



March 8, 2024

Secretary Mark Ghaly, M.D., California Health and Human Services Agency
Chair, Health Care Affordability Board

Elizabeth Landsberg, Director

Department of Health Care Access and Information (HCAI)

Vishaal Pegany, Deputy Director

Office of Health Care Affordability (OHCA), Department of Health Care Access and Information

Megan Brubaker, Manager, Engagement and Governance Group

Office of Health Care Affordability, Department of Health Care Access and Information

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Dear Office of Health Care Affordability Board Members and Staff:

Our community, consumer, labor, and constituency organizations, representing millions of Californians of all walks of life who struggle to afford health care, strongly support the mission of the Office of Health Care Affordability, and the proposed (OHCA) targets for up to 3% cost growth annually for the next five years.

At a time when over half of Californians skip or delay doctor visits or prescriptions because of costs - and over half of them get worse because of this lack of care—any increases in the cost of care will only

exacerbate problems of access, equity, and public health. These cost increases and the further lack of access, affordability, and equity fall especially hard on communities of color, the uninsured, those with medical conditions, those with lower-incomes and the otherwise most vulnerable.

With median family coverage now costing an eye-popping \$24,000 and the family share of employer coverage and deductible costing \$10,600 or more, medical costs are a main driver in California's affordability crisis. Nationwide, an average worker would have had \$125,000 more in wages if not for inflated health care costs over the last three decades. Family incomes have climbed by 3% per year while premiums have gone up 5% and deductibles rose 8% in California.

The OHCA staff proposal to go up 3% each year is not a reduction, nor a freeze, but a goal that the health care industry must live within the same constraints as a median California family does. In a highly consolidated health system where consumers have little ability to shop around or say no, and where prices have little relation to the cost or quality of care, or patient outcomes, OHCA has a responsibility to set a target that would at least prevent care and coverage from getting even more unaffordable.

The health industry should not simply be able to charge whatever its inflated costs are and expect the rest of us to sign the check no matter what the cost. The premise of OHCA is that we set a goal aligned with the real experience of California families, and give the industry the tools, flexibility and incentives to innovate to meet the targets of lower costs and improved quality and equity.

The goal is to replace the vicious cycle of unaffordability leading to patients' inability to access care and resulting in higher costs in ERs and hospitals with a virtuous circle of lower costs, better quality, and improved equity where Californians can afford their premiums, the cost to go to the doctor or get a prescription, and the primary and preventive care they need.

OHCA has the opportunity to meet its mission of setting affordability targets that reflect the lived experiences of Californians, while also ensuring flexibility to adjust for unanticipated events like another pandemic or novel blockbuster therapies. Californians should not seek a goal less ambitious than those of cost growth commissions in Oregon, Washington, and a half-dozen other states. A higher target would justify the status quo of ever-increasing and irrational costs that outpace household wages and leave many Californians behind.

We support the proposal for a cost growth target to be 3% or lower, to provide real relief for California consumers and communities. Thank you for your consideration.

Access Reproductive Justice
AFSCME California
Asian Americans Advancing Justice
 - Southern California
California Black Health Network
California Federation of Teachers
California Immigrant Policy Center
California Labor Federation
California Pan-Ethnic Health Network
CECHCR Project
California Health Care Coalition
California Nurses Association
California School Employees Association

California Teachers Association
California Teamsters Union
Children Now
Families USA
Friends Committee on Legislation of California
Health Access California
National Health Law Program
National Multiple Sclerosis Society
National Union of Healthcare Workers
Rising Communities
Salinas Valley Federation of Teachers, CFT
SEIU California
Small Business Majority

SMART - Transportation Division

UFCW States Council

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