The State of Health Insurance in California

January 2017

Findings from the 2014 California Health Interview Survey

Shana Alex Charles, PhD, MPP
Tara Becker, PhD
Ken Jacobs
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Funded by a grant from The California Endowment

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Foreword

Shana Alex Charles, PhD, MPP

This edition of *The State of Health Insurance in California* is the eighth in our ongoing series of California Health Interview Survey data reports, published every two years since 2002. At this moment, as we evaluate the effects of the Patient Protection and Affordable Care Act of 2010 (or the ACA, commonly known as "Obamacare"), I would like to take an even longer look back and assess how far California has come in advancing the public's health over the past two decades.

When the late E. Richard Brown, founding director of the UCLA Center for Health Policy Research, sought to provide county-level data to California's policymakers about health insurance in the mid-1990s, those data did not yet exist. Instead, collaborators from UCLA and UC Berkeley presented statewide data from the national Current Population Survey, even as they launched a push to create a new statewide survey that would better serve California's needs. By 2001, the California Health Interview Survey was in the field in every county in the state.

Our first report was published in June 2002. The number of uninsured statewide (6.27 million) tracked with the previously used national survey data, but for the first time the diversity within California could be fully examined. For the first time, we had data on undocumented immigrants and their health insurance status. For the first time, we could show that the number of uninsured who reported that their chief reason for not having coverage was that they couldn't afford it was four times greater than the number of uninsured who didn't want to be insured or who could afford health care on their own. For the first time, we had data from California's diverse racial and ethnic populations, the result of a survey that had been fielded in six different languages, using a groundbreaking translation methodology.[1]

In 2002, California's uninsured rate for children was nearly 15 percent, and the rate for nonelderly adults was nearly 25 percent. Over the next 10 years, those rates fluctuated, with the biggest change coming when California moved to 12-month continuous eligibility for children in the Medi-Cal program, increasing the coverage rate among children dramatically through one simple executive action. But even through the boom of the mid-2000s, the uninsured rate did not significantly go down, though it certainly went up with the crash of 2008 and the Great Recession.

In 2014, we are again in a period of economic growth, but this time the uninsured rate has significantly declined. There can be no doubt that the ACA health insurance expansions have played a large role in this: Californians have more options for coverage than ever before, and they are no longer shut out of the market due to preexisting conditions. Federal subsidies now exist to help people in the middle class buy coverage if they don't have options at work, and Medi-Cal has been expanded to include childless adults and lower-income households. It is our privilege to track this growth and to take a deep dive into both the gains that have been made and the challenges that we still face.

The team authoring this report represents a collaboration across California's research community. The report is still housed at the UCLA Center for Health Policy Research (CHPR), with Gerald F. Kominski, the Center's director and a professor in the Department of Health Policy and Management (HPM) in the UCLA Fielding School of Public Health, as principal investigator and author of the chapter on policy recommendations. Nadereh Pourat, director of

1 Ponce NA, Lavarreda SA, Yen W, Brown ER, DiSogra C, Satter DE. 2004. The California Health Interview Survey 2001: Translation of a Major Survey for California's Multiethnic Population. *Public Health Reports* 119(4): 388.

research for the Center and also a professor in the HPM department, has authored the chapter on insurance disparities in access to care. Tara Becker is a statistician at the Center and has applied her background in gender disparities research to author the overview chapter, with a new focus on that topic. Ken Jacobs, director of UC Berkeley's Center for Labor Research and Education and Institute for Research on Labor and Employment, explores the private insurance market. Finally, as an assistant professor in the Department of Health Science at California State University, Fullerton, and faculty associate with the UCLA Center for Health Policy Research, I have authored the chapter on public health insurance and have acted as overall editor of the full report.

As a team, we want to acknowledge and thank the capable researchers and staff who have also contributed to this report. Pan Wang and Kelly Wu ran the statistical analyses at the Center, with contributions from public data by Ryan Ebrahim and Jennifer Tran, who also assisted in creating the exhibits. Gwen Driscoll led the communications team at the Center to publish and disseminate the report. And thank you to Jack Needleman, Lucien Wulsin, and Sandra Hunt for their comprehensive and critical reviews of a draft of this report.

We are deeply grateful for the generous support of the project provided by The California Endowment, and especially by our program officer, Mona Jhawar.

Despite the important contributions of all of these colleagues, which made this report possible, any errors or omissions are the responsibility of the authors.

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EXECUTIVE SUMMARY

In our previous report, in 2014, we discussed the importance of the Patient Protection and Affordable Care Act of 2010 (ACA) and its expected impact in reducing the number of uninsured Californians. This report is the first since the enactment of the ACA to document the significant and broad impacts the ACA had in 2014 on access to health insurance and to health care services across multiple vulnerable population groups. Overall, the number of uninsured Californians ages 64 and under fell from 5.32 million to 4.46 million between 2012 and 2014 – a decline of 16 percent. This report also presents evidence that the ACA had relatively negligible impacts on employment-based coverage in the state in 2014, a finding that is reassuring in light of the significant increases in enrollment in both Medi-Cal and Covered California. Despite the early successes of the ACA in California, significant challenges remain to achieving the full potential benefits of the law.

Chapter 1: A Year of Transition for California

During its first year of full implementation, the Affordable Care Act significantly reduced the uninsured rate among women, single families with children, and low-income adults, primarily through the expansion of Medi-Cal eligibility to most low-income Californians. Although more than 1 million Californians enrolled in health insurance through the Covered California health insurance exchange, many of them had been previously insured through other private plans.

- Prior to 2014, health insurance coverage was nearly universal among children and the elderly; the Medi-Cal expansion and implementation of the Covered California health insurance exchange decreased the uninsured rate among nonelderly adults from 21 percent to 17 percent, while leaving uninsured rates unchanged among children and seniors.
- Prior to the full implementation of the Affordable Care Act in 2014, women were more likely than men to have insurance coverage. In the first year of the Medi-Cal expansion, women were more likely to enroll in Medi-Cal, leading to a growing gender gap in insurance coverage among nonelderly adults between 2012 and 2014.
- The higher enrollment of women in Medi-Cal was not due to greater eligibility among women; enrollment rates were low even among men who were eligible for Medi-Cal. The one exception was among single men with children, whose enrollment in Medi-Cal increased from 21 percent to 39 percent.
- Though California experienced a significant decline in the uninsured rate in 2014, the low enrollment and high uninsured rates of men suggest that there is room for additional improvement in future years, with outreach efforts made to target those eligible for coverage.

Chapter 2: Employment-Based Coverage and the Individual Market

Early data from 2014 showed that any impact of the ACA on employment-based coverage was very small. Slightly more than half (53.4 percent) of Californians between the ages of 0 and 64 had employment-based coverage in 2014—a small but not statistically significant decline from 2012 (54.9 percent).

- After 2014, the ACA brought important changes to individually purchased coverage. Individuals could no longer be denied coverage based on pre-existing conditions, and middle-income families not offered insurance on the job would now have access to subsidized coverage through Covered California. In 2014, 2.4 million (7.3 percent) nonelderly adults reported having individually purchased coverage, compared to 1.9 million (5.9 percent) in 2012.
- Fewer working Californians went without health coverage as a result of the ACA expansion. The share of working-age adults without health coverage fell from 2.12 percent in 2012 to 17.5 percent in 2014. The share of self-employed workers without health care coverage fell from 32.1 in 2012 to 21.2 percent in 2014.
- Job-based coverage remained strongly associated with age, race and ethnicity, and citizenship and immigration status. In 2014, 51.9 percent of workers ages 19-25 were covered through an employer, compared to 70.2 percent of those ages 55-64. Only 44.7 percent of Latino workers had coverage through an employer, compared to 74.5 percent of white workers.
- The share of workers with job-based coverage through their own employer was lowest in agriculture (24 percent); arts, entertainment, recreation, accommodation, and food service (35 percent); and other services (35 percent). It was highest in public administration (83 percent) and information (72 percent). These figures compare to 55 percent for the workforce as a whole.
- The two industries with the highest share of uninsured workers were agriculture (40.0 percent) and construction (32.5 percent). These percentages compare to 17.1 percent for the workforce as a whole.

