

Health coverage gaps in California

Testimony to the Assembly Select Committee on Health Care Delivery Systems and Universal Coverage

October 23, 2017

Laurel Lucia

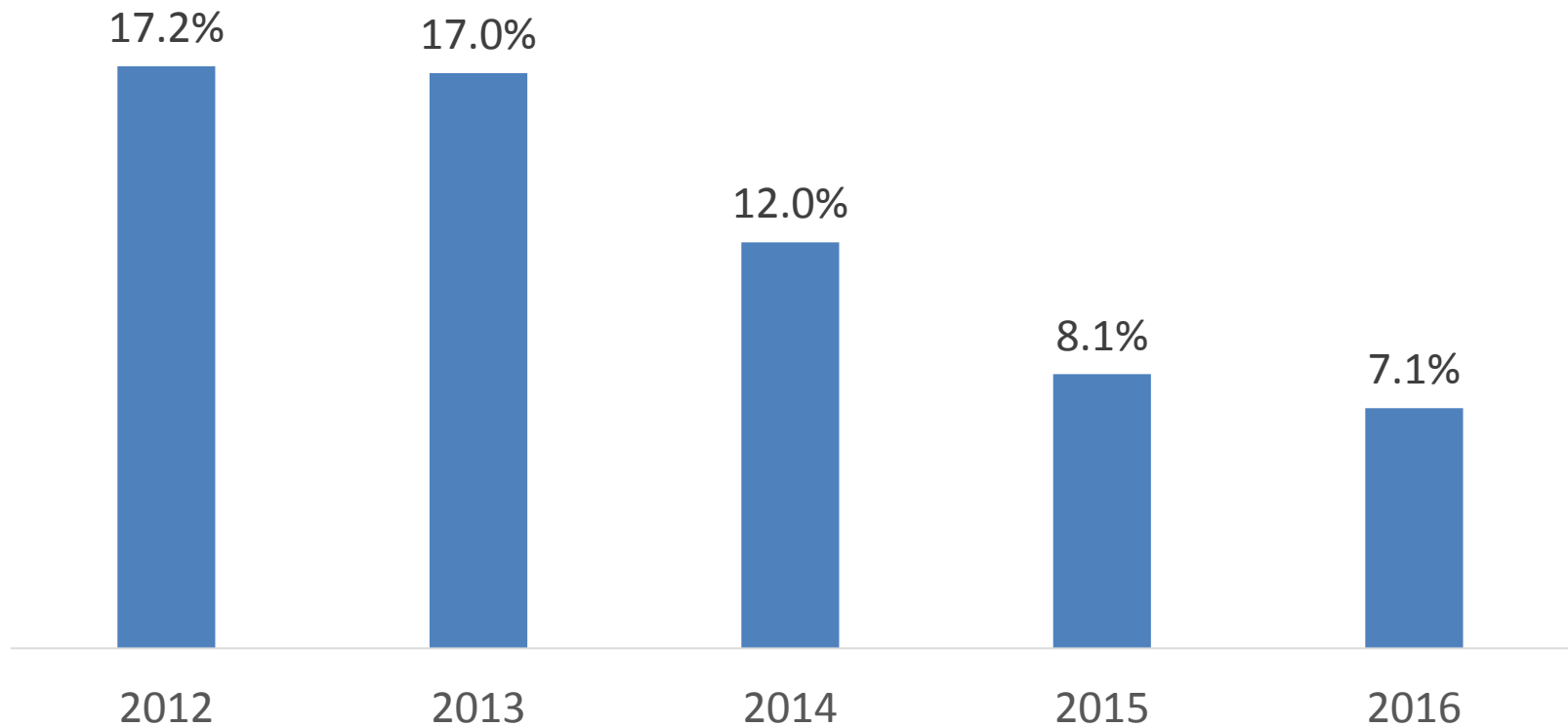
Director, Health Care Program

UC Berkeley Labor Center

1) Uninsurance fell dramatically in California under ACA, but 3 million remain uninsured

