

Making Care More Affordable Will Take Collective Effort from Every Corner of CA's Health Care System

The Issue

Our nation's health care system, especially in California where the cost of living is second highest in the country, is financially inaccessible for too many people. Hospitals, a pillar of the system and often the largest employer in their communities, understand the challenges and have been working for years to slow the rate of growth in health care spending. But making a real difference for Californians will take an equal effort from others: insurance companies, pharmaceutical companies, doctors, government agencies, labor unions, and more. California's hospitals stand ready to do our part and are eager to work with other stakeholders to tackle this challenge.

What's Needed

There are several practical, achievable steps that can directly reduce the rate of growth in health care spending for consumers, including:

- Support the creation of an independent governmental entity — similar to the federal Medicare Payment Advisory Commission structure — to provide expert analyses of the California health care marketplace and issue regular reports and make recommendations as the Legislature considers health care policies.
- Expand on current efforts to reduce the number of Californians without health insurance. Even though the state has made considerable strides over recent years, it's now time to get California from ~92% to 100% coverage. Coverage allows people to access care early and prevents the higher cost of delayed care.
- Reduce the financial burden of outdated or unnecessary regulations. Many of the regulations for the licensing and certification of health care facilities and other providers no longer align with today's changing health care environment, yet still account for a significant amount of cost within the health care system. Seismic regulations alone are estimated to cost more than \$100 billion, an expense that will be borne by health care consumers.
- Encourage innovation in the delivery of health care services and provider reimbursement.



California hospital costs are among the lowest in the nation.

39%

of CA's hospitals operate at a loss at a time when insurance and pharmaceutical companies are seeing record profits.

Per capita hospital costs in CA are **5.4%** lower than the national average.