Chapter 3: Medi-Cal After the 2014 Affordable Care Act Expansions

About 1.4 million more adults gained coverage under the Medi-Cal program following the implementation of the Affordable Care Act (ACA) expansion of eligibility to adults with incomes up to 138 percent of the Federal Poverty Level (FPL), regardless of whether they had dependent children.

- Most counties in California saw increases in Medi-Cal enrollment from 2012 to 2014 of 6 to 9.9 percentage points (28 percent). In total, two-thirds of California's counties increased their Medi-Cal populations by more than 2 percentage points from 2012 to 2014.
- Among girls, nearly one-quarter (23.5 percent; Exhibit 3.5) were older adolescents, ages 15-18. Only 15.4 percent of boys were older adolescents, with 40.2 percent being between the ages of 5 and 11. In every age group, females outnumbered males, with a total population of 1.5 million males and 2.5 million females enrolled in Medi-Cal in 2014.
- Over half of enrolled children spoke Spanish (either Spanish only, or English and Spanish). Interestingly, a slightly higher proportion of enrolled adults spoke Spanish only (18.2 percent), indicating a need for culturally competent materials and staff to ensure that all enrollees fully understand their benefits and medical instructions as patients.
- Two-thirds of children enrolled in Medi-Cal had parents who were also covered through the program. But 9.6 percent of children in Medi-Cal had parents who were both still uninsured after the initial implementation of the ACA coverage expansions.

Chapter 4: Access to Care Before and After Health Care Reform

Health insurance has continued to play a central role in access to health care since implementation of the ACA. Findings show that the uninsured were less likely to have access to a usual source of care than those with coverage.

- Indicators of access did not change dramatically post-ACA. Some indicators of access, such as flu shot rates among adults, improved, but rates of having had at least one doctor visit did not improve. Some other indicators, such as emergency department visits, did not change across all categories of coverage, but rates of those reporting forgone or delayed care increased for adults on Medicaid and declined for those with privately purchased coverage.
- Among those with high-deductible coverage, the analyses of access indicate an increase in flu shot rates, a decline in emergency department rates, and a decline in forgone or delayed care, potentially due to standardization of benefits.
- The gender gap in access to care was observed in 2014, with a high rate of females having had a usual source of care across all forms of coverage and a higher likelihood of having had doctor visits, but also more delays in medical care received. The findings indicate that despite a higher level of access, the overall needs of women are potentially higher than those of men, and unmet needs persist.

1

A Year of Transition for California

Tara Becker, PhD

In 2014, two long-awaited provisions of the Patient Protection and Affordable Care Act of 2010 (ACA) went into effect: the expansion of California's Medicaid program (Medi-Cal), and the establishment of the private health insurance exchange known as Covered California. These two programs expanded access to health insurance coverage for millions of Californians, and together they represented the most significant change to the U.S. health care system in at least half a century.

Though enrollment officially began on January 1, 2014, the year prior saw the preparation and transition necessary for implementation of these changes. Over the course of 2013, the state of California began to integrate the State Child Health Insurance Program (SCHIP, or Healthy Families) into Medi-Cal. The state's health insurance exchange, Covered California, opened for business on October 1, 2013, allowing Californians to begin purchasing private health insurance plans that would go into effect in January 2014. During this inaugural open-enrollment period, which was extended into April 2014, 1.4 million Californians enrolled in insurance plans that were purchased through Covered California, with half of those enrolling in the final six weeks.[2]

Data from the California Health Interview Survey (CHIS) collected during 2014 show that as these changes went into effect, the uninsured rate among those under age 65 dropped by nearly 3 percent, or more than 850,000 people (Exhibit 1.1). This drop was accomplished in large part by increasing Medi-Cal enrollment, which grew by a total of 1.4 million, from 20 percent of nonelderly Californians in 2012 to 27 percent in 2014. Roughly half of this enrollment increase was the result of the transition into Med-Cal of enrollees from Healthy Families and other state and local health insurance programs.

Exhibit 1.1
Change in Type of Current Health Insurance Coverage, Under Age 65, California, 2012-2014

	2012	2014	Change
	Population (%)	Population (%)	Population (%)
Uninsured	5,316,000 (16.3%)	4,458,000 (13.6%)	-858,000 (-2.7%)
Medi-Cal	6,462,000 (19.9%)	8,668,000 (26.5%)	1,432,000 (6.6%)
Healthy Families/SCHIP	774,000 (2.4%)	–	–
Employment-Based	17,042,000 (52.4%)	16,671,000 (50.9%)	-371,000 (-1.5%)
Individually Purchased	1,907,000 (5.9%)	2,312,000 (7.1%)	405,000 (1.2%)
Other Public	1,026,000 (3.2%)	639,000 (2.0%)	-387,000 (-1.2%)
Total	32,527,000 (100%)	32,748,000 (100%)	221,000

Note: CHIS data were self-reported and may not match administrative data totals.

Sources: 2012 and 2014 California Health Interview Surveys

Despite new access to individually purchased insurance coverage through the Covered California health insurance exchange, the number of nonelderly Californians who were covered through individually purchased insurance increased by only 405,000, from 6 percent to 7 percent of nonelderly Californians. This was considerably less than the 1.4 million new enrollees reported by Covered California, both because some of those who enrolled through Covered California had previously been insured through another individually purchased plan and because some CHIS respondents were interviewed during the open-enrollment period before they had purchased their new health insurance plan.

2 Covered California. 2014. *Covered California Open Enrollment Data Book. http://hbex.coveredca.com /data-research/2014-Open-Enrollment-Data-Book/2014%20Open%20Enrollment%20Data%20Book%20Webinar. pdf.* Accessed 5/27/2016.

Nonelderly Adults Were Most Likely to Gain Coverage In 2014

The ACA changes that went into effect in 2014 had little effect on access to coverage for those eligible for Medicare. Californians ages 65 and over experienced almost no change in their insurance coverage between 2012 and 2014 (Exhibit 1.2). Coverage was nearly universal, with fewer than 1 percent uninsured. More than 95 percent of those 65 and older were covered through Medicare, with most covered through Medicare and another program, such as a private Medicare Advantage plan or a supplemental plan.

Exhibit 1.2

Change in Type of Current Health Insurance Coverage, Ages 65 and Over, California 2012-2014

	2012	2014	Change
	Population (%)	Population (%)	Population (%)
Uninsured	28,000 (0.6%)	31,000 (0.6%)	3,000 (<0.1%)
Medicare and Medicaid	767,000 (17.4%)	868,000 (18.0%)	101,000 (0.6%)
Medicare and Others	3,101,000 (70.4%)	3,334,000 (69.0%)	233,000 (-1.4%)
Medicare Only	353,000 (8.0%)	381,000 (7.9%)	28,000 (-0.1%)
Medi-Cal	21,000 (0.5%)	35,000* (0.7%)	14,000 (0.2%)
Employment-Based	120,000 (2.7%)	159,000 (3.3%)	39,000 (0.6%)
Individually Purchased	7,000* (0.2%)	11,000* (0.2%)	4,000 (<0.1%)
Other Public	6,000* (0.1%)	14,000* (0.3%)	8,000 (0.2%)
Total	4,404,000 (100%)	4,834,000 (100%)	430,000

*Data are unstable because the coefficient of variation is above 30 percent.

