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Number of Uninsured in California Remained at Record Low in 2016

Tara Becker

“The ACA has led to the largest improvements in coverage since Medicaid and Medicare began more than 50 years ago.”

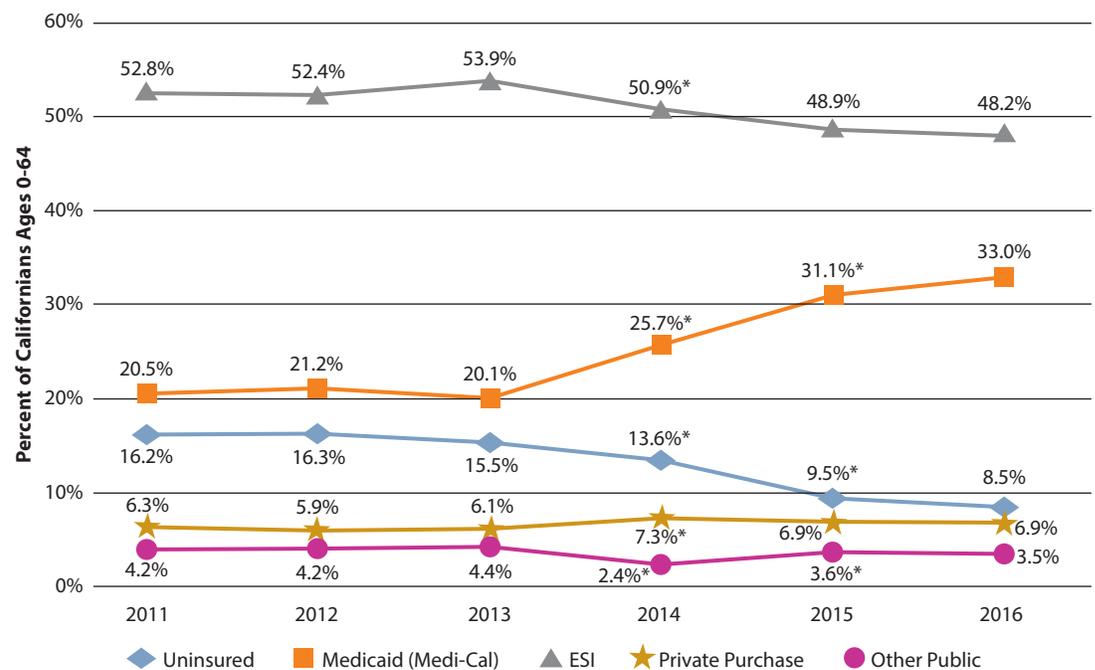
The number of uninsured Californians remained at a record low in 2016, in line with 2015 trends and dramatically lower than before passage of the Affordable Care Act (ACA) in 2010.

In 2016, enrollment in California’s Medicaid program, Medi-Cal, reached one-third (33.0 percent) of California’s nonelderly population, or nearly 11 million people, while private purchase coverage remained steady at 6.9 percent (Exhibit 1). Average monthly enrollment in the state’s health insurance exchange, Covered

California, was 1.3 million,¹ a small reduction from 2015. Due to the increase in Medi-Cal enrollment, the uninsured rate continued to decline, dropping to a new low of 8.5 percent; the number of uninsured Californians decreased by 337,000, to 2.8 million. Enrollment in Medi-Cal continued to rise, due both to increased participation by nonelderly adults and to the effects of the Health for All Kids Act, which in May 2016 opened up enrollment in full-scope Medicaid to undocumented children ages 18 and younger.

Exhibit 1

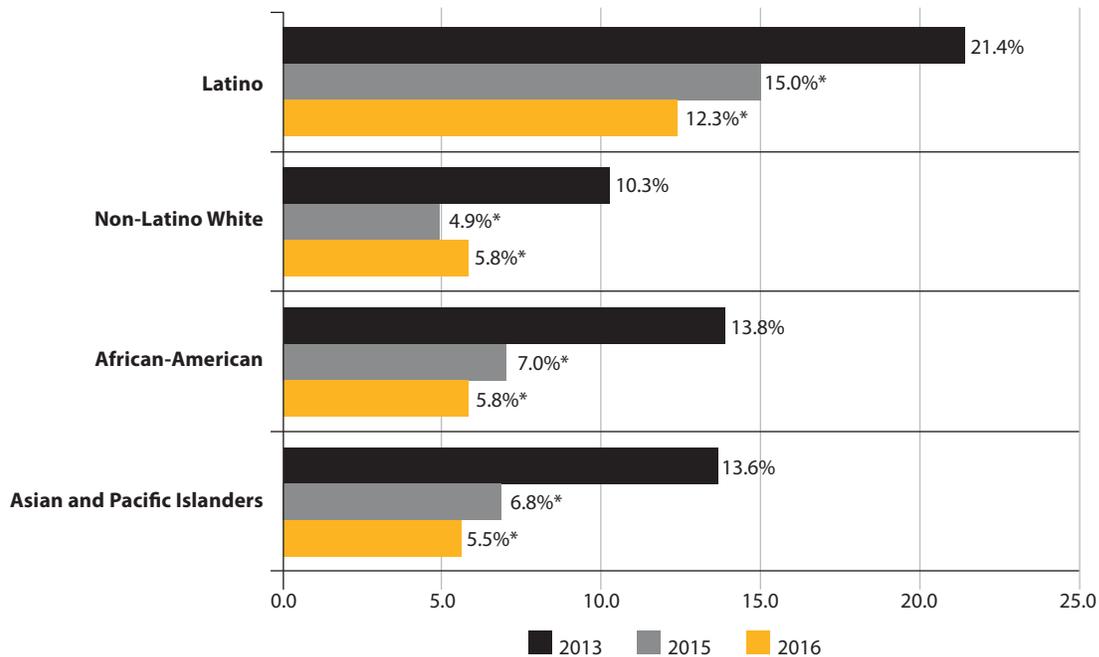
Health Insurance Coverage Type, Californians Ages 0-64 Years, 2011-2016