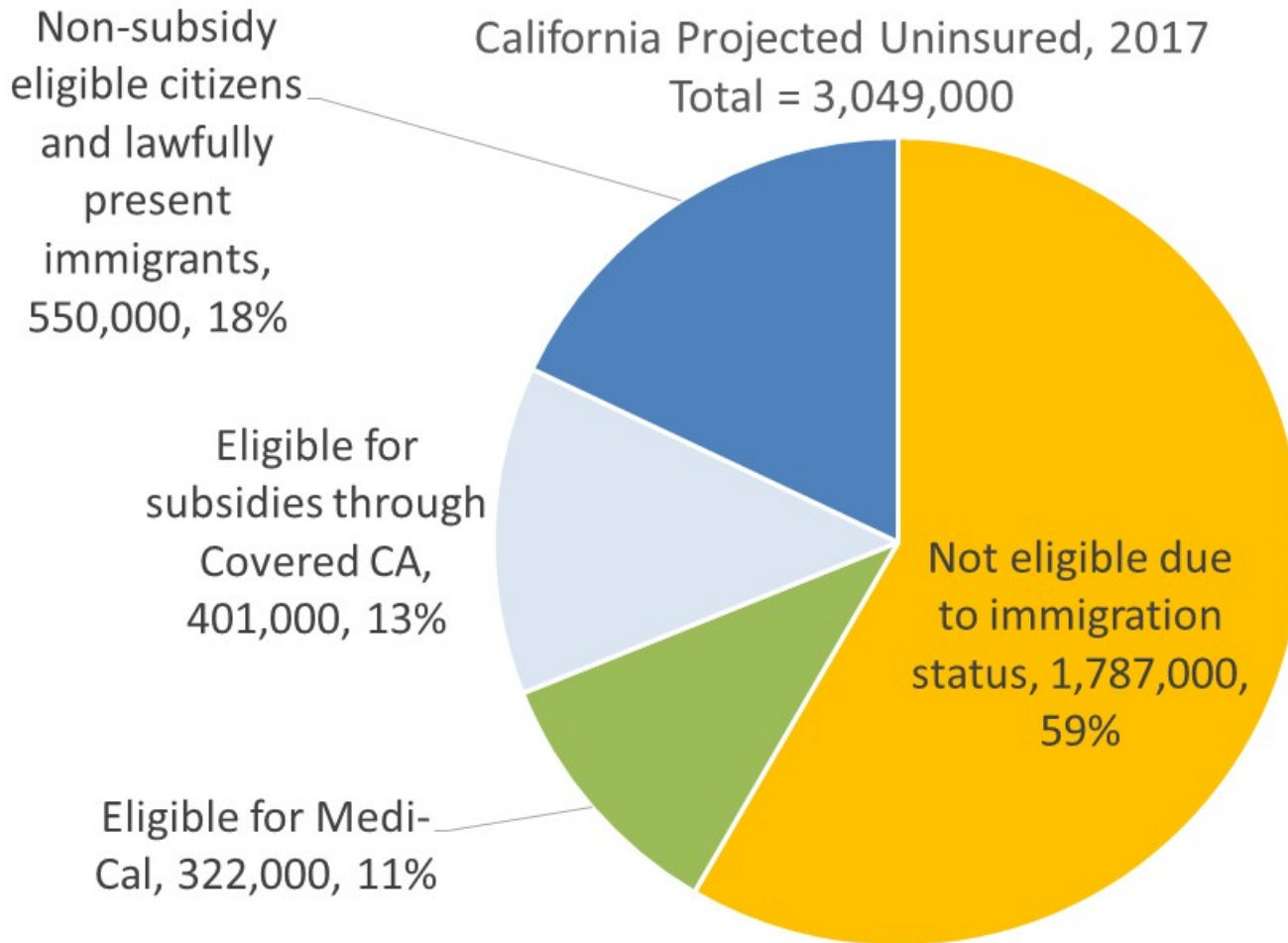
Historic drop in uninsurance under ACA

Percentage of Californians lacking health insurance



Source: Centers for Disease Control and Prevention (CDC), National Health Interview Survey

