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Data Brief

UC Berkeley Center for Labor Research and Education
UCLA Center for Health Policy Research

December 2016

DATA BRIEF

ACA Repeal in California: Who Stands to Lose?

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California has a lot to lose if the Affordable Care Act (ACA) is repealed. The state made significant investments in implementing the law successfully, and under the ACA cut the number of uninsured residents in half, from 6.5 million in 2013 to 3.3 million in 2015—the largest decline in the uninsured rate of any state.[1] The two major reasons for this drop in uninsurance were the expansion of Medicaid and the provision of financial assistance for purchasing coverage through the state health insurance marketplace, Covered California. As a result of these policies, California experienced a significant reduction in health coverage disparities: the biggest drops in the uninsurance rate were among those least likely to have coverage before the ACA, namely those with the lowest income, young adults, part-time workers, and Latinos.[2] Repealing the ACA threatens not only to leave millions without health insurance, but also to undo the progress California has made in reducing inequality of health insurance access.

This brief focuses on Californians enrolled in expanded Medi-Cal (the state's Medicaid program) and those who receive subsidized coverage through Covered California, the two groups most immediately affected if the ACA is repealed. However, many more Californians could see diminished health coverage under various Congressional Republicans' proposals to repeal and replace the ACA. (See the box on page 2.)

Medi-Cal Expansion

Since the ACA went into effect, Medi-Cal enrollment in California has grown by 5 million.[3] Of this, approximately 3.7 million are adults who became newly eligible for Medi-Cal when California decided to expand the program under the ACA.[4] These are primarily adults without children under 18 at home, along with some parents, all ages 19 to 64 with incomes below 138% of the Federal Poverty Line (about $16,400 for a single person and $33,500 for a family of four in 2016). The majority of these "expansion" adults (59%) are either currently working (47%) or unemployed and actively looking for work (12%).[5] Some of the remaining 41% are likely to have working spouses. The availability of health coverage to low-income persons regardless of family situation fills what had been a significant hole in California's safety net, offering protection for the millions who risk losing health insurance if they lose their job, get divorced, age off their parents' plan, or otherwise find themselves unable to afford health coverage. If the ACA Medicaid expansion were repealed, these 3.7 million Californians would immediately lose their insurance or face significantly higher costs to purchase coverage, and millions more would find themselves without this important safety net available in the future. Many of the remaining 1.3 million net new Medi-Cal participants were eligible but not enrolled prior to 2014. Changes under the ACA—such as increased outreach efforts, streamlined eligibility systems, and the removal of the asset test for eligibility—contributed to the increased enrollment of members of this group. For this reason, enrollment of individuals who were Medi-Cal eligible

"Replace" proposals could widely disrupt Californians' health insurance coverage

Federal health policy changes proposed by some Republican Congressional leaders would have widespread consequences for Californians' health insurance. Not only is the Medi-Cal expansion at risk of being repealed,[6] but an additional 9.8 million Medi-Cal enrollees who were eligible prior to implementation of the ACA[7] could face potential cuts in eligibility or benefits if Congress adopts proposals to convert Medicaid to a block grant or apply a per capita cap on federal funding.[8] In some California counties, Medi-Cal cuts would put the coverage of over half the population at risk.[9] Many individual market enrollees would face higher costs if the ACA individual responsibility requirements were repealed.[10] Others would be locked out of the individual market if insurers were again allowed to deny coverage or charge higher premiums based on pre-existing conditions.[11] The majority of Californians have employer-sponsored insurance (ESI), but that could change if employers drop health insurance due to House Republicans' proposal to eliminate the employer mandate and offer individual market tax credits for anyone not offered job-based coverage regardless of income.[12] Republican proposals to cap the tax exclusion of ESI could lead to reductions in benefits.[13] Finally, California's Medicare beneficiaries' guarantee of comprehensive coverage is at risk under proposals supported by the Republican Congressional leadership which would raise the eligibility age for Medicare to 67 and convert it from a defined benefit into a voucher to purchase coverage.[14]

(but not enrolled) prior to the ACA may also fall to some extent if the ACA is repealed, though some of the growth in enrollment among this group is also likely due to demographic changes and population growth which would not be affected by repeal.

The Medi-Cal expansion population reflects the demographic diversity of the state and includes residents from every one of California's counties. These 3.7 million expansion adults are disproportionately people of color—71% compared to 62% of the California population ages 19-64. Over 40% of the Medi-Cal expansion adults who reported their race/ethnicity identified as Hispanic, 19% identified as Asian / Pacific Islander, 9% as African American, and 1% as American Indian/Alaskan Native; 11% did not report on this (Table 1). It is not known how many of the 3.7 million expansion adults are immigrants; 29% of expansion adults have a primary language other than English, which is higher than the 19% of the overall California population that speaks English less than "very well."