Sources: 2012 and 2014 California Health Interview Surveys

With the exception of the transition from Healthy Families to Medicaid, children also experienced little change in their health insurance coverage in 2014 (Exhibit 1.3). Due to the success of the state's SCHIP program, even before the new ACA provisions went into effect, health insurance coverage among children in California was nearly universal, with about 95 percent having coverage. The new ACA coverage expansions almost exclusively benefited nonelderly adults. Among those ages 18-64, the uninsured rate declined 4 percentage points, from 21 percent in 2012 to 17 percent in 2014.[3] This was driven primarily by an expansion of enrollment in the Medi-Cal program, with smaller increases in enrollment in privately purchased insurance. Adults ages 25-39 experienced the largest decline in the rate of uninsurance between 2012 and 2014, from 25 percent to 20 percent, as well as the largest increase in Medicaid enrollment, from 16 percent to 23 percent.

3 Studies by the Commonwealth Fund (*http://www.commonwealthfund.org/publications/newsletters/washington-health-policy-in-review/2014/aug/aug-4-2014/survey-shows-drop-in-californias-uninsured*) and Kaiser Family Foundation (*http://kff.org/health-reform/press-release/survey-finds-approximately-3-4-million-previously-uninsured-adult-californians-obtained-coverage-since-start-of-the-affordable-care-acts-first-open-enrollment-period/*) separately showed a roughly 50 percent drop in uninsurance in 2014 among nonelderly adults who had previously been uninsured, but these surveys followed a single group of uninsured adults over time. The CHIS data presented here, as a point-in-time population-based survey, capture the additional adult population who became uninsured between 2012 to 2014, presenting a more comprehensive look at the entire population of California.

Exhibit 1.3

Type of Health Insurance Coverage by Age, Ages 65 and Under, California, 2012-2014

		Uninsured	Medi-Cal	Healthy Families/ SCHIP	Employment-Based	Individually Purchased	Other Public	Total
		Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
0-4 Years	2012	81,000 (3.3%)	1,165,000 (46.9%)	88,000 (3.5%)	1,037,000 (41.8%)	74,000 (3.0%)	39,000 (1.6%)	2,484,000 (100%)
	2014	74,000* (3.0)	1,291,00 (52.1%)	–	957,000 (38.6%)	93,000* (3.8%)	63,000* (2.5%)	2,477,000 (100%)
5-11 Years	2012	129,000 (3.6%)	1,168,000 (33.2%)	293,000 (8.3%)	1,734,000 (49.2%)	152,000 (4.3%)	48,000 (1.4%)	3,523,000 (100%)
	2014	163,000* (4.6%)	1,531,000 (43.4%)	–	1,636,000 (46.4%)	184,000 (5.2%)	15,000* (0.4%)	3,530,000 (100%)
12-14 Years	2012	88,000 (5.8%)	480,000 (31.6%)	165,000 (10.9%)	712,000 (46.8%)	66,000* (4.4%)	10,000* (0.6%)	1,521,000 (100%)
	2014	70,000* (4.7%)	595,000 (39.6%)	–	718,000 (47.8%)	107,000 (7.1%)	12,000* (0.8%)	1,503,000 (100%)
15-17 Years	2012	105,000 (6.5%)	413,000 (25.7%)	181,000 (11.3%)	831,000 (51.7%)	55,000* (3.4%)	21,000* (1.3%)	1,606,000 (100%)
	2014	73,000* (4.8%)	571,000 (37.2%)	–	805,000 (52.5%)	77,000 (5.0%)	9,000* (0.6%)	1,534,000 (100%)
18-24 Years	2012	919,000 (23.7%)	658,000 (17.0%)	47,000* (1.2%)	1,719,000 (44.3%)	424,000 (10.9%)	112,000 (2.9%)	3,878,000 (100%)
	2014	769,000 (19.8%)	914,000 (23.5%)	–	1,778,000 (45.8%)	337,000 (8.7%)	84,000* (2.2%)	3,881,000 (100%)
25-39 Years	2012	1,925,000 (25.0%)	1,251,000 (16.3%)	–	3,924,000 (51.0%)	372,000 (4.8%)	215,000 (2.8%)	7,686,000 (100%)
	2014	1,566,000 (20.1%)	1,792,000 (23.0%)	–	3,862,000 (49.5%)	450,000 (5.8%)	137,000* (1.7%)	7,808,000 (100%)
40-64 Years	2012	2,070,000 (17.5%)	1,327,000 (11.2%)	–	7,085,000 (59.9%)	764,000 (6.5%)	582,000 (4.9%)	11,829,000 (100%)
	2014	1,742,000 (14.5%)	1,974,000 (16.4%)	–	6,915,000 (57.6%)	1,064,000 (8.9%)	320,000 (2.7%)	12,016,000 (100%)

Numbers may not add to 100% due to rounding.

Sources: 2012 and 2014 California Health Interview Surveys

Medi-Cal Expansion Allowed More Women Than Men to Gain Coverage, Leading to a Growing Gender Gap in Health Insurance Coverage

Before the Medi-Cal expansion and health insurance exchanges went into effect, there was already a gender gap that favored women in health insurance coverage among nonelderly adults (Exhibit 1.4). This gender gap was primarily due to higher Medi-Cal enrollment among women, with men having higher uninsured rates. When the Medi-Cal expansion and Covered California became available, it was expected that this gender gap would shrink. However, more women than men gained health insurance coverage, even through the new Medi-Cal expansion, leading to a growing gender gap in insurance coverage. Between 2012 and 2014, the uninsured rate among women ages 19-64 dropped from 19 percent to 13 percent, while the rate of uninsurance among men in this group declined only slightly (from 23 percent to 22 percent). Women experienced a greater drop in their uninsured rate because they were more likely to enroll in Medi-Cal after the expansion; Medi-Cal enrollment among women increased from 15 percent to 23 percent between 2012 and 2014, while among men enrollment increased only from 10 percent to 14 percent.

Exhibit 1.4

Type of Health Insurance Coverage by Gender, Ages 19-64, California, 2012-2014

	Men		Women	
	2012	2014	2012	2014
	Population (%)	Population (%)	Population (%)	Population (%)
Uninsured	2,634,000 (23.4%)	2,502,000 (21.9%)	2,178,000 (18.9%)	1,497,000 (13.1%)
Medi-Cal	1,066,000 (9.5%)	1,571,000 (13.7%)	1,681,000 (14.6%)	2,583,000 (22.5%)
Employment-Based*	6,294,000 (55.9%)	6,183,000 (54.0%)	6,223,000 (54.0%)	6,044,000 (52.8%)
Own Coverage	5,065,000 (45.0%)	4,948,000 (43.2%)	3,828,000 (33.2%)	3,617,000 (31.6%)
Dependent Coverage	1,229,000 (10.9%)	1,226,000 (10.7%)	2,395,000 (20.8%)	2,426,000 (21.2%)
Individually Purchased	676,000 (6.0%)	884,000 (7.7%)	808,000 (7.0%)	966,000 (8.4%)
Other Public	591,000 (5.2%)	310,000 (2.7%)	634,000 (5.5%)	367,000 (3.2%)
Total	11,261,000 (100%)	11,451,000 (100%)	11,523,000 (100%)	11,457,000 (100%)

*Total combined "own coverage" and "dependent coverage."

Sources: 2012 and 2014 California Health Interview Surveys

Unlike the gender gap in income that increases with age, the gender gap in health insurance coverage narrows at older ages. In 2012, the gender gap in the uninsured rate was largest among young adults, those ages 18-24 (Exhibit 1.5); 28 percent of young men were uninsured, compared to 19 percent of young women. Though young men were more likely to have employment-based insurance (48 percent, versus 41 percent for women), young women were more likely to be enrolled in Medi-Cal (20 percent for women versus 14 percent for men) or to have individually purchased insurance (14 percent for women versus 8 percent for men). The gender gap was smallest among older adults, those ages 40-64 years; 19 percent of men in this age group were uninsured, compared to 16 percent of women, and there was little difference in the type of insurance coverage they had.