* Indicates statistically significant difference from previous year at $p < 0.05$ level.

Exhibit 2

Percent Uninsured by Race/Ethnicity Among Californians Ages 0-64, 2013, 2015, and 2016



* Indicates statistically significant difference from 2013 at $p < 0.05$ level.

“Decreases in the uninsured rate in 2016 were concentrated among those with family incomes below 400 percent of the federal poverty guidelines (FPG).”

None of the changes between 2015 and 2016 were statistically significant.

Reaching Equilibrium

Racial/ethnic disparities in the uninsured rate remained largely unchanged in 2016 relative to 2015, but they were substantially smaller than in 2013, prior to implementation of the ACA (Exhibit 2). Between 2015 and 2016, there was little difference across non-Latino whites, African-Americans, and Asian nonelderly Californians in the percentages uninsured. Latinos, who have historically had the highest uninsured rates in California, experienced the largest annual decrease (from 15.0 percent to 12.3 percent), followed by Asians and Pacific Islanders (from 6.8 percent to 5.5 percent) and African-Americans (from 7.0 percent to 5.8 percent). Non-Latino white Californians were the only group to experience an increase in the uninsured rate in 2016 (from 4.9 percent to 5.8 percent). None of the one-year changes between 2015

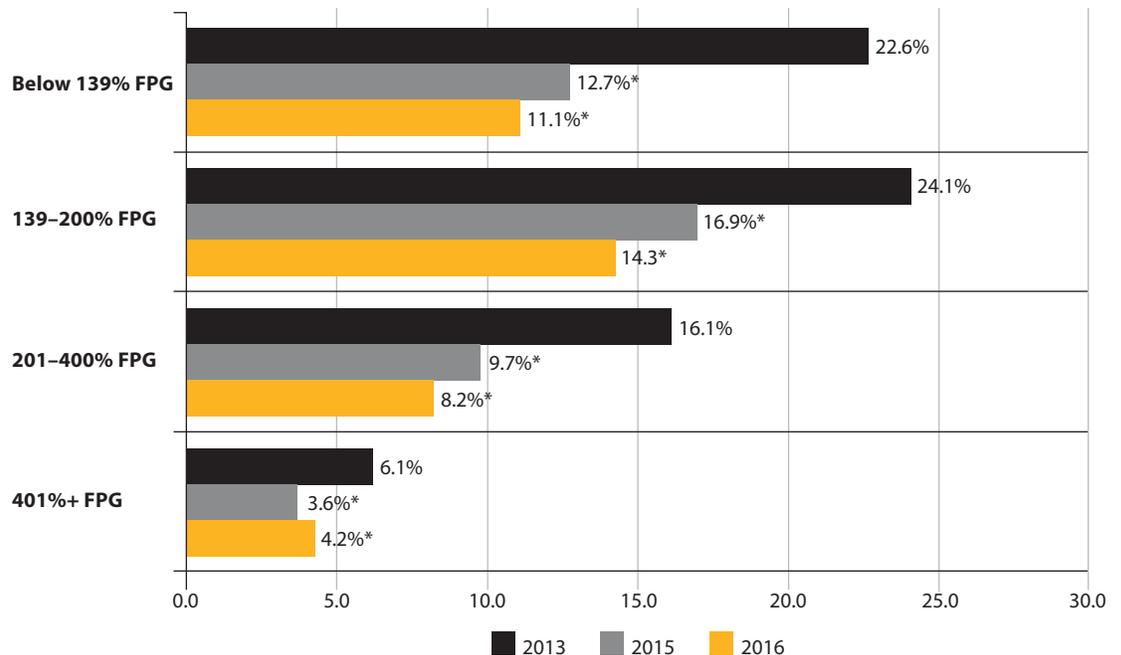
and 2016 reached statistical significance, suggesting a stabilizing market after several years of pent-up demand.