Repeal of the Medi-Cal expansion would have impacts across the state. While 9.4% of the state's population is enrolled in the Medi-Cal expansion, the share in each county ranges from 4.9% to 13.9% (Appendix Table A). The counties with the greatest share of residents who benefit from the Medi-Cal expansion are in the north of the state as well as the Central and Imperial Valleys, including Humboldt, Mendocino, Fresno, Merced, Stanislaus, and Imperial Counties. The greatest number of beneficiaries reside in Los Angeles County, where more than 1.1 million adults have enrolled in Medi-Cal through the expansion. To put this in perspective, if Los Angeles County were its own state, it would have more newly eligible Medicaid enrollees than any state except the rest of California.[15]

Table 1. Demographics of Medi-Cal Expansion Population, July 2016

Medi-Cal Expansion Adults	3,666,877	100%
Gender		
Female	1,789,769	49%
Male	1,877,108	51%
Age *		
19 to 39	1,870,000	51%
40 to 54	990,000	27%
55 to 64	807,000	22%
Race/Ethnicity **		
Hispanic	1,373,815	42%
White	945,203	29%
Asian/Pacific Islander	633,506	19%
African American	283,599	9%
American Indian/ Alaskan Native	18,390	1%
(non respondent)	412,364	
Primary Language		
English	2,589,061	71%
Spanish	814,084	22%
All Chinese	83,938	2%
Vietnamese	72,955	2%
Korean	19,818	1%
Other	82,797	2%
(unknown/non-respondent)	4,224	

* Age is an estimate based on the distribution reported for those enrolled as of December 2014,[16] applied to the total 3.7 million enrollees as of July 2016.

** Race/Ethnicity categories as reported by DHCS.

Source: Research and Analytic Studies Division, "Medi-Cal Monthly Enrollment Fast Facts, July 2016" California Department of Health Care Services, November 2016. http://www.dhcs.ca.gov/dataandstats/statistics/DocumentsFast_Facts_July_2016.pdf

Covered California

In June 2016, 1.2 million Californians were getting financial help to buy individual market insurance through Covered California. Repealing subsidies available through the ACA would leave many of these enrollees without the financial assistance they need to purchase coverage. Subsidized enrollees received an average of $309 per month in federal premium subsidies,[17] and many (60% of subsidized enrollees) received additional funds to reduce their out-of-pocket costs.[18] For some, these subsidies kept them from being uninsured; others may have had coverage before 2014, but the coverage that became available to them under the ACA was more comprehensive and/or more affordable.

Of the 1.2 million Californians who got subsidized coverage in 2016, 54% earned 138% to 200% of the Federal Poverty Line ($16,400 to $23,760 for a single person and $33,500 to $48,600 for a family of four in 2016) (Table 2). With subsidies, premiums for this group cost no more than 3% to 6.4% of income and plans that offer significant financial assistance with out-of-pocket costs are also available. This group of low-income Californians had among the highest rates of uninsurance prior to the ACA, and would be among the most likely to become uninsured if the ACA were repealed.

The demographic make-up of the Covered California population receiving subsidies is much like that of California as a whole—38% report their ethnicity and race as non-Latino white, and 78% report English as their preferred spoken language (Table 2), very similar to the statewide shares.[19]

In California, 3.1% of the population is enrolled in Covered California with subsidies, and enrollees come from every county in the state (Appendix Table A). Los Angeles County has the greatest number of beneficiaries, with 322,700 individuals receiving subsidized coverage through Covered California. If Los Angeles County were its own state, it would have more individuals with subsidies through a health insurance exchange than 45 states.[20]

Table 2. Demographics of Covered California Subsidized Enrollees, June 2016

Covered California Subsidized Enrollees	1,210,090	100%
Gender		
Female	632,760	52%
Male	577,330	48%
Age		
0 to 18	50,940	4%
19 to 44	482,550	40%
45 to 54	286,400	24%
55 to 64	365,280	30%
Age 65+	24,920	2%
Race/Ethnicity *		
White	338,720	38%
Latino	263,760	29%
Asian	210,940	23%
Black or African American	19,910	2%
Other	66,820	7%
(non-respondent)	309,940	
Preferred Spoken Language		
English	882,500	78%
Spanish	151,950	13%
All Chinese	47,460	4%
Vietnamese	15,240	1%
Korean	23,570	2%
Other	6,830	1%
(unknown/non-respondent)	82,560	
Income (as % of Federal Poverty Level)		
Less than 150% FPL	230,450	19%
150% FPL to 200% FPL	441,680	37%
200% FPL to 250% FPL	222,480	18%
250% FPL to 400% FPL	314,370	26%

* Race/Ethnicity as reported in the "Race/Ethnicity Roll Up" categories by Covered California, where a consumer who reports a Latino, Hispanic, or Spanish origin is counted as "Latino," while races of Native Hawaiian or Pacific Islander are counted as "Asian" and "Other" comprises all non-Latino selections other than "Black or African American", "White", or "Asian" from the Race/Ethnicity dimension (including Multiple Races).