As more women benefited from the new coverage expansions following full implementation of the ACA, the gender difference in coverage widened across all adult age groups. Women ages 25-39 experienced the largest drop in the rate of uninsurance, from 23 percent in 2012 to 15 percent in 2014, due primarily to an increase in their Medi-Cal enrollment from 22 percent to 29 percent. Young women ages 18-24 experienced higher enrollment in Medi-Cal in 2014 (an increase from 20 percent in 2012 to 30 percent in 2014) and employment-based insurance (from 41 percent in 2012 to 45 percent in 2014), but this increase in coverage was partially offset by a shift away from individually purchased insurance, which dropped from 14 percent in 2012 to 8 percent in 2014. This was the only group to experience a decline in individually purchased insurance coverage over the two-year period.

Exhibit 1.5

Type of Health Insurance Coverage by Age and Gender, Ages 18-64, California, 2012-2014

			Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
			Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Ages 18-24	Men	2012	551,000 (27.7%)	279,000 (14.1%)	943,000 (47.5%)	164,000 (8.2%)	28,000* (1.4%)	1,987,000 (100%)
		2014	513,000 (25.8%)	340,000 (17.1%)	931,000 (46.9%)	182,000 (9.2%)	21,000* (1.1%)	1,988,000 (100%)
	Women	2012	367,000 (19.4%)	379,000 (20.0%)	776,000 (41.0%)	260,000 (13.8%)	83,000 (4.4%)	1,891,000 (100%)
		2014	256,000 (13.5%)	573,000 (30.3%)	846,000 (44.7%)	155,000 (8.2%)	63,000* (3.3%)	1,893,000 (100%)
Ages 25-39	Men	2012	1,058,000 (27.2%)	432,000 (11.1%)	2,106,000 (54.1%)	198,000 (5.1%)	100,000 (2.6%)	3,894,000 (100%)
		2014	1,017,000 (25.2%)	701,000 (17.4%)	2,032,000 (50.4%)	218,000 (5.4%)	65,000* (1.6%)	4,033,000 (100%)
	Women	2012	866,000 (22.8%)	819,000 (21.6%)	1,818,000 (47.9%)	174,000 (4.6%)	115,000 (3.0%)	3,792,000 (100%)
		2014	550,000 (14.6%)	1,091,000 (28.9%)	1,830,000 (48.5%)	232,000 (6.2%)	71,000* (1.9%)	3,775,000 (100%)
Ages 40-64	Men	2012	1,097,000 (19.1%)	594,000 (10.3%)	3,414,000 (59.4%)	344,000 (6.0%)	300,000 (5.2%)	5,749,000 (100%)
		2014	1,007,000 (17.4%)	740,000 (12.8%)	3,414,000 (59.1%)	478,000 (8.3%)	142,000 (2.5%)	5,781,000 (100%)
	Women	2012	973,000 (16.0%)	733,000 (12.1%)	3,672,000 (60.4%)	420,000 (6.9%)	281,000 (4.6%)	6,079,000 (100%)
		2014	735,000 (11.8%)	1,234,000 (19.8%)	3,501,000 (56.2%)	586,000 (9.4%)	179,000 (2.9%)	6,234,000 (100%)

Sources: 2012 and 2014 California Health Interview Surveys

Single Men and Women with Children Were Most Likely to Enroll in Medi-Cal

Historically, married adults have had higher health insurance coverage rates, due both to increased access to coverage through a spouse's employment and to higher marriage rates among older and more economically secure adults. In 2012, single adult Californians had higher uninsured rates than married adult Californians, but by 2014 the uninsured rates were similar (Exhibit 1.6).

Single Californians living with children were the most likely to gain health insurance coverage in 2014. Though the uninsured rate declined about 3 percent for Californians in other family types, it declined by 13 percent between 2012 and 2014 (from 25 percent to 11 percent) among those who were single with children. This was due to a large increase in Medi-Cal enrollment (from 37 percent in 2012 to 48 percent in 2014) and a smaller increase in employment-based insurance coverage (from 28 percent to 33 percent). Adults in these households were more likely to have had children enrolled in Medi-Cal before the Medi-Cal expansion went into effect in 2014. These existing ties to the Medi-Cal program may have helped spread knowledge of the changes to eligibility and engendered increased familiarity with the application process, encouraging more parents to sign up for coverage.

Medi-Cal enrollment also increased dramatically among single Californians without children (from 10 percent in 2012 to 18 percent in 2014), but half of this increase was due to a shift of these Californians from other public health insurance programs (for example, MRMIP or Healthy Kids) to the state's

Exhibit 1.6

Type of Health Insurance Coverage by Family Type, Ages 19-64, California, 2012-2014

	Single, No Children		Married, No Children		Single with Child(ren)		Married with Child(ren)	
	2012	2014	2012	2014	2012	2014	2012	2014
	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Uninsured	2,328,000 (27.1%)	2,263,000 (24.4%)	691,000 (14.4%)	509,000 (10.6%)	483,000 (24.5%)	196,000 (11.2%)	1,310,000 (17.7%)	1,032,000 (14.5%)
Medi-Cal	866,000 (10.1%)	1,701,000 (18.4%)	132,000 (2.8%)	397,000 (8.3%)	721,000 (36.6%)	844,000 (48.2%)	1,027,000 (13.9%)	1,213,000 (17.1%)
Employment-Based*	3,945,000 (45.9%)	4,099,000 (44.3%)	3,442,000 (71.7%)	3,300,000 (68.8%)	556,000 (28.2%)	581,000 (33.2%)	4,573,000 (61.7%)	4,247,000 (59.9%)
Own Coverage	3,197,000 (37.2%)	3,284,000 (35.5%)	2,234,000 (46.5%)	2,163,000 (45.1%)	477,000 (24.2%)	512,000 (29.3%)	2,986,000 (40.3%)	2,605,000 (36.7%)
Dependent Coverage	749,000 (8.7%)	805,000 (8.7%)	1,209,000 (25.2%)	1,136,000 (23.7%)	79,000* (4.0%)	69,000 (3.9%)	1,587,000 (21.4%)	1,642,000 (23.1%)
Individually Purchased	735,000 (8.5%)	853,000 (9.2%)	289,000 (6.0%)	445,000 (9.3%)	140,000 (7.1%)	91,000 (5.2%)	320,000 (4.3%)	460,000 (6.5%)
Other Public	724,000 (8.4%)	347,000 (3.8%)	247,000 (5.1%)	149,000 (3.1%)	71,000 (3.6%)	39,000* (2.2%)	182,000 (2.5%)	142,000 (2.0%)
Total	8,597,000 (100%)	9,263,000 (100%)	4,802,000 (100%)	4,800,000 (100%)	1,973,000 (100%)	1,751,000 (100%)	7,412,000 (100%)	7,094,000 (100%)

*Total combined "own coverage" and "dependent coverage."

Sources: 2012 and 2014 California Health Interview Surveys

Medi-Cal program. Married Californians, who on average have higher incomes than single families, experienced the largest increase in individually purchased insurance.

Both men and women who were single with children experienced double-digit declines in their uninsured rates between 2012 and 2014 (Exhibit 1.7); the rate for women declined 14 percentage points (from 24 percent to 10 percent), while for men the rate declined 12 percentage points (from 27 percent to 15 percent). Single men with children saw a larger increase in enrollment in Medi-Cal than women; the percentage of these men who were enrolled in Medi-Cal increased 18 percentage points (from 21 percent in 2012 to 39 percent in 2014), while the percentage of women increased 8 percentage points (from 43 percent in 2012 to 51 percent in 2014). This was the only group of men among whom Medi-Cal enrollment increased more than it did for comparable women, most likely due to the already high rates of enrollment among single women with children before the Medi-Cal expansion. Within all other family types, women experienced a larger decrease in their uninsured rate and a larger increase in coverage through Medi-Cal than did men.

