



UC Center Sacramento Policy Brief

Volume 03, Issue 5 • January 23rd, 2019

California's Health Coverage Gains to Erode Without Further State Action

Miranda Dietz, Laurel Lucia, UC Berkeley Labor Center

Although California's effective implementation of the Affordable Care Act (ACA) has dramatically cut the number of uninsured, millions continue to lack health coverage. Last year the state legislature considered bills that sought to close coverage gaps for the two biggest groups of uninsured in the state: undocumented individuals and individuals struggling to afford insurance in the individual market. Though these proposals were not enacted in 2018, California advocates, stakeholders, and policymakers continue to consider policies that would push the state closer to universal coverage. These policy options will take on even greater importance in 2019 when the elimination of the federal ACA individual mandate penalty is projected to increase the ranks of the uninsured. Lucia and Dietz will present the latest UC Berkeley-UCLA projections of the number of uninsured in California, their eligibility for various coverage options, and their demographics.

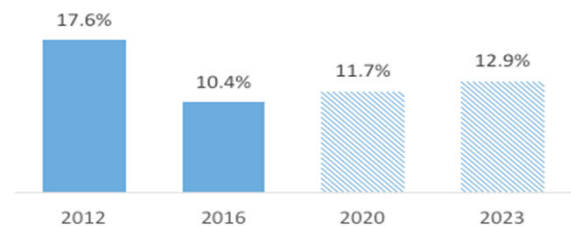
California's successful implementation of the Affordable Care Act (ACA) resulted in historic increases in health insurance coverage. Despite this success, 10.4 percent of non-elderly Californians (those under age 65) lacked insurance in 2016. Without state action to protect and build upon these coverage gains, we project that the uninsurance rate could grow to 11.7 percent in 2020, or approximately 4.02 million people, and to 12.9 percent in 2023, or 4.4 million people. These rates are based on a definition of insurance that excludes restricted-scope Medi-Cal for undocumented Californians.

Key Findings:

- The federal law zeroing out the ACA individual mandate penalty will result in lower enrollment. Using our UC Berkeley-UCLA California Simulation of Insurance Markets (CalSIM) microsimulation model, we project that between 150,000 and 450,000 more Californians will be uninsured in 2020, growing to between 490,000 and 790,000 more uninsured in 2023, compared to if the ACA penalty had been maintained. The most substantial enrollment changes will occur in the individual market, but enrollment in Medi-Cal will also decline.
- Undocumented Californians will continue to make up the largest group of uninsured. Many other Californians who are eligible for coverage through Covered California or an employer will also lack insurance due to affordability concerns, rising costs, lack of knowledge of subsidies, or other reasons. Some Californians will not enroll in Medi-Cal despite being eligible because they are not aware of their eligibility, have difficulty enrolling, or have other reasons for remaining unenrolled.

- Uninsured Californians are projected to be disproportionately Latino (65 percent) and low income (52 percent at or below twice the Federal Poverty Level) in 2020. More than two-thirds of adults projected to lack insurance are working (69 percent), a rate similar to that in the overall population (73 percent).

Figure 1 – Uninsurance rate among non-elderly Californians



Implications for Policy

As California considers approaches to fundamentally redesigning our healthcare system such as “single payer,” the state could also take steps in the short-term to protect the progress made under the ACA. The state could expand Medi-Cal to all low-income residents regardless of immigration status, provide state subsidies to improve affordability of individual market premiums and out-of-pocket costs, implement a state individual mandate, and continue to support and strengthen outreach and enrollment efforts. As federal decisions threaten to reverse health coverage gains around the country, these policies would help to ensure that California continues to build on its successes and drive toward its goal of achieving universal health coverage.

The research summarized here was undertaken with the UCLA Center for Health Policy Research who jointly developed the CalSIM model. Funding for development of the model and this research was provided by the California Health Care Foundation, The California Wellness Foundation, The California Endowment, and Covered California.