3 million Californians remain uninsured under ACA

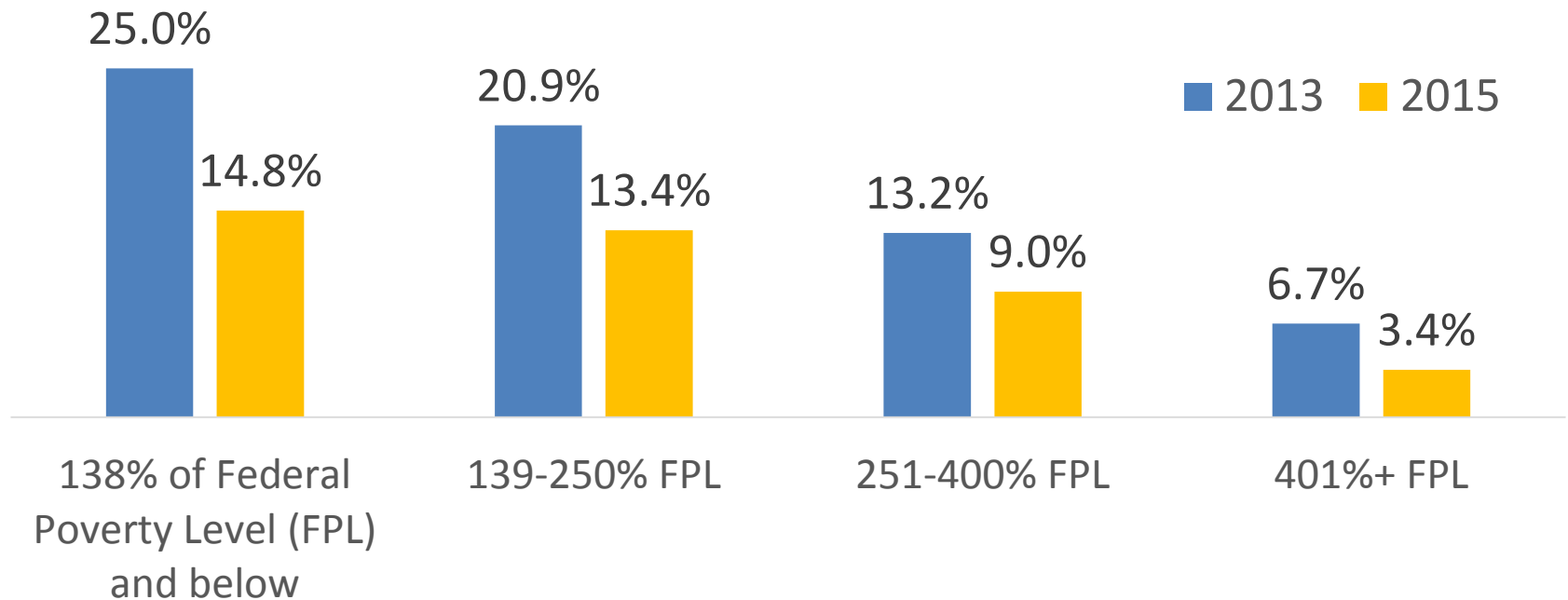


Source: Dietz M, Graham-Squire D, Becker T, Chen X, Lucia L, and Jacobs K, [Preliminary CalSIM v. 2.0 Regional Remaining Uninsured Projections](#), UC Berkeley Labor Center and UCLA Center for Health Policy Research, August 2016.

2) ACA has reduced differences in coverage rates by income, race/ethnicity, and age, but some groups remain more likely than others to be uninsured

