



CALIFORNIA FOR ALL

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IN FIRST ACT AS GOVERNOR, GAVIN NEWSOM TAKES ON COST OF PRESCRIPTION DRUGS & FIGHTS FOR HEALTH CARE FOR ALL

Governor Newsom signs first-in-the-nation executive order to create the largest single purchaser for prescription drugs and allow private employers to join the state in negotiating drug prices

Governor Newsom's first budget proposes that California move closer to health care for all by becoming the only state in the country to provide coverage to young undocumented adults through Medi-Cal

Under Governor Newsom's proposal, California would be the first state to expand the Affordable Care Act's financial assistance to middle-income families, helping them afford health care premiums

In letter to Congress and White House, Governor Newsom calls for federal legislative changes to allow states to innovate within their health care system -- including creating paths to single-payer

Governor Newsom also signs an executive order to create a California Surgeon General

SACRAMENTO -- In his first act as California's 40th Governor, Governor Gavin Newsom announced a series of major, first-in-the-nation executive actions and budget proposals to lower prescription drug and health care costs for all California families and move California closer to the goal of health care for all.

Governor Newsom's health care proposals are a central pillar of his broader "California for All" agenda. As he laid out in his inaugural speech, the Governor believes that the California Dream should be accessible to everyone -- not just a privileged few. Over his first year in office, he will work with the Legislature and all levels of government to find bold and innovative solutions to confront the cost and affordability crisis that California families are facing.

The rising costs of health care and prescription drugs are chief among those concerns, as California families continue to struggle with rising health care costs. Those buying on the individual market will see an average 9 percent rise in health care costs this year, according to [Covered California](#). American families have seen their prescription drug costs nearly double since the year 2000, according to the [Kaiser Family Foundation](#), and prescription drug pricing is one of the largest drivers of rising health care costs. Just last week, a [Reuters](#) report found thirty drug makers that did business with the State of California planned to raise their prices in January.

Governor Newsom's health care proposal takes those costs head on. Today, Governor Newsom signed first-in-the-nation [executive order that creates the nation's biggest single-purchaser system for drugs](#) and will allow all Californians -- including private employers -- to sit together at the bargaining table across from big drug companies when negotiating prescription drug prices. In his first budget, he will propose expanding financial help that makes it cheaper for families and individuals to buy health coverage and reinforce the Affordable Care Act after recent federal attacks. Governor Newsom's proposal would also bring the state closer toward the goal of health care for all by making it the first state in history to expand Medi-Cal coverage to all eligible undocumented young adults. He also signed an [executive order to establish a California Surgeon General](#) who will be tasked with addressing the root causes of California health challenges and inequities.

"No state has more at stake on the issue of health care. California must lead," said Governor Newsom. "We will use our market power and our moral power to demand fairer prices for prescription drugs. And we will continue to move closer to ensuring health care for every Californian."

Governor Newsom signed the executive orders and letter and [laid out his health care](#)

[actions](#) today on Facebook Live.

As part of his California for All health care plan, the Governor proposes:

Creating the largest-scale single-purchaser system for prescription

drugs: Governor Newsom signed an executive order to fight the rising prices of prescription drugs by strengthening the state's bargaining power when negotiating drug prices. Today, public and private purchasers of prescription drugs for Medi-Cal, California's largest purchaser of pharmaceutical services, are fragmented, left to negotiate against drug companies alone. The negotiation for pricing and purchasing of prescription drugs under Medi-Cal will now be conducted by the Department of Health Care Services on behalf of all 13 million Medi-Cal beneficiaries, as opposed to only 2 million currently. Further, the executive order directs state agencies to purchase prescription drugs together, as opposed to negotiating with drug companies one by one; and charts the path to enable all Californians, including private purchasers, to join forces with public purchasers. These reforms will mean that instead of facing big drug companies alone, Californians -- including budget-constrained government agencies and struggling small businesses -- can sit together at the bargaining table across from drug companies when negotiating for life-saving and life-preserving prescription drugs. By working together, we can effectively contain costs and make prescription drugs more affordable for all.

Making California the first state to cover undocumented young adults through

Medi-Cal: Two years ago, California took an important step toward health care for all by covering undocumented youth under the state's Medi-Cal program. In his budget, Governor Newsom will propose California take another major step toward universal coverage, by extending Medi-Cal eligibility to undocumented young adults who otherwise meet the program's eligibility requirements. It will make California the first state in the nation to cover young undocumented adults through a state Medicaid program. The Affordable Care Act allows most young adults to stay on their parents' health plan until age 26. Undocumented young adults should not have to worry about losing their health coverage when they turn 19.

Expanding Obamacare financial help for families & reinforcing the Affordable Care Act after federal attacks:

After a series of federal government attacks on the Affordable Care Act, Governor Newsom announced that his first budget will reinforce the law and expand Obamacare subsidies that help individuals and families afford health care coverage. His budget proposes increasing the size of the subsidies for families who already receive it, and it would make California the first state to make subsidies available to middle income families. Right now, individuals earning more than \$48,000 a year or a family of four earning more than \$98,000 don't qualify for financial help to afford their premiums. The Governor's budget will provide financial assistance to

individuals earning up to \$72,840 and families of 4 earning up to \$150,600. California will be the first state in the nation to offer subsidies to individuals and families with income between 400 and 600 percent of the federal poverty level. To pay for increased financial help for families, the budget proposes fighting back against the federal government's attempts to destroy the Affordable Care Act by reinstating the individual mandate at the state level. A [UCLA study](#) recently predicted that the rate of uninsured Californians would increase without state action to counteract the federal government's move, a development that would increase health care premiums across the state even further -- even for families on private insurance.

Calls on the federal government to empower California to truly innovate:

Governor Newsom has long said California should be the national leader in health care innovation. However, instead of cultivating and rewarding good ideas, current federal law hinders truly transformative innovation, such as a single-payer health care system. Governor Newsom sent a [letter today to President Trump and Congressional leaders](#) calling on the federal government to lift these limitations and, instead, empower states like California to enact transformative change that would allow California to develop a single-payer health system to achieve universal coverage, contain costs, and promote quality and affordability.

Establishing the California Surgeon General to focus on root causes: Governor Newsom signed an executive order to establish a California Surgeon General, who will lead all Californians in addressing the root causes of serious health conditions, such as adverse childhood experiences and the social determinants of health. The overwhelming scientific consensus is that there are early signals and causes of many serious health conditions. The Surgeon General will marshal the insights and energy of medical professionals, public health experts, public servants, and everyday Californians to address health inequity as early as possible in all Californians' lives.

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