

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS
AND SHEILA KUEHL**

May 8, 2018

Protecting the Affordable Care Act in California

Following implementation of the Affordable Care Act (ACA), the uninsured rate in Los Angeles County (County) dropped from approximately 21% of residents in 2013 to about 11% in 2015. Altogether, approximately 1.2 million individuals in the County gained Medicaid coverage as a result of the ACA, and an additional 380,000 individuals received subsidized coverage through Covered California, the State-based insurance exchange. Moreover, L.A. Care Health Plan, the local initiative health plan for the County, now offers a public insurance option for all residents of the County through the Covered California exchange. In spite of these successes, recent federal policy changes threaten to undermine the coverage expansions that have occurred in the County and the state of California. Specifically, the recent tax reform bill terminated the federal mandate requiring that individuals purchase health insurance coverage, and that employers with 50 or more employees provide coverage for them. Recent executive actions have also made it easier for consumers in the individual health insurance market to purchase plans which offer incomplete benefits, and have reduced federal subsidies that limit out-of-pocket costs for low income consumers. These changes will weaken the health insurance exchanges that facilitate the purchase of insurance by consumers through the individual market. As a result, premiums for individual plans may rise to unaffordable levels, particularly for consumers in middle-income brackets and

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those with chronic medical conditions unable to afford coverage outside the exchange. Last year, the County's Chief Executive Officer (CEO) convened a Health Care Reform Working Group charged with developing strategies for mitigating the potentially deleterious effects of the federal changes described above. Members of the County leadership have also participated in a working group of stakeholders throughout California to consider statewide approaches. This working group has considered strategies that could be implemented at the state and County levels to maintain and extend the gains made under the ACA. At the same time, the California Legislature is considering options for mitigating the effects of federal changes to the ACA.

The County's Board of Supervisors (Board), as well as the California legislature, has previously endorsed the notion that all residents of California ought to have health insurance; that the Board must work towards the elimination of disparities in health outcomes; and that the County should ensure high-quality healthcare in all communities, including the vulnerable and underserved. In the wake of the above-described federal changes, it is time for specific actions to uphold these principles. To do so, the Board can advance the policy discussion by articulating its views about the necessary actions to protect and improve healthcare for the residents of California. The Health Care Reform Working Group's recent report on contingency planning for the repeal of the Affordable Care Act, dated April 13, 2018, provides a basis for doing so.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Direct the Chief Executive Officer to work with the Los Angeles County's state legislative team to advocate for these actions:

- i) Development of a "public insurance option" for all residents of the state of California, considering but not limited to the development of a new state health plan, county-based public options, or a Medi-Cal "buy-in" option;
- ii) Establishment of an individual mandate to purchase health insurance in the state of California, as well as a mandate that all state employers with 50 or more employees offer employee health coverage;

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- iii) Exploration of an “All-Payer” payment system that would set prices for healthcare providers and plans throughout the state of California with the aim of reducing administrative burdens, improving the efficiency of healthcare delivery, and maintaining access to healthcare for all Californians; and
- iv) Development of a California state “Prevention and Wellness Trust Fund” that will support community disease prevention and wellness efforts that address the root causes of prevalent and preventable physical and mental health conditions, including trauma mitigation, resulting in reductions in downstream healthcare spending.

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