Uninsurance Rises Without Subsidies

Examination of the uninsured rate for different income groups shows that decreases in the uninsured rate in 2016 were concentrated among those with family incomes below 400 percent of the federal poverty guidelines (FPG). This fact underscores the ACA’s role in the continued gains in coverage, as families with incomes at or below 400 percent FPG are usually eligible for either Medicaid or health insurance premium subsidies through Covered California. Families whose incomes were 139–200 percent FPG experienced the largest decrease in the uninsured rate (from 16.9 percent to 14.3 percent), followed by those with family incomes below 138 percent FPG (from 12.7 percent to 11.1 percent) and

Exhibit 3

Percent Uninsured by Family Income as a Percent of Federal Poverty Guidelines Among Californians Ages 0-64, 2013, 2015, and 2016



* Indicates statistically significant difference from 2013 at $p < 0.05$ level.

“The cost of health insurance premiums will become increasingly important in determining whether California will maintain or expand upon these coverage gains.”

between 201 and 400 percent FPG (from 9.7 percent to 8.2 percent). In contrast, those with incomes above 400 percent FPG saw a small increase in their uninsured rate, from 3.6 percent to 4.2 percent. Here, too, none of the one-year changes between 2015 and 2016 reached statistical significance, although the uninsured rates were significantly lower in 2016 than in 2013 for all groups.

Discussion

The ACA's health insurance expansion has led to the largest improvements in health insurance coverage since the initial rollouts of Medicaid and Medicare more than 50 years ago. These declines have affected Californians of all racial/ethnic backgrounds and income levels and have reduced racial/ethnic and socioeconomic disparities in coverage. In 2016, the uninsured rate continued to decline, but at a slower rate than in previous years, suggesting that California is approaching a new health insurance

equilibrium. As California's economy continues to improve and local and statewide minimum wage increases go into effect, there could be a shift away from California's Medicaid program, Medi-Cal, and into private coverage through either employers or the private purchase market.

If this shift to private coverage occurs, the cost of health insurance premiums will become increasingly important in determining whether California will maintain or expand upon these coverage gains in the future. Recent uncertainty at the federal level regarding cost-sharing reduction payments and enforcement of the individual health insurance mandate has already resulted in substantial increases in the cost of health insurance plans that can be purchased through California's health insurance exchange, Covered California, for 2018. Although U.S. residents who are eligible for health

“Those who are ineligible for subsidies will bear the costs in full, which could lead to fewer individuals purchasing insurance in the private market.”

insurance premium subsidies will be shielded from these increases, those who are ineligible for these subsidies will bear the costs in full, which could lead to fewer individuals purchasing insurance in the private market and an increase in the state’s uninsured rate. In fact, those not protected from premium increases (those with incomes above 400 percent FPG) were the only income group that experienced an increase in their uninsured rate in 2016. Though this increase is slight and well within the margin of error, the uninsured rate will bear watching in the future.

Methods

In this fact sheet, health insurance coverage has been measured as coverage at a point in time rather than over the past year. Each respondent was coded into a single health insurance coverage type based on the following hierarchy: uninsured, Medicare, Medi-Cal, employer-sponsored insurance (ESI), private purchase, and other public coverage. Those with Medicare were then reclassified into “other public coverage.” For these reasons, the estimates included in this brief may not be comparable to estimates from other sources that report coverage over the past year or use a different health insurance hierarchy.

The measure of income included in this fact sheet is based on family income earned in the past month as a percent of the U.S. federal poverty guidelines issued by the U.S. Department of Health and Human Services (DHHS). The data also contain measures of income based on household income in the past calendar year as a percent of the federal poverty thresholds issued by the U.S. Census Bureau. The family income as a percent of the federal poverty guidelines measure was included because this measure is more consistent with the income and poverty line measures used to determine eligibility for federal programs,² including Medicaid and health insurance exchange premium subsidies.

Data for this fact sheet were drawn from the newly released 2016 California Health Interview Survey (CHIS), in conjunction with data from the previously released 2011-2015 CHIS annual data files. CHIS covers a wide array of health-related

topics, including health insurance coverage, health status and behaviors, and access to health care. CHIS is based on interviews conducted continuously throughout the year, with respondents in more than 20,000 California households annually. For more information about CHIS, please visit the CHIS website at www.chis.ucla.edu.

Funder Information

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Endnotes

- 1 Covered California. 2017. *Bringing Health Care Coverage Within Reach*. Downloaded from http://bbex.coveredca.com/pdfs/Bringing_Health_Care_Coverage_Within_Reach.pdf.
- 2 Information regarding federal poverty guidelines and their relationship to federal and state program eligibility can be found at <https://aspe.hhs.gov/poverty-guidelines>. Differences between the federal poverty guidelines issued by the DHHS and the federal poverty thresholds issued by the U.S. Census Bureau can be found at <https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty>.



california
health
interview
survey

This publication contains data from the California Health Interview Survey (CHIS), the nation’s largest state health survey, which is conducted by the UCLA Center for Health Policy Research. CHIS data give a detailed picture of the health and health care needs of California’s large and diverse population. Learn more at:

www.chis.ucla.edu



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