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An act to amend Sections 1001 and 1003 of, to amend the heading of Part 4 (commencing with Section 1000) of Division 1 of, and to repeal and add Section 1002 of, the Health and Safety Code, relating to health care coverage.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The heading of Part 4 (commencing with Section 1000) of Division 1 of the Health and Safety Code is amended to read:

PART 4. COUNCIL ON HEALTH CARE DELIVERY SYSTEMS-HEALTHY CALIFORNIA FOR ALL COMMISSION

SEC. 2. Section 1001 of the Health and Safety Code is amended to read:

1001. (a) Effective ~~January~~ July 1, 2019, there is hereby established the ~~Council on Health Care Delivery Systems~~ Healthy California for All Commission as an independent body to develop a plan that includes options for advancing progress toward achieving a health care delivery system in California that provides coverage and access through a ~~unified single-payer~~ financing system for all Californians.

(b) ~~The council commission~~ shall meet for the first time on or before ~~July~~ September 1, 2019, and shall convene meetings at least quarterly at locations that are easily accessible to the public in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(c) (1) ~~The council commission~~ shall be comprised of ~~five~~ 13 members as follows:

~~(A) Three members who shall be appointed by the Governor.~~

~~(B) One member who shall be appointed by the Senate Committee on Rules.~~

~~(C) One member who shall be appointed by the Speaker of the Assembly.~~

(A) The Secretary of California Health and Human Services, or the secretary's designee, who shall serve as the chairperson.

(B) Six members who shall be appointed by the Governor.

(C) Three members who shall be appointed by the Senate Committee on Rules.

(D) Three members who shall be appointed by the Speaker of the Assembly.

(2) There shall also be three ex officio, nonvoting members of the commission who shall be the Executive Director of the California Health Benefit Exchange, the Director of Health Care Services, and the Chief Executive Officer of the Public Employees' Retirement System, or their officially designated representatives.

~~(2)~~

(3) The appointees shall have appropriate knowledge and experience regarding health care coverage or financing, or other relevant expertise.

~~(3) The council shall elect a chairperson on an annual basis.~~

(4) The members of the ~~council commission~~ shall serve without compensation, but shall be reimbursed for necessary traveling and other expenses incurred in performing their duties and responsibilities.

(d) ~~The council commission~~ may establish advisory committees that include members of the public with knowledge and experience in health care that support stakeholder engagement and an analytical process by which key design options are developed. A member of an advisory committee need not be a member of the ~~council commission~~.

(e) ~~The council commission~~ and each advisory committee shall keep official records of all of their proceedings.

SEC. 3. Section 1002 of the Health and Safety Code is repealed.



~~1002. (a) On or before October 1, 2021, the council shall submit to the Legislature and Governor a plan with options that include a timeline of the benchmarks and steps necessary to implement health care delivery system changes, including steps necessary to achieve a unified financing system. The plan shall be submitted in compliance with Section 9795 of the Government Code. The plan shall also be posted on the California Health and Human Services Agency's Internet Web site. The plan shall, at a minimum, consider all of the following:~~

~~(1) Key design options, including covered benefits, eligibility, service delivery, provider payments, and quality improvement.~~

~~(2) Requirements potentially necessary for the state, in consultation with the State Department of Health Care Services, to seek federal waivers and federal statutory changes, by which funds currently managed by the federal government, but used on behalf of Californians, may be consolidated with other funding sources.~~

~~(3) A summary of relevant requirements under current law and potential state constitutional and statutory amendments that may be evaluated to improve the health care system.~~

~~(4) Options for financing and an analysis of the need for voter approval of any financing.~~

~~(5) Potential considerations for building or restructuring information technology systems and financial management systems necessary for health care system changes.~~

~~(6) Opportunities for controlling health care costs, including mitigating rising health care costs and limiting administrative costs so that more money is spent on direct care to patients and less on profits and overhead, in order to achieve a sustainable health care system with more equitable access to quality health care.~~

~~(b) The council shall provide an update detailing its progress in developing the plan required by subdivision (a) to the Governor and the health committees of the Senate and the Assembly on or before January 1, 2020, and shall update those committees every six months thereafter.~~

SEC. 4. Section 1002 is added to the Health and Safety Code, to read:

1002. (a) On or before July 1, 2020, the commission shall submit a report to the Legislature and the Governor with options that include all of the following:

(1) An analysis of California's existing health care delivery system, including cost, quality, workforce, and provider consolidation trends and how they impact the state's ability to provide all Californians with timely access to high-quality, affordable health care.

(2) Options for additional steps California can take to prepare for transition to a single-payer financing system, including, but not limited to, cost containment, quality improvement, administrative changes, and reorganization of state programs.

(3) Options for coverage expansions, including potential funding sources.

(b) On or before February 1, 2021, the commission shall submit a report to the Legislature and the Governor that includes options for key design considerations for a single-payer financing system, including all of the following:

(1) Eligibility and enrollment.

(2) Covered benefits and services.

(3) Provider participation.

(4) Purchasing arrangements.

(5) Provider payments, including consideration of global budgets.



- (6) Cost containment.
- (7) Participant cost sharing.
- (8) Quality monitoring and disparities reduction.
- (9) Information technology systems and financial management systems.
- (10) Data sharing and transparency.
- (11) Governance and administration, including integration of federal funding sources.

(c) The reports required under this section shall be submitted in compliance with Section 9795 of the Government Code, and shall be posted on the California Health and Human Services Agency's internet website.

(d) The commission shall provide an update detailing its progress in developing the reports required by subdivisions (a) and (b) to the Governor and the health committees of the Senate and the Assembly on or before January 1, 2020, and shall update those committees every six months thereafter.

SEC. 5. Section 1003 of the Health and Safety Code is amended to read:

1003. This part shall not be construed to authorize the ~~council~~ commission to implement any provision of the ~~plan reports~~ developed pursuant to Section 1002 until there is further action by the Legislature and the Governor.



## LEGISLATIVE COUNSEL'S DIGEST

Bill No. \_\_\_\_\_  
as introduced, \_\_\_\_\_.  
General Subject: Health care coverage: Healthy California for All Commission.

Until January 1, 2022, existing law establishes the Council on Health Care Delivery Systems to develop a plan that includes options for advancing progress toward achieving a health care delivery system in California that provides coverage and access through a unified financing system for all Californians. Existing law, on or before October 1, 2021, requires the council to submit to the Legislature and Governor a plan with options that include a timeline of the benchmarks and steps necessary to implement health care delivery system changes. Existing law authorizes the California Health and Human Services Agency to provide staff support to implement these requirements.

Until January 1, 2022, this bill would instead establish the Healthy California for All Commission for purposes of developing a plan that includes options for advancing progress toward achieving a health care delivery system in California that provides coverage and access through a single-payer financing system for all Californians. By July 1, 2020, the bill would require the commission to submit a report to the Legislature and the Governor with, among other things, an analysis of California's existing health care delivery system and options to transition to a single-payer financing system. By February 1, 2021, the bill would require the commission to submit a report to the Legislature and the Governor that includes options for key design considerations for a single-payer financing system. The bill would require those reports to be posted on the California Health and Human Services Agency's internet website.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

