



## Principles for Universal Health Care Coverage

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Public hospitals will play a critical role in expanding access to health care for the state's 6.5 million uninsured. The 21 member hospitals of the California Association of Public Hospitals and Health Systems (CAPH) are a cornerstone of the state's health care system. Public hospitals are major safety net providers of primary care, inpatient and outpatient services. Our expert delivery of critical community services such as trauma and burn center care, medical education programs, and high-quality, cost-effective care to low-income and uninsured patients helps ensure access to care for all Californians.

CAPH affirms our commitment to ensuring access to health care for all Californians. CAPH supports an approach that both expands coverage and maintains a viable safety net to achieve universal access to health care. We believe the principles outlined below will be critical to ensure the implementation of a comprehensive, equitable and financially viable system for universal access to health care. In particular, we believe it is essential to evaluate the impacts universal coverage proposals will have on the health care delivery system.

### Ensure meaningful access to care for all Californians

Universal coverage must ensure real and meaningful access to health care for all Californians. The enactment of health insurance expansion alone is not a guarantee that newly eligible individuals will actually enroll in a program. Nor does enrollment assure that these individuals will actually receive the health care they need.

A system that ensures meaningful access to care must include services in accessible locations with convenient hours, linguistically and culturally appropriate services, transportation and links to needed social services, and maintenance of the existing safety net, to ensure access to populations, such as the homeless, for whom the insurance model may not be workable.

California's public hospitals have built their systems and reputations on the delivery of top-quality health care to all Californians. Though just 6 percent of all hospitals statewide, public hospitals are located in counties containing 81 percent of all residents, and provide nearly 45 percent of all hospital care to the state's 6.5 million uninsured. For these patients, who may not otherwise get the care they need, public hospitals provide essential access to outpatient clinics, urgent care centers, and emergency rooms. And with a patient population that is 78 percent non-white, public hospitals have become leaders in the delivery of culturally and linguistically competent care. Therefore, any effective reform proposal must build upon public hospitals' capacity and expertise in providing access to care for vulnerable patients.

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## Invest in the health care delivery system so that it meets the needs of all Californians

The promise of universal coverage can only be achieved through a strong and stable delivery system, which has the ability to provide high-quality services when and where people need them. This will require investment in the health care work force, technologies, systems of care, public health services, and equitable provider rates.

## Promote cost-effective health care, including prevention and chronic care management

A successful health care coverage proposal must address rising health care costs for employers, public payors, and individuals. Providing 11 million outpatient visits a year, public hospitals are leaders in providing evidence-based and cost-effective care that helps patients learn to make healthy life choices. Simple yet effective systems of care, such as monitoring diabetic patients' blood sugar levels and providing regular foot checks, are reducing emergency visits and high-cost procedures such as limb amputations. People with chronic conditions such as diabetes and asthma need these services to help them manage their conditions and lead more productive lives. A system of universal coverage must align patient and provider incentives, including appropriate reimbursements, to encourage the long-term wellness of all Californians.

## Maintain an adequate health care safety net

A stable and viable safety net will be essential to a robust health care delivery system. Prior to the adoption of any universal coverage program, a comprehensive analysis will be essential to understand the full impact of the proposal on access to care for patients and communities—both from a statewide and regional perspective.

Shifting current safety net funding to finance coverage expansions would seriously weaken the safety net and diminish access to care for all Californians. Here's why:

- Safety net funding is interconnected. Monies currently allocated to public hospitals for uninsured care help support a wide range of services for all

Californians, including trauma centers, burn units, and medical training; and help compensate for low Medi-Cal rates. Diverting funds from safety-net institutions could seriously destabilize this critical component of the state's health care delivery system.

- Expanding access and coverage will require an increase, not a decrease, in the provision of health care services. These additional costs must be recognized.
- Vulnerable populations, such as undocumented immigrants, homeless persons, the mentally disabled and persons with complex medical and social problems, may not function well in a traditional insurance system. They must be protected as we move toward universal coverage.
- The safety net already faces significant fiscal challenges. Public hospitals utilize funds efficiently, and provide responsible stewardship of public resources that enables California to realize savings in public programs such as Medi-Cal. However, public hospitals face a short-term future of capped federal funding and rising health care costs. This situation has the potential to rapidly erode the fiscal health of public hospitals. A diversion of funds from these already financially fragile institutions would reduce, not improve, access to health care.

## Ensure affordability for all patients

A universal coverage system must be affordable. Out-of-pocket costs must be reasonable for low-income families and individuals, including consideration of the high cost of living in our state. Placing too high a financial burden on individuals and families will force them out of any universal coverage system.