Source: Covered California, "Active Member Profile," June 2016

Reduction in the Uninsured

Significant coverage gains occurred from 2013 to 2015 in California. The US Census estimates that the number of uninsured Californians fell by more than 3 million, resulting in a historically low uninsurance rate of just over 8% of the population.[21] Reductions in the number of people remaining uninsured varied by county, with declines in the number of uninsured from 34% in Madera County to 68% in Stanislaus County from 2013 to 2015 (Appendix Table A). The decline in the number of uninsured is not identical to the sum of Californians who either enrolled in expanded Medi-Cal or received subsidized coverage through Covered California since some of these enrollees already had some type of insurance. Additionally, not all of the gains in coverage from 2013 to 2015 can necessarily be attributed to the ACA—some increases in coverage may be due to an improving economy and more people with employer-sponsored insurance. But these two programs, cornerstones of the ACA, were the major drivers in expanding coverage. They also improved the comprehensiveness and affordability of coverage options for many, improvements that would also be eliminated were these programs to be repealed. By upending the individual insurance market and significantly increasing premiums, partially repealing the ACA without a replacement plan in place may actually result in more people being uninsured than prior to the ACA.[22]

Conclusion

California is benefitting from dramatic reductions in the number of uninsured residents as a result of the ACA, and repeal of the law would disproportionately affect the state. The effects would be felt in every county, from Humboldt to Kern to San Bernardino—just three of the counties that saw their uninsured populations cut by more than half from 2013 to 2015, and that have one-tenth or more of their population newly qualified for and enrolled in Medi-Cal. The repeal of the ACA would have far-reaching implications for California, with the clearest and most devastating impact on the 3.7 million Medi-Cal Expansion adults and 1.2 million Californians receiving federal premium subsidies through Covered California.

Appendix Table A. Medi-Cal Expansion, Subsidized Covered California Enrollment, and Uninsured by County 2013 to 2015

California Counties	Medi-Cal		Covered CA		Uninsured			
	Expansion adults, July 2016		Enrollees with subsidies, June 2016		2013	2015	Change 2013 to 2015	
	number	% of pop.	number	% of pop.	number	number	number	% change
Alameda	122,898	7.63%	53,550	3.3%	195,000	77,000	-117,000	60%
Alpine	117	10.1%	50	4.3%	--	--	--	--
Amador	2,591	6.9%	1,280	3.4%	--	--	--	--
Butte	24,699	11.0%	6,810	3.0%	27,000	15,000	-12,000	45%
Calaveras	3,974	8.8%	1,790	4.0%	--	--	--	--
Colusa	1,746	8.0%	960	4.4%	--	--	--	--
Contra Costa	72,427	6.5%	33,390	3.0%	128,000	56,000	-71,000	56%
Del Norte	3,019	11.3%	620	2.3%	--	--	--	--
El Dorado	12,741	7.0%	7,600	4.2%	18,000	9,000	-9,000	49%
Fresno	116,746	12.0%	21,840	2.2%	172,000	95,000	-77,000	45%
Glenn	2,724	9.5%	910	3.2%	--	--	--	--
Humboldt	18,723	13.9%	5,570	4.1%	23,000	11,000	-13,000	54%
Imperial	21,922	11.9%	8,430	4.6%	34,000	18,000	-16,000	47%
Inyo	1,587	8.5%	610	3.3%	--	--	--	--
Kern	95,679	10.9%	16,170	1.8%	158,000	70,000	-88,000	56%
Kings	13,374	8.9%	2,250	1.5%	25,000	11,000	-14,000	57%
Lake	8,823	13.6%	2,060	3.2%	--	--	--	--
Lassen	1,953	6.2%	480	1.5%	--	--	--	--
Los Angeles	1,160,501	11.4%	322,700	3.2%	2,102,000	1,132,000	-970,000	46%
Madera	14,974	9.7%	3,960	2.6%	27,000	18,000	-9,000	34%
Marin	14,584	5.6%	9,980	3.8%	20,000	11,000	-8,000	43%
Mariposa	1,616	8.9%	700	3.9%	--	--	--	--
Mendocino	12,275	13.9%	3,960	4.5%	--	--	--	--
Merced	32,878	12.2%	8,830	3.3%	51,000	22,000	-28,000	56%
Modoc	804	8.3%	230	2.4%	--	--	--	--
Mono	1,305	9.5%	860	6.3%	--	--	--	--
Monterey	37,459	8.7%	12,860	3.0%	--	--	--	--
Napa	8,461	6.0%	4,710	3.3%	20,000	8,000	-13,000	63%
Nevada	8,459	8.6%	6,030	6.2%	--	--	--	--
Orange	260,086	8.3%	117,170	3.7%	505,000	276,000	-230,000	45%
Placer	18,013	4.9%	13,130	3.5%	39,000	19,000	-20,000	51%
Plumas	1,975	9.9%	880	4.4%	--	--	--	--
Riverside	205,617	8.9%	63,350	2.7%	444,000	222,000	-222,000	50%