Exhibit 1.7

Type of Health Insurance Coverage by Family Type and Gender, Ages 19-64, California, 2012-2014

			Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
			Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Single, No Child(ren)	Men	2012	1,477,000 (31.5%)	482,000 (10.3%)	2,071,000 (44.1%)	342,000 (7.3%)	319,000 (6.8%)	4,692,000 (100%)
		2014	1,542,000 (29.8%)	830,000 (16.0%)	2,155,000 (41.6%)	461,000 (8.9%)	191,000 (3.7%)	5,178,000 (100%)
	Women	2012	851,000 (21.8%)	384,000 (9.8%)	1,874,000 (48.0%)	392,000 (10.0%)	405,000 (10.4%)	3,109,000 (100%)
		2014	721,000 (17.7%)	871,000 (21.3%)	1,944,000 (47.6%)	392,000 (9.6%)	156,000 (3.8%)	4,085,000 (100%)
Married, No Child(ren)	Men	2012	326,000 (14.2%)	49,000 (2.1%)	1,656,000 (72.0%)	130,000 (5.7%)	140,000 (6.1%)	2,300,000 (100%)
		2014	258,000 (11.8%)	137,000 (6.2%)	1,535,000 (70.1%)	185,000 (8.4%)	75,000 (3.4%)	2,190,000 (100%)
	Women	2012	366,000 (14.6%)	83,000 (3.3%)	1,787,000 (71.4%)	158,000 (6.3%)	107,000 (4.3%)	2,236,000 (100%)
		2014	251,000 (9.6%)	260,000 (10.0%)	1,765,000 (67.6%)	260,000 (10.0%)	74,000 (2.8%)	2,610,000 (100%)
Single with Child(ren)	Men	2012	148,000 (27.2%)	114,000 (21.1%)	218,000 (40.1%)	47,000* (8.6%)	17,000* (3.1%)	543,000 (100%)
		2014	65,000* (15.0%)	167,000 (38.7%)	183,000 (42.4%)	7,000* (1.5%)	10,000* (2.4%)	431,000 (100%)
	Women	2012	336,000 (23.5%)	607,000 (42.5%)	338,000 (23.7%)	94,000 (6.6%)	55,000 (3.8%)	1,430,000 (100%)
		2014	131,000 (9.9%)	677,000 (51.3%)	399,000 (30.2%)	85,000 (6.4%)	28,000* (2.2%)	1,319,000 (100%)
Married with Child(ren)	Men	2012	684,000 (18.4%)	421,000 (11.3%)	2,350,000 (63.1%)	156,000 (4.2%)	115,000 (3.1%)	3,726,000 (100%)
		2014	638,000 (17.5%)	438,000 (12.0%)	2,311,000 (63.3%)	232,000 (6.3%)	33,000 (0.9%)	3,652,000 (100%)
	Women	2012	626,000 (17.0%)	607,000 (16.5%)	2,224,000 (60.3%)	164,000 (4.4%)	67,000 (1.8%)	3,456,000 (100%)
		2014	394,000 (11.4%)	775,000 (22.5%)	1,936,000 (56.2%)	229,000 (6.6%)	109,000 (3.2%)	3,442,000 (100%)

*Data are unstable because the coefficient of variation is above 30%.

Sources: 2012 and 2014 California Health Interview Surveys

Latino Women Had Biggest Drop in Uninsurance, While African-Americans Gained Coverage Through Employers

The effects of the ACA coverage expansion differed substantially by both gender and race/ethnicity (Exhibit 1.8). The changes to the health insurance market affected non-Hispanic white men and women similarly; however, within other racial/ethnic groups, men's and women's experiences diverged. Although Hispanic men experienced little change in their uninsured rate (38 percent in 2012 vs. 36 percent in 2014), Hispanic women experienced the largest decline in uninsurance of any racial/ethnic group (from 30 percent in 2012 to 20 percent in 2014), due to both their high initial uninsured rate and their higher enrollment in Medi-Cal after the expansion. Between 2012 and 2014, Medi-Cal enrollment increased by 11 percent (from 23 percent to 34 percent) among Hispanic women and 6 percent (from 14 percent to 20 percent) among Hispanic men.

Asian-American men and women both became more likely to have individually purchased health insurance coverage after Covered California opened for business in 2014. Among Asian-American men, individually purchased coverage increased from 6 percent in 2012 to 10 percent in 2014, while among Asian-American women the rate of individually purchased coverage increased from 10 percent to 15 percent. There was no change in the uninsured rate of Asian-American men, but Asian-American women experienced a decline in their uninsured rate (from 17 percent to 12 percent) due to their heavier enrollment in Medi-Cal, which increased from 8 percent in 2012 to 15 percent in 2014.

African-American men and women in California were less likely to benefit from the Medi-Cal expansion and more likely to gain employer-based coverage in 2014. African-American men were the only men in California who experienced a large decrease in their uninsured rate, which dropped from 23 percent in 2012 to 13 percent in 2014. Both male and female African-Americans experienced a large increase in coverage through employer-based insurance, which increased from 45 percent to 64 percent among men and from 45 percent to 53 percent among women. The already low uninsured rate among African-American women remained at 8-9 percent as many shifted away from other public coverage into employer-based coverage. The increase in employment-based coverage could indicate that a delayed economic recovery from the Great Recession was taking hold among the state's African-American population.

Exhibit 1.8

Type of Health Insurance by Race/Ethnicity and Gender, Ages 19-64, California, 2012-2014

			Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
			Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Latino	Men	2012	1,580,000 (37.6%)	577,000 (13.7%)	1,694,000 (40.2%)	171,000 (4.1%)	186,000 (4.4%)	4,208,000 (100%)
		2014	1,604,000 (36.4%)	883,000 (20.0%)	1,645,000 (37.3%)	217,000 (4.9%)	61,000 (1.4%)	4,409,000 (100%)
	Women	2012	1,285,000 (29.6%)	1,010,000 (23.3%)	1,640,000 (37.8%)	185,000 (4.3%)	217,000 (5.0%)	4,338,000 (100%)
		2014	858,000 (19.6%)	1,506,000 (34.4%)	1,650,000 (37.7%)	198,000 (4.5%)	165,000 (3.8%)	4,377,000 (100%)
White	Men	2012	598,000 (13.0%)	204,000 (4.4%)	3,209,000 (69.6%)	373,000 (8.1%)	226,000 (4.9%)	4,609,000 (100%)
		2014	484,000 (10.9%)	363,000 (8.2%)	2,995,000 (67.7%)	414,000 (9.4%)	170,000 (3.8%)	4,426,000 (100%)
	Women	2012	502,000 (11.4%)	303,000 (6.9%)	3,006,000 (68.0%)	376,000 (8.5%)	235,000 (5.3%)	4,421,000 (100%)
		2014	343,000 (7.8%)	535,000 (12.3%)	2,884,000 (66.0%)	474,000 (10.8%)	133,000 (3.0%)	4,368,000 (100%)
African-American	Men	2012	141,000 (22.8%)	104,000 (16.9%)	277,000 (44.9%)	22,000* (3.6%)	72,000 (11.7%)	617,000 (100%)
		2014	83,000 (12.7%)	93,000 (14.3%)	416,000 (63.7%)	35,000* (5.3%)	27,000* (4.1%)	654,000 (100%)
	Women	2012	59,000 (8.4%)	188,000 (26.6%)	316,000 (44.7%)	31,000* (4.4%)	113,000 (16.0%)	708,000 (100%)
		2014	60,000* (9.0%)	203,000 (30.2%)	358,000 (53.2%)	9,000* (1.4%)	42,000* (6.2%)	673,000 (100%)
Asian-American and Other Pacific Islander	Men	2012	259,000 (16.5%)	148,000 (9.4%)	981,000 (62.4%)	98,000 (6.2%)	87,000 (5.6%)	1,574,000 (100%)
		2014	266,000 (15.8%)	199,000 (11.8%)	1,008,000 (60.1%)	163,000 (9.7%)	43,000* (2.5%)	1,679,000 (100%)
	Women	2012	297,000 (17.0%)	139,000 (7.9%)	1,079,000 (61.7%)	177,000 (10.1%)	56,000 (3.2%)	1,748,000 (100%)
		2014	213,000 (12.3%)	252,000 (14.5%)	987,000 (56.8%)	264,000 (15.2%)	21,000* (1.2%)	1,736,000 (100%)
Other Racial/Ethnic Group and/or Multiple Races	Men	2012	56,000* (22.0%)	33,000* (12.9%)	134,000 (52.7%)	12,000* (4.8%)	19,000* (7.5%)	253,000 (100%)
		2014	66,000 (23.3%)	34,000 (11.8%)	119,000 (42.0%)	55,000* (19.4%)	10,000* (3.5%)	284,000 (100%)
	Women	2012	34,000 (11.1%)	41,000 (13.3%)	182,000 (59.0%)	39,000* (12.7%)	12,000 (3.8%)	308,000 (100%)
		2014	23,000* (7.5%)	86,000 (28.5%)	166,000 (55.1%)	20,000* (6.7%)	6,000* (2.1%)	302,000 (100%)