Low-income still more likely to lack insurance after big coverage gains

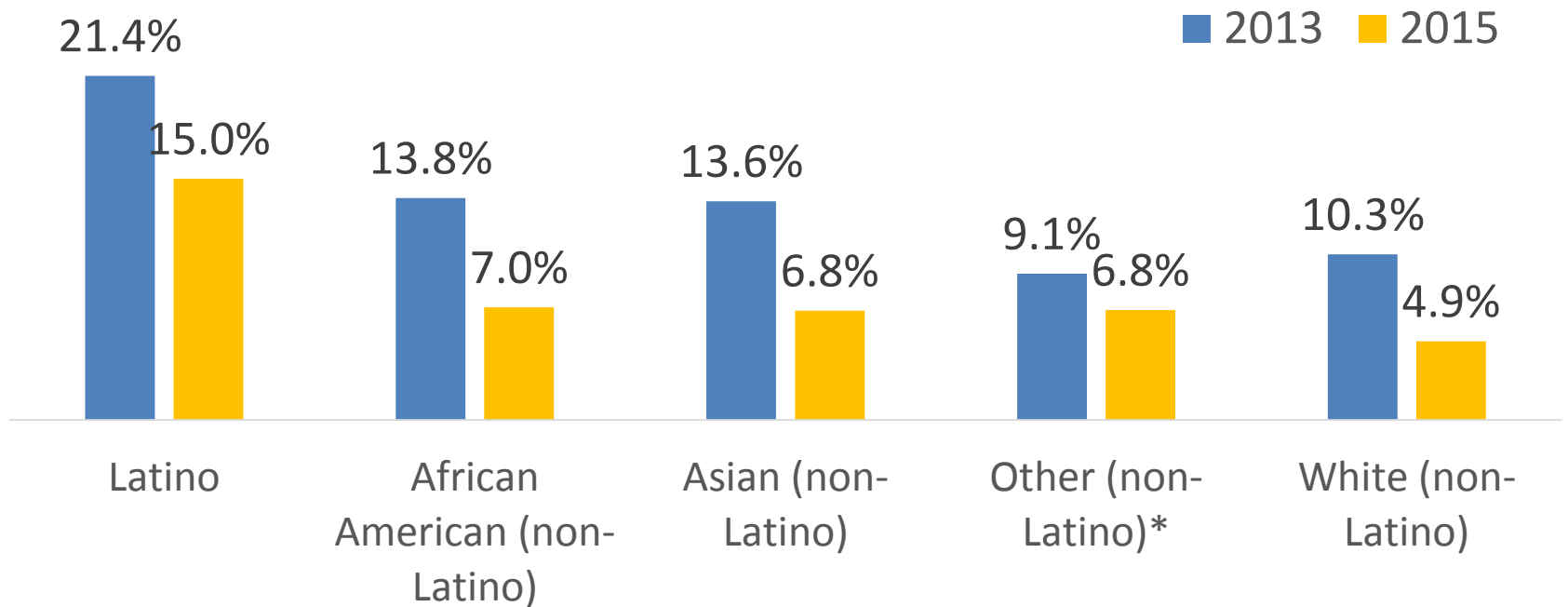
Percentage of Californians ages 0-64 lacking insurance by income, 2013 and 2015



Note: For a single individual, 138% FPL is equivalent to \$16,240 and 401% FPL is \$47,200.
Source: California Health Interview Surveys 2013 and 2015

People of color still more likely to lack insurance after big coverage gains

Percentage of Californians ages 0-64 lacking insurance by race/ethnicity, 2013 and 2015

