



# California Health Care Reform Guiding Principles



The current health care reform debate is essential to the future of our state. It must translate into real, comprehensive reform that preserves what works in the current system and sets a framework to eliminate its very serious shortcomings. The following principles have been developed to articulate the L.A. Area Chamber's view on this issue and will be used to assess the viability of proposals that emerge from the debate.

- 1 All California residents regardless of immigration status must have access to affordable health insurance coverage and quality health care.
- 2 All stakeholders in the health care system including government, health plans, pharmaceutical companies, individuals, health care organizations, providers, employees and employers must contribute their fair share of the financing needed to provide coverage to all Californians.
- 3 Incentives to purchase or provide coverage must be created for all stakeholders. A win-win foundation will result in a model system of health care for our state.
- 4 The state must work to minimize the costly overlap that currently exists in health care coverage through workers compensation, auto, disability and health insurance.
- 5 Employers, employees, individuals and providers should have a reasonable choice of health plans and delivery systems.
- 6 At a minimum, insurance plan benefits must contain a basic or core set of benefits that provide an adequate level of coverage including preventive care, medically necessary physician services, hospital care and prescription drugs. Additional benefits should be permitted at an additional cost to the purchaser.
- 7 An appropriate mechanism must be established to assure an adequate benefits package, at a reasonable cost, is available to all Californians regardless of their financial or medical status through commercial insurance or government programs. To this end, all Californians must assume personal responsibility for obtaining coverage via these programs.
- 8 Provider payments and other funding sources must be sufficient to support the provision of quality health care, including the ability to adopt new technology, drugs, procedures and evolving standards of practice.
- 9 Government funded programs, such as Medicare, Medi-Cal and Healthy Families, must be adequately financed to ensure that the public and private health care safety net is preserved and to eliminate the cost-shift burden onto commercial insurance and other private health care purchasers.
- 10 Health plan and governmental contracting processes should be based upon quality, service, efficiency, and efficacy, and not on avoiding the high cost or high risk of individuals or groups, such as through the use of pre-existing condition exclusions or limitations.
- 11 Government and private health plan products and contracting practices must adequately fund programs associated with the public good, such as: medical education and research; caring for the underserved; the provision of complex, costly medical services and those services not otherwise readily available in the community.
- 12 Employers, employees, individuals and government purchasers of health insurance must have access to accurate, reliable, culturally competent and meaningful information on health plans and health care providers to facilitate informed choices.
- 13 All purchasers of health insurance including large employers, small employers and individuals should be allowed to utilize purchasing cooperatives (pooling) to obtain health insurance coverage.
- 14 Stakeholders must advance the use of information technology to improve the quality of care, to reduce the risk of errors, and to expand the availability and interoperability of patient health care information.
- 15 All Californians should be incentivized to participate in healthy and fit lifestyles through programs and policies that promote physical fitness and good nutrition beginning with our public schools.
- 16 In order to achieve improved quality and cost effectiveness, hospitals and health plans must be able to demonstrate that an appropriate level of resources are dedicated to patient care and to clinical, organizational and administrative efficiency improvements.
- 17 No proposal at the state level will have fiscal credibility if it lacks the active cooperation of the federal government.
- 18 Interests of all stakeholders must be aligned to promote collaboration and best practices by everyone in the health care continuum.