for with public funds (i.e., taxpayer dollars). This estimated contribution of public funds to health care expenditures is much higher than estimates that include only major health insurance programs such as Medicare and Medicaid. Several additional public funding sources also contribute

to health care expenditures in the state, including government spending for public employee health benefits, tax subsidies for employer-sponsored insurance and the Affordable Care Act (ACA) insurance exchange, and county health care expenditures. As health care reform continues to take effect, it will be important to monitor the public versus private contributions to state health care expenditures to ensure that funds are being distributed both efficiently and equitably.

SINGLE-PAYER HEALTHCARE COULD SAVE SANTA MONICA \$6 MILLION

By Santa Monica Councilmember Kevin McKeown

Responding to a budget preparation request I made recently, Santa Monica's Director of Finance has calculated that universal single-payer healthcare would save the City six million dollars a year in employee health-benefit costs.

Disclosure: I'm a long-time advocate of universal single-payer healthcare, who led the City Council to endorse both the California and federal single-payer bills currently under consideration. Then, two weeks ago, struggling with a Santa Monica budget short on revenues and long on rising costs, I asked Finance Director Carol Swindell to calculate possible savings to city government if single-payer were enacted in California.

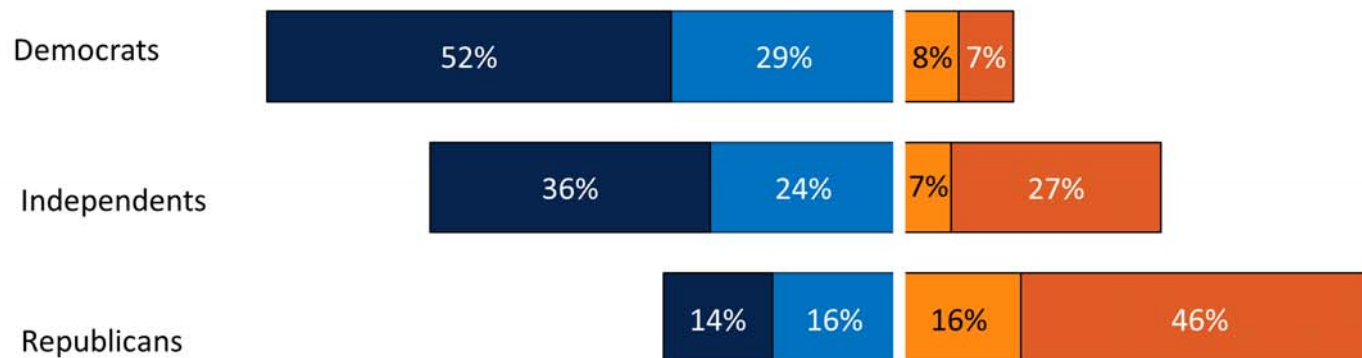
Swindell's blockbuster response, delivered to the Council last Friday, quantifies the stunning potential savings to the public of a proposed health plan that removes insurance middlemen and administrative costs. The single-payer system "would incur \$21.8 million in annual expenditures," wrote Swindell. "Projected medical costs for FY 2008-09 for the same salary level were \$27.8 million, which indicates an estimated savings of \$6.0 million over current medical, dental, and vision costs."

Partisan Views Vary on Medicare-For-All

Now, please tell me if you favor or oppose having a national health plan in which all Americans would get their insurance through an expanded, universal form of Medicare-for-all?



By Political Party ID



NOTE: Don't know/Refused responses not shown.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted December 1-7, 2015)



58% of all Americans and **81%** of all Democrats favor Medicare-for-All