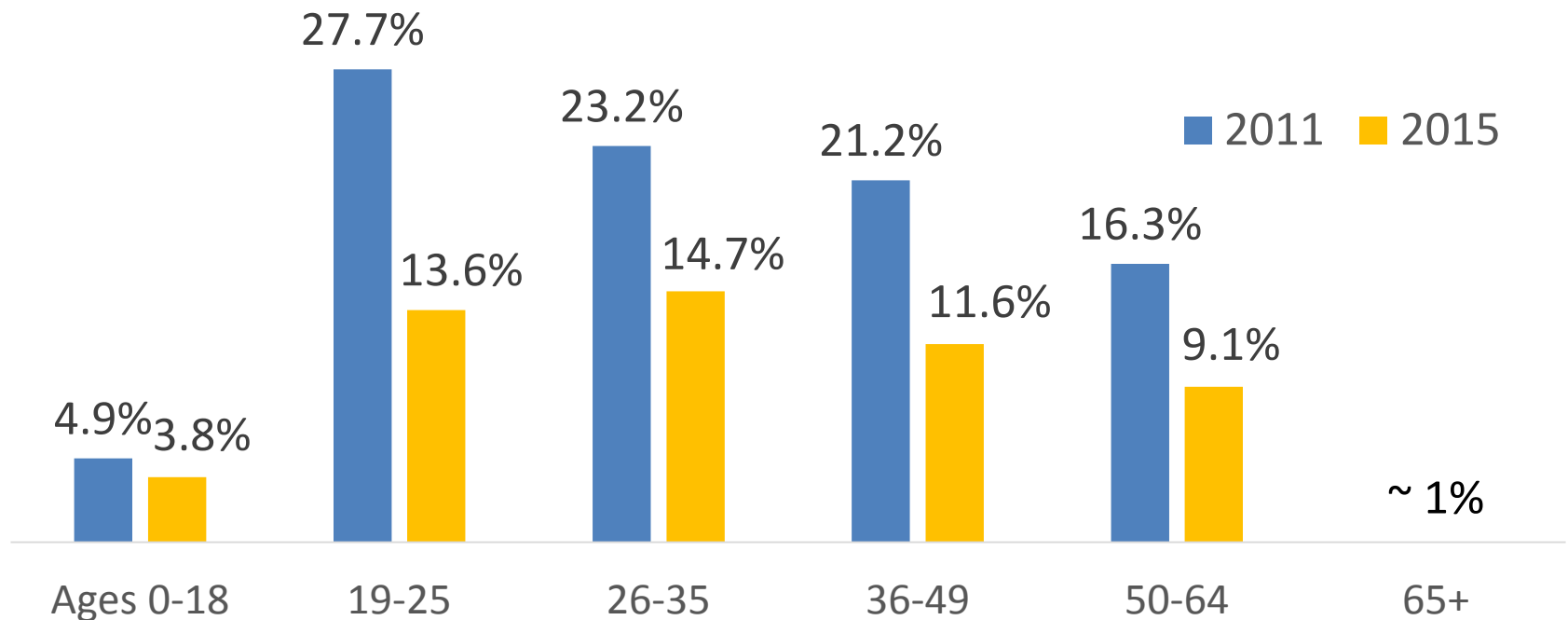


* Other (non-Latino) includes American-Indian/ Alaska Native, Native Hawaiian/ Pacific Islander, and Two or More Races

Source: California Health Interview Survey 2015

Adults ages 19-35 still most likely to be uninsured after big coverage gains

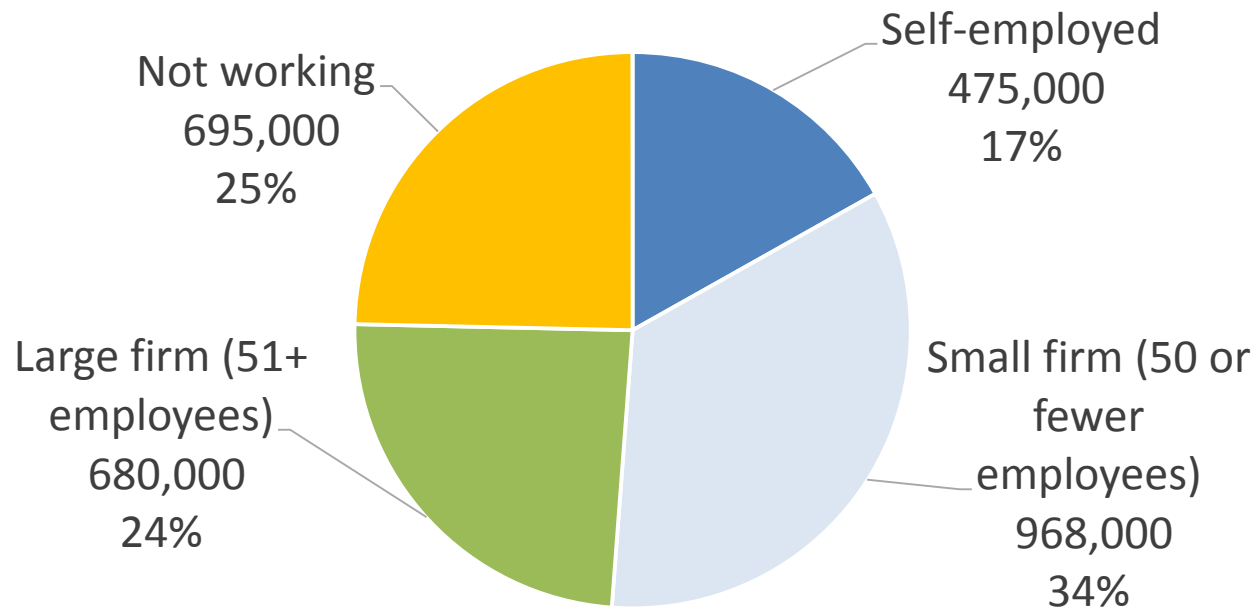
Percentage of Californians lacking insurance by age group, 2011 and 2015