Sources: 2012 and 2014 California Health Interview Surveys

Women Without a Four-Year College Degree Were Most Likely to Gain Health Insurance Coverage

The primary way that the ACA expands health insurance coverage to low-income Americans is through the Medi-Cal expansion, which allows adult Californians without employer-based insurance whose income falls below 138 percent of the FPL to enroll in the program. It expands coverage to middle-income Americans whose income falls below 400 percent FPL by subsidizing the purchase of private health insurance through Covered California. Because these benefits are means-tested, we would expect coverage to change most among those with lower levels of education.

Generally, women followed this pattern (Exhibit 1.9); the uninsured rate declined most among women with less than a four-year college degree. Medi-Cal enrollment increased by 10 percentage points or more for these women, compared to only 4 percentage points for women with a college degree. Women who did not have a high school degree were the most likely to gain individually purchased insurance; only 2 percent had this coverage in 2012, compared to 7 percent in 2014.

Exhibit 1.9

Type of Health Insurance Coverage by Education and Gender, Ages 19-64, California, 2012-2014

			Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
			Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Less Than High School	Men	2012	758,000 (42.5%)	361,000 (20.2%)	456,000 (25.6%)	92,000 (5.2%)	116,000 (6.5%)	1,783,000 (100%)
		2014	774,000 (44.5%)	358,000 (20.6%)	469,000 (27.0%)	96,000 (5.5%)	41,000* (2.4%)	1,738,000 (100%)
	Women	2012	605,000 (32.6%)	616,000 (33.3%)	474,000 (25.6%)	34,000* (1.8%)	124,000 (6.7%)	1,853,000 (100%)
		2014	449,000 (26.8%)	722,000 (43.2%)	293,000 (17.5%)	115,000 (6.9%)	95,000 (5.7%)	1,674,000 (100%)
High School	Men	2012	872,000 (30.7%)	308,000 (10.9%)	1,309,000 (46.2%)	159,000 (5.6%)	187,000 (6.6%)	2,836,000 (100%)
		2014	832,000 (28.1%)	540,000 (18.2%)	1,269,000 (42.8%)	232,000 (7.8%)	89,000 (3.0%)	2,962,000 (100%)
	Women	2012	518,000 (23.2%)	460,000 (20.5%)	982,000 (43.9%)	128,000 (5.7%)	150,000 (6.7%)	2,238,000 (100%)
		2014	293,000 (12.9%)	716,000 (31.6%)	979,000 (43.2%)	184,000 (8.1%)	96,000 (4.2%)	2,269,000 (100%)
Attended College, Vocational, Associate's Degree	Men	2012	635,000 (23.9%)	279,000 (10.5%)	1,452,000 (54.5%)	111,000 (4.2%)	187,000 (7.0%)	2,664,000 (100%)
		2014	520,000 (19.5%)	381,000 (14.2%)	1,487,000 (55.7%)	170,000 (6.4%)	114,000 (4.3%)	2,672,000 (100%)
	Women	2012	637,000 (19.2%)	481,000 (14.5%)	1,716,000 (51.6%)	242,000 (7.3%)	249,000 (7.5%)	3,325,000 (100%)
		2014	429,000 (12.8%)	869,000 (25.9%)	1,735,000 (51.8%)	212,000 (6.3%)	108,000 (3.2%)	3,353,000 (100%)
Bachelor's Degree or Higher	Men	2012	369,000 (9.3%)	117,000 (2.9%)	3,077,000 (77.4%)	314,000 (7.9%)	101,000 (2.5%)	3,978,000 (100%)
		2014	376,000 (9.2%)	292,000 (7.2%)	2,958,000 (72.5%)	386,000 (9.5%)	66,000 (1.6%)	4,079,000 (100%)
	Women	2012	418,000 (10.2%)	124,000 (3.0%)	3,051,000 (74.3%)	404,000 (9.8%)	110,000 (2.7%)	4,106,000 (100%)
		2014	325,000 (7.8%)	276,000 (6.6%)	3,037,000 (73.0%)	455,000 (10.9%)	68,000 (1.6%)	4,161,000 (100%)

Sources: 2012 and 2014 California Health Interview Surveys

However, these increases in coverage were offset by the fact that women without a high school degree were also the most likely to lose employer-based insurance coverage during this period, with a drop from 26 percent in 2012 to 18 percent in 2014. Because of this, women who had a high school degree or had attended some college experienced larger drops in their uninsured rates than women with less education.

Among men, the changes in health insurance coverage were less clearly related to educational attainment. Though men with less than a high school degree had the highest uninsured rates in 2012, they experienced almost no change in coverage type, and their uninsured rate did not decline in 2014. Men with a high school degree were the most likely to enroll in Medi-Cal; their enrollment nearly doubled, from 11 percent to 18 percent, but this growth in coverage was partially offset by a decline in employer-based coverage (from 46 percent in 2012 to 43 percent in 2014). Men who attended some college or vocational school experienced the largest drop in the uninsured rate (from 24 percent to 20 percent), because unlike men with a high school or college degree, they did not experience a decline in employer-based coverage.

Significant Reduction in Uninsured Rate Among Low-Income California Adults, but Many Remain Uninsured

The Medi-Cal expansion in 2014 opened up access to no-cost health insurance coverage to Californians whose incomes fell below 138 percent FPL, and many of them enrolled. The number of nonelderly California adults enrolled in Medi-Cal who met this income criterion increased by 898,000 from 2012 to 2014, reaching nearly 2.8 million, or 44 percent of this population (Exhibit 1.10). At the same time, the uninsured rate for these Californians dropped from 37 percent to 29 percent. Because most higher-earning Californians do not qualify for no-cost insurance, the declines in their uninsured rates were more modest.

