

CHA Key Messages

Making Health Care More Affordable Helps CA's Communities

- 1. As a pillar of California's health care system, hospitals know they have a critical role to play in making health care more affordable for patients.**
 - The system, in its current form, doesn't work for too many people — bills are complicated and expensive; plans are difficult to navigate; and there are barriers in access to care, especially for specialty services.
- 2. Several forces are making health care costs rise above what working Californians can afford, including:**
 - Labor costs that make up nearly 60% of hospital expenses, as hospitals' total workforce expenses have spiked 67% over the past decade.
 - Insurance companies that are not using their vast resources to reduce monthly premiums, offer broader care networks, or reduce cost-sharing.
 - The average profit margin for pharmaceutical companies that is about 16%, with some reaching as much as 20% annually.
 - Californians that are in need of more care. Although the number of hospital visits remained roughly the same from 2016 to 2018, the volume related to behavioral health needs increased by nearly 5% in emergency departments and more than 3% in inpatient care.
 - Barriers to accessing care early — such as a lack of insurance, exorbitant premiums, and co-pays that working families can't bear — before people become sicker and care is more expensive.
- 3. Hospitals are families' frontline and safety-net care providers and are at the forefront of making changes to drive costs down.**
 - Per capita hospital costs in California are more than 5% less than the national average, despite the fact that California has the second-highest cost of living in the country.
 - To continue to provide care at all times, to all people, hospitals need others' help to reduce costs.

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