Source: California Health Interview Surveys 2013 and 2015

1 in 2 uninsured Californians is self-employed or a small business employee

Uninsured Californians ages 19-64 by employment type and firm size, 2015

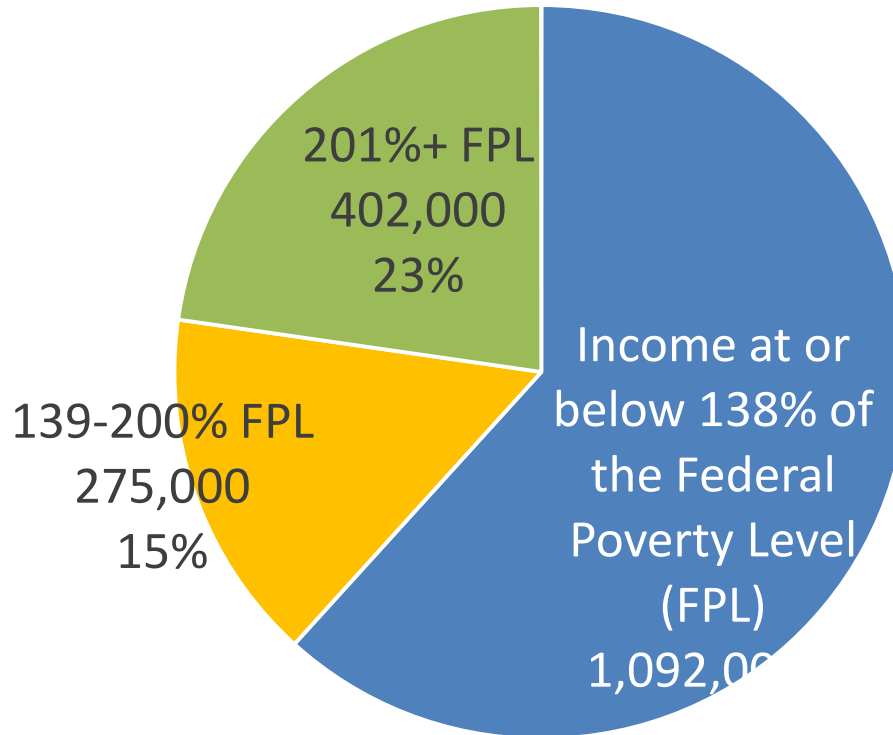


Source: California Health Interview Survey 2015

3) Ineligibility for coverage due to immigration status is the biggest reason for uninsurance in California

Most undocumented and uninsured Californians are low-income

Undocumented Californians ages 0-64 by income, 2015

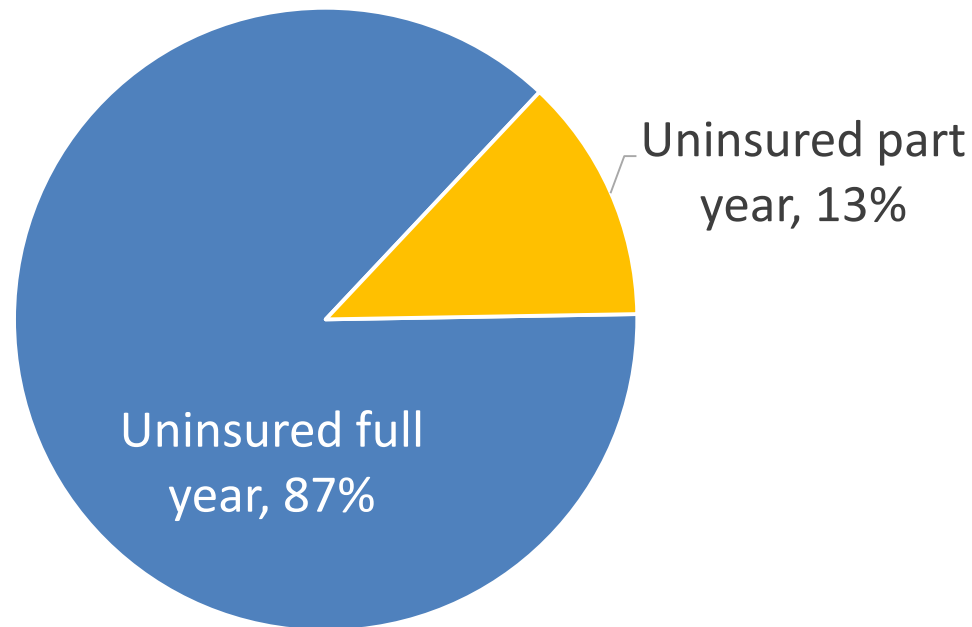


Note: For a single individual, 138% FPL is equivalent to \$16,240 and 201% FPL is \$23,660.