Appendix Table A. Medi-Cal Expansion, Subsidized Covered California Enrollment, and Uninsured by County 2013 to 2015 ***continued***

California Counties	Medi-Cal		Covered CA		Uninsured			
	Expansion adults, July 2016		Enrollees with subsidies, June 2016		2013	2015	Change 2013 to 2015	
	number	% of pop.	number	% of pop.	number	number	number	% change
Sacramento	141,393	9.5%	40,800	2.8%	220,000	94,000	-126,000	57%
San Benito	4,656	8.2%	1,580	2.8%	--	--	--	--
San Bernardino	224,801	10.6%	53,160	2.5%	394,000	183,000	-211,000	54%
San Diego	259,236	7.9%	106,340	3.3%	500,000	284,000	-215,000	43%
San Francisco	77,914	9.1%	29,720	3.5%	74,000	40,000	-35,000	47%
San Joaquin	73,773	10.2%	22,150	3.1%	121,000	56,000	-66,000	54%
San Luis Obispo	18,417	6.7%	11,580	4.2%	30,000	18,000	-12,000	41%
San Mateo	48,246	6.4%	20,490	2.7%	72,000	32,000	-40,000	56%
Santa Barbara	33,411	7.5%	14,910	3.4%	82,000	49,000	-33,000	40%
Santa Clara	136,179	7.2%	51,220	2.7%	202,000	95,000	-107,000	53%
Santa Cruz	22,932	8.4%	12,410	4.5%	39,000	13,000	-26,000	67%
Shasta	17,209	9.6%	6,990	3.9%	33,000	16,000	-17,000	51%
Sierra	272	8.5%	90	2.8%	--	--	--	--
Siskiyou	5,061	11.3%	1,450	3.2%	--	--	--	--
Solano	33,694	7.9%	10,290	2.4%	55,000	18,000	-37,000	68%
Sonoma	35,240	7.1%	19,620	3.9%	64,000	31,000	-33,000	51%
Stanislaus	62,280	11.6%	16,950	3.2%	95,000	31,000	-64,000	68%
Sutter	10,173	10.5%	3,600	3.7%	--	--	--	--
Tehama	6,302	9.9%	1,870	2.9%	--	--	--	--
Trinity	1,678	12.3%	560	4.1%	--	--	--	--
Tulare	54,968	11.9%	10,270	2.2%	93,000	41,000	-52,000	56%
Tuolumne	4,310	7.8%	2,160	3.9%	--	--	--	--
Ventura	65,669	7.7%	31,400	3.7%	132,000	77,000	-55,000	42%
Yolo	16,650	7.9%	5,090	2.4%	29,000	15,000	-14,000	49%
Yuba	7,663	10.4%	1,610	2.2%	--	--	--	--
Not identified					239,000	128,000	-111,000	46%
Statewide	3,666,877	9.4%	1,210,000	3.1%	6,462,000	3,291,000	-3,172,000	49%

Some counties are not identified within the ACS due to sample size limitations.

Sources: California Department of Health Care Services, Research and Analytic Studies Division, "Medi-Cal Monthly Enrollment Fast Facts," July 2016, and authors' personal correspondence with DHCS, December 2016. http://www.dhcs.ca.gov/dataandstats/statistics/Documents/Fast_Facts_July_2016.pdf

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ACKNOWLEDGEMENTS

We would like to thank Beth Capell, Cary Sanders, Richard Figueroa, Richard Thomason, and Carolyn Wang Kong for their review of this brief. Thanks also to Jenifer MacGillvary for her help in preparation of the brief. Funding for this research was provided by Blue Shield of California Foundation and The California Endowment.