Source: Analysis of data from California Health Interview Survey 2015 by Miranda Dietz, UC Berkeley Labor Center, and Nadereh Pourat, UCLA Center for Health Policy Research

Vast majority of uninsured non-citizens lacked coverage all year

Duration of uninsurance over last 12 months among California non-citizens ages 0-64 uninsured at time of survey, 2015



Note: Some non-citizens, including Lawful Permanent Residents and other immigrants as specified by federal and state law, are eligible for Medi-Cal and/or Covered California
Source: California Health Interview Survey 2015

4) Affordability concerns among those eligible for Covered California are the second biggest reason for uninsurance

Nearly 1 million uninsured are eligible to enroll in Covered California

Approximately one-third (31%) of uninsured Californians ages 0-64 are eligible to enroll through Covered California

- **401,000 eligible for premium subsidies**

all have income at or below 400% FPL

- **550,000 non-subsidy eligible**

with income both above and below 400% FPL

Source: Dietz M, Graham-Squire D, Becker T, Chen X, Lucia L, and Jacobs K, [Preliminary CalSIM v. 2.0 Regional Remaining Uninsured Projections](#), UC Berkeley Labor Center and UCLA Center for Health Policy Research, August 2016.

Affordability is main reason for eligible individuals lacking insurance

- **The top reason for lacking insurance among ACA-eligible Californians ages 19-64 in 2014 was that they can't afford it or it was too expensive**
- **Among uninsured Californians who tried to purchase insurance through Covered California in 2015, more than three-quarters (77%) found it very or somewhat difficult to find an affordable plan**

Sources: Dietz M, Pourat N, Hadler MW, Lucia L, Roby DH, and Jacobs K, [Affordability and Eligibility Barriers Remain for California's Uninsured](#), UC Berkeley Center for Labor Research and Education and UCLA Center for Health Policy Research, March 2016. California Health Interview Survey 2015.

Limited awareness of subsidies is one barrier to enrollment

- **Nearly three-quarters of uninsured subsidy-eligible Californians surveyed in June 2017 were not sure if they were eligible for subsidies (54%) or wrongly believed they were not eligible even though they were (19%)**
- **Those who expected to be eligible for subsidies were twice as likely to plan to enroll**

Source: Greenberg Strategy, [Covered California Sentiment Research, Wave 2: A Quantitative Study on Current Attitudes of Uninsured and Select Insured Californians Toward Health Insurance Coverage](#), October 5, 2017.

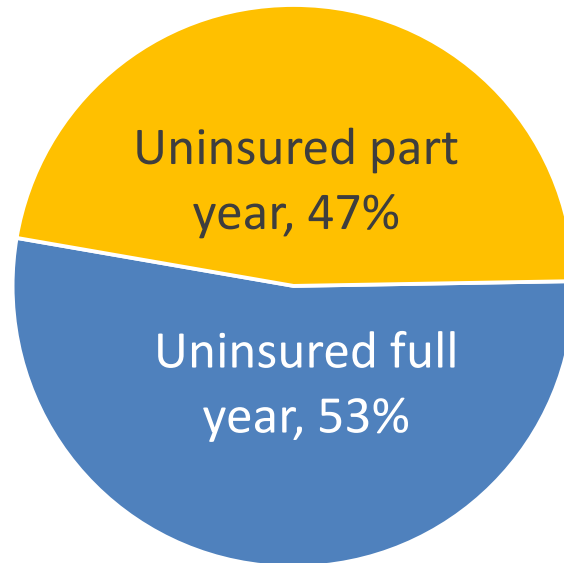
Other affordability barriers for Covered California eligible individuals

Include but are not limited to:

- **Premium subsidies are tied to the cost of the premium, but not to cost of living**
- **Affordability is a challenge for those with income just above 400% of Federal Poverty Level, especially older individuals who face higher premiums**
- **'Family glitch' affects children & spouses offered unaffordable employer-sponsored family coverage**

Nearly half of uninsured citizens are transitionally uninsured

Duration of uninsurance over last 12 months among California citizens ages 0-64 uninsured at time of survey, income at or above 139% of Federal Poverty Level (\$16,360 single individual), 2015



Note: Some non-citizens, including Lawful Permanent Residents and other immigrants as specified by federal and state law, are eligible for Medi-Cal and/or Covered California

Source: California Health Interview Survey 2015

5) Some Californians with insurance face high out-of-pocket costs

Underinsurance is a measure of how well insurance protects people from medical costs

Commonwealth Fund measure of underinsurance:

Out-of-pocket costs (amount actually spent) excluding premiums are at least 5% of household income under 200% FPL or 10% for those over 200% FPL

OR

Deductible is at least 5% of household income (regardless of amount actually spent)

Source: Commonwealth Fund Biennial Health Insurance Survey

Lower rate of underinsurance in California than in U.S., but problem has grown

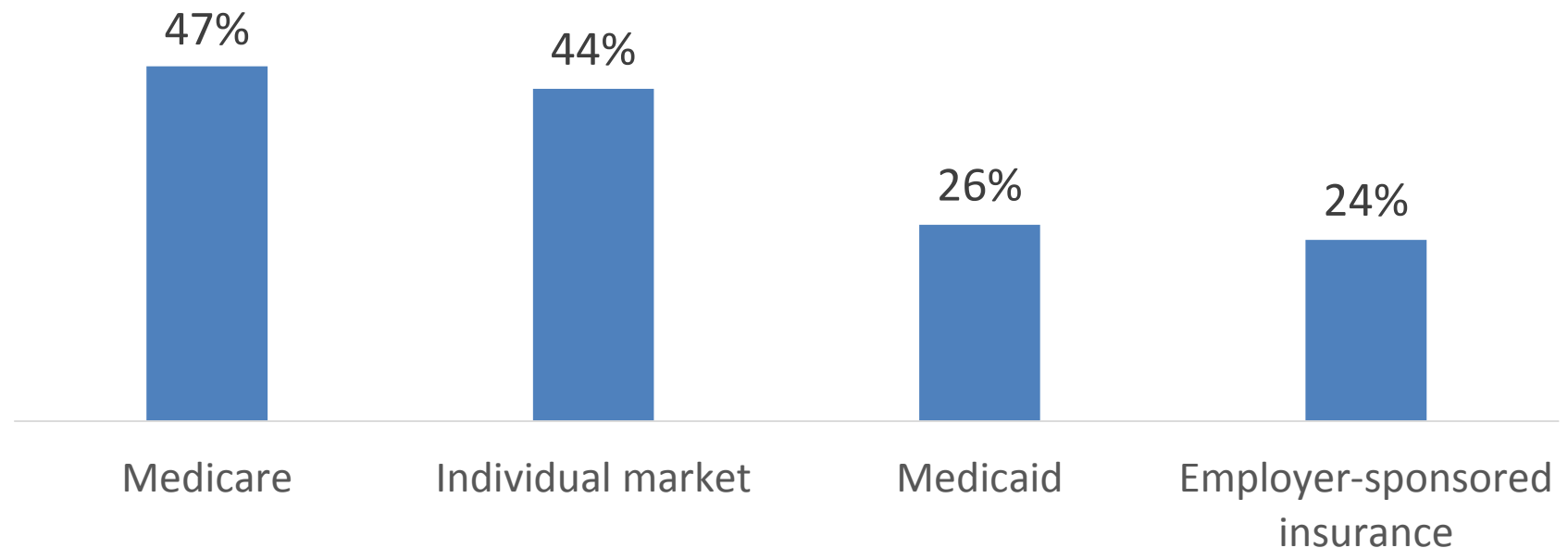
Adults ages 19-64 insured all year, 2016

	California	U.S.
Underinsurance rate	21%	28%
At least one-cost related access problem	24%	29%
At least one medical bill problem or debt	25%	33%

Source: Collins SR, Gunja MZ, and Doty MM, [How Well Does Insurance Coverage Protect Consumers from Health Care Costs?](#), Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2016, October 2017.

Nationally, highest underinsurance rates are in Medicare and individual market

Percent underinsured by insurance source at time of survey among U.S. adults ages 19-64 insured all year, 2016



Source: Collins SR, Gunja MZ, and Doty MM, [How Well Does Insurance Coverage Protect Consumers from Health Care Costs?](#), Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2016, October 2017.

Surveys confirm underinsurance challenges in California individual market

For example, among adults newly insured through Covered California and surveyed in 2014:

- 36% reported that they were not confident they can afford usual medical costs**
- 53% were not confident they can afford major medical costs**

Source: Garfield R, Majerol M, and Young K, [Coverage expansions and the remaining uninsured: A look at California during year one of ACA implementation](#), Kaiser Family Foundation, May 2015.

Review of key takeaways on California coverage gaps post-ACA:

- 1) Big coverage gains, but 3 million remain uninsured**
- 2) Differences in coverage rates narrowed, but gaps remain by income, race/ ethnicity, & age, and for self-employed & small business employees**
- 3) 6 in 10 uninsured Californians are undocumented**
- 4) Many uninsured who are eligible for Covered California face affordability challenges**
- 5) 1 in 5 Californians with coverage is underinsured; most common in Medicare and individual market**

Contact

Laurel Lucia

Director, Health Care Program

UC Berkeley Labor Center

Laurel.lucia@berkeley.edu