We would expect more women than men to qualify for Medi-Cal and health insurance subsidies because women, on average, have lower earnings than men. This could explain why more women in the state have enrolled in Medi-Cal, and why the uninsured rate declined more among women in 2014. However, comparing men and women by income shows that women were more likely than men with comparable incomes to gain insurance

Exhibit 1.10

Type of Health Insurance Coverage by Household Income as Percent of Federal Poverty Level (FPL), Ages 19-64, California 2012-2014

	0-138% FPL		139-249% FPL		250-399% FPL		400% or More FPL	
	2012	2014	2012	2014	2012	2014	2012	2014
	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Uninsured	2,264,000 (36.5%)	1,820,000 (28.6%)	1,222,000 (30.9%)	1,198,000 (29.8%)	723,000 (18.3%)	529,000 (13.8%)	604,000 (7.0%)	452,000 (5.2%)
Medi-Cal	1,882,000 (30.3%)	2,780,000 (43.7%)	589,000 (14.9%)	777,000 (19.3%)	165,000 (4.2%)	344,000 (9.0%)	111,000 (1.3%)	252,000 (2.9%)
Employer-Based	1,187,000 (19.1%)	1,131,000 (17.8%)	1,648,000 (41.6%)	1,564,000 (38.9%)	2,499,000 (63.4%)	2,495,000 (65.1%)	7,184,000 (82.8%)	7,038,000 (81.0%)
Individually Purchased	302,000 (4.9%)	369,000 (5.8%)	218,000 (5.5%)	304,000 (7.6%)	329,000 (8.4%)	368,000 (9.6%)	636,000 (7.3%)	809,000 (9.3%)
Other Public	571,000 (9.2%)	270,000 (4.2%)	284,000 (7.2%)	177,000 (4.4%)	224,000 (5.7%)	96,000 (2.5%)	145,000 (1.7%)	135,000 (1.6%)
Total	6,204,000 (100%)	6,370,000 (100%)	3,961,000 (100%)	4,020,000 (100%)	3,939,000 (100%)	3,832,000 (100%)	8,680,000 (100%)	8,686,000 (100%)

Sources: 2012 and 2014 California Health Interview Surveys

in 2014 (Exhibit 1.11). Among those whose household income fell below 138 percent FPL, the percentage enrolled in Medi-Cal increased by 19 percentage points for women (from 35 percent in 2012 to 54 percent in 2014), but only 7 percentage points for men (from 24 percent to 31 percent). This was so despite the fact that in 2012, the uninsured rate among these men was 15 percentage points higher than it was among the women (45 percent among men versus 30 percent among women).

Among those with incomes just above the Medi-Cal eligibility threshold, access to coverage through employment-based insurance played a larger role in the gender gap in health insurance coverage. In 2012, men and women whose incomes were 139–250 percent FPL were equally likely to have coverage through an employer; by 2014, however, women were more likely than men to have this type of coverage. Employment-based coverage fell from 42 percent to 31 percent among men, but it increased from 41 percent to 46 percent among women, exacerbating the gender gap in insurance. This trend raises concerns and is hard to explain with job trends, but because of it the uninsured rate increased among these men (from 33 percent to 39 percent) and declined among similar women (from 29 percent to 21 percent).

Exhibit 1.11

Type of Health Insurance Coverage by Household Income by Percent FPL and Gender, Ages 19-64, California, 2012-2014

			Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
			Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
0-138% FPL	Men	2012	1,192,000 (44.7%)	634,000 (23.8%)	463,000 (17.4%)	148,000 (5.5%)	229,000 (8.6%)	2,665,000 (100%)
		2014	1,127,000 (40.6%)	851,000 (30.7%)	541,000 (19.5%)	163,000 (5.9%)	91,000 (3.3%)	2,773,000 (100%)
	Women	2012	1,071,000 (30.3%)	1,248,000 (35.3%)	724,000 (20.5%)	154,000 (4.3%)	342,000 (9.7%)	3,539,000 (100%)
		2014	693,000 (19.3%)	1,930,000 (53.6%)	590,000 (16.4%)	206,000 (5.7%)	179,000 (5.0%)	3,597,000 (100%)
139-249% FPL	Men	2012	673,000 (32.5%)	274,000 (13.2%)	877,000 (42.3%)	91,000 (4.4%)	157,000 (7.6%)	2,072,000 (100%)
		2014	723,000 (38.7%)	341,000 (18.2%)	583,000 (31.2%)	132,000 (7.1%)	89,000 (4.8%)	1,867,000 (100%)
	Women	2012	550,000 (29.1%)	315,000 (16.7%)	771,000 (40.8%)	126,000 (6.7%)	127,000 (6.7%)	1,889,000 (100%)
		2014	475,000 (22.1%)	437,000 (20.3%)	981,000 (45.6%)	172,000 (8.0%)	88,000 (4.1%)	2,153,000 (100%)
250-399% FPL	Men	2012	422,000 (20.6%)	98,000* (4.8%)	1,277,000 (62.3%)	135,000 (6.6%)	119,000 (5.8%)	2,050,000 (100%)
		2014	342,000 (16.6%)	232,000 (11.3%)	1,265,000 (61.4%)	165,000 (8.0%)	57,000* (2.8%)	2,061,000 (100%)
	Women	2012	301,000 (15.9%)	67,000 (3.6%)	1,221,000 (64.6%)	194,000 (10.3%)	105,000 (5.6%)	1,889,000 (100%)
		2014	187,000 (10.6%)	112,000 (6.3%)	1,231,000 (69.5%)	203,000 (11.5%)	39,000 (2.2%)	1,771,000 (100%)
400% or More FPL	Men	2012	348,000 (7.8%)	61,000 (1.4%)	3,678,000 (82.2%)	302,000 (6.8%)	86,000 (1.9%)	4,474,000 (100%)
		2014	310,000 (6.5%)	148,000 (3.1%)	3,795,000 (79.9%)	425,000 (8.9%)	73,000 (1.5%)	4,750,000 (100%)
	Women	2012	256,000 (6.1%)	51,000* (1.2%)	3,507,000 (83.4%)	333,000 (7.9%)	60,000 (1.4%)	4,206,000 (100%)
		2014	142,000 (3.6%)	104,000 (2.7%)	3,243,000 (82.4%)	385,000 (9.8%)	62,000* (1.6%)	3,935,000 (100%)

Sources: 2012 and 2014 California Health Interview Surveys

Rural-Urban Differences Due More to Access to Employment-Based Coverage Than to Uneven Implementation of ACA's Coverage Expansion

The benefits of the ACA's coverage expansion were felt unevenly across the state of California. Men in urban and rural areas experienced a decline in their uninsured rate, while men in smaller city and suburban areas experienced an increase (Exhibit 1.12). The decline in the uninsured rate in rural areas was primarily due to an increase in coverage through employment-based insurance (from 51 percent in 2012 to 53 percent in 2014) and individually purchased insurance (from 7 percent to 8 percent). In urban areas, the decline in the uninsured rate among men was due to a combination of small increases in employment-based, individually purchased, and public (including Medi-Cal) insurance coverage. In smaller city areas, employment-based and individually purchased insurance declined among men, while Medi-Cal coverage increased, though not enough to compensate for the decline in private insurance. In suburban areas, both individually purchased and public coverage increased, but employment-based coverage declined by a greater amount.

Exhibit 1.12

Type of Health Insurance Coverage by Urban/Rural Status, Ages 19-64, California, 2012-2014

			Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
			Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Urban	Men	2012	1,559,000 (26.4%)	564,000 (9.5%)	3,149,000 (53.3%)	306,000 (5.2%)	334,000 (5.7%)	5,912,000 (100%)
		2014	1,422,000 (22.5%)	877,000 (13.9%)	3,417,000 (54.1%)	466,000 (7.4%)	137,000 (2.2%)	6,319,000 (100%)
	Women	2012	1,170,000 (19.3%)	989,000 (16.3%)	3,133,000 (51.7%)	405,000 (6.7%)	363,000 (6.0%)	6,060,000 (100%)
		2014	843,000 (14.0%)	1,595,000 (26.4%)	2,908,000 (48.2%)	516,000 (8.6%)	172,000 (2.9%)	6,034,000 (100%)
Smaller City	Men	2012	494,000 (20.9%)	200,000 (8.5%)	1,376,000 (58.4%)	178,000 (7.5%)	110,000 (4.7%)	2,357,000 (100%)
		2014	569,000 (23.1%)	380,000 (15.4%)	1,275,000 (51.7%)	144,000 (5.8%)	98,000 (4.0%)	2,465,000 (100%)
	Women	2012	465,000 (19.1%)	366,000 (15.1%)	1,308,000 (53.8%)	155,000 (6.4%)	138,000 (5.7%)	2,433,000 (100%)
		2014	311,000 (13.2%)	491,000 (20.9%)	1,287,000 (54.8%)	170,000 (7.2%)	90,000 (3.8%)	2,348,000 (100%)
Suburban	Men	2012	327,000 (17.7%)	151,000 (8.2%)	1,192,000 (64.5%)	109,000 (5.9%)	69,000 (3.7%)	1,848,000 (100%)
		2014	312,000 (19.1%)	180,000 (11.0%)	944,000 (57.7%)	188,000 (11.5%)	13,000 (0.8%)	1,637,000 (100%)
	Women	2012	311,000 (15.8%)	164,000 (8.3%)	1,238,000 (62.8%)	183,000 (9.3%)	77,000 (3.9%)	1,972,000 (100%)
		2014	157,000 (7.7%)	275,000 (13.6%)	1,347,000 (66.5%)	200,000 (9.9%)	47,000* (2.3%)	2,027,000 (100%)
Rural	Men	2012	254,000 (22.2%)	151,000 (13.2%)	578,000 (50.5%)	83,000 (7.3%)	78,000 (6.8%)	1,143,000 (100%)
		2014	199,000 (19.3%)	134,000 (13.0%)	548,000 (53.1%)	86,000 (8.4%)	63,000 (6.1%)	1,030,000 (100%)
	Women	2012	232,000 (21.9%)	161,000 (15.2%)	544,000 (51.4%)	65,000 (6.1%)	57,000 (5.3%)	1,059,000 (100%)
		2014	187,000 (17.8%)	222,000 (21.2%)	502,000 (47.9%)	80,000 (7.6%)	58,000 (5.5%)	1,048,000 (100%)

Sources: 2012 and 2014 California Health Interview Surveys

Women in each region experienced a decline in their uninsured rate and an increase in Medi-Cal enrollment. The more notable difference across regions was the change in employment-based coverage. In urban and rural areas, where employment-based coverage was the least common in 2012, that coverage declined by 3-4 percent between 2012 and 2014. In contrast, in suburban areas, women's coverage through employer-based insurance increased from 63 percent to 67 percent.

Insurance status varied substantially across the state (Exhibit 1.13). In 2014, the percentage of uninsured Californians ranged from lows of below 5 percent in San Mateo (2.8 percent) and Solano (3.9 percent) counties to highs of nearly one-quarter or more in Monterey (26.8 percent), Lake (26.5 percent), Humboldt (24.3 percent), and Riverside (23.9 percent) counties.[4]

4 Note that these data from the 2014 California Health Interview Survey capture that point in time, and that insurance rates may have changed over the course of the next iterations of open enrollment for the Affordable Care Act.

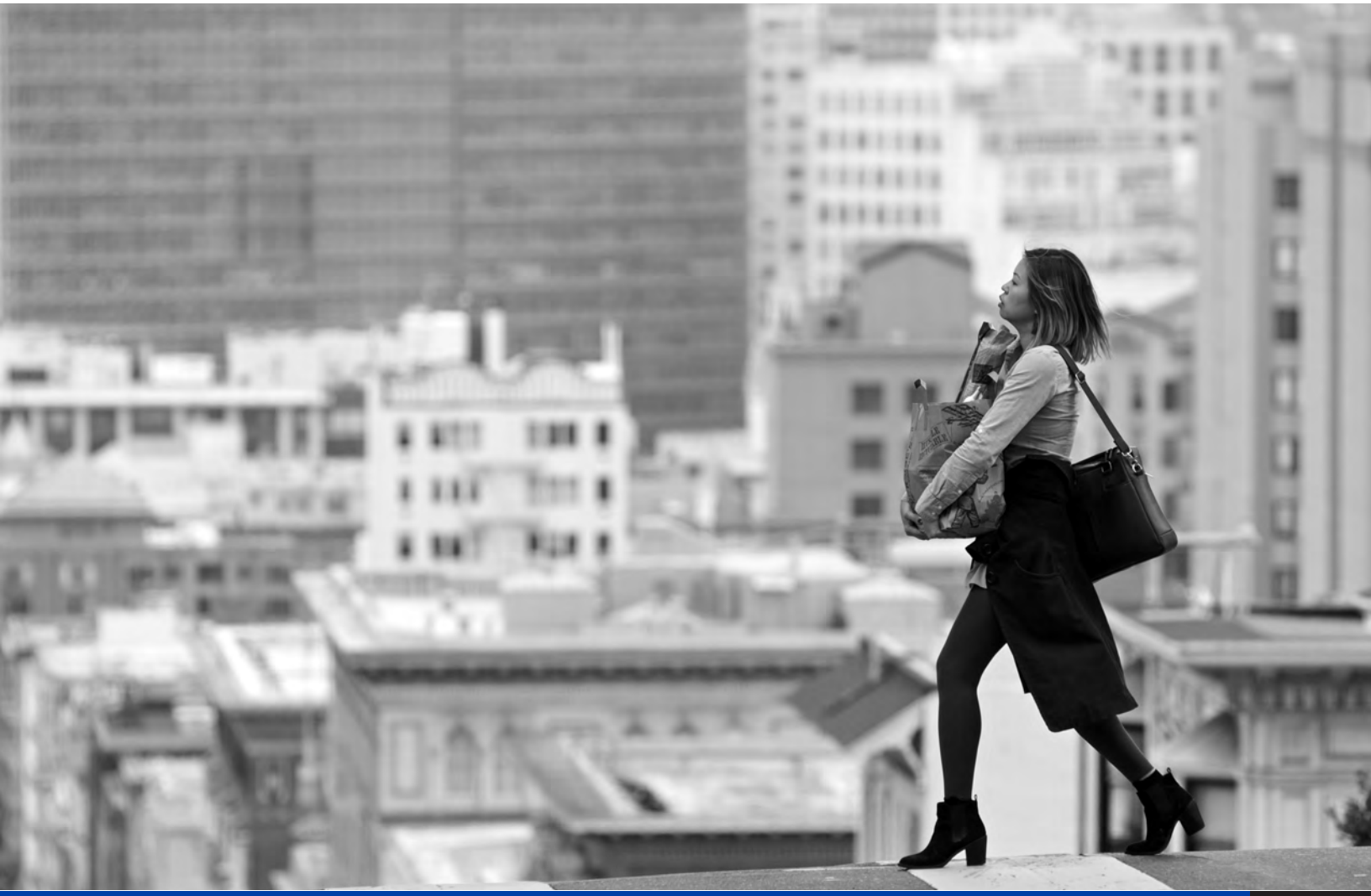


Exhibit 1.13

Type of Health Insurance Coverage by County, Ages 65 and Under, California, 2014

	Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
Los Angeles County	1,298,000 (14.9%)	2,390,000 (27.5%)	4,087,000 (47.0%)	732,000 (8.4%)	183,000 (2.1%)	8,690,000 (100%)
San Diego County	329,000 (12.5%)	561,000 (21.3%)	1,425,000 (54.0%)	221,000 (8.4%)	102,000 (3.9%)	2,638,000 (100%)
Orange County	345,000 (12.7%)	599,000 (22.0%)	1,511,000 (55.5%)	235,000 (8.6%)	35,000* (1.3%)	2,725,000 (100%)
Santa Clara County	145,000 (9.3%)	333,000 (21.2%)	956,000 (60.9%)	90,000 (5.8%)	44,000* (2.8%)	1,569,000 (100%)
San Bernardino County	273,000 (14.6%)	601,000 (32.2%)	865,000 (46.3%)	61,000* (3.3%)	67,000* (3.6%)	1,867,000 (100%)
Riverside County	465,000 (23.9%)	587,000 (30.2%)	772,000 (39.7%)	86,000* (4.4%)	37,000 (1.9%)	1,947,000 (100%)
Alameda County	132,000* (9.8%)	306,000 (22.8%)	786,000 (58.5%)	104,000 (7.7%)	16,000* (1.2%)	1,343,000 (100%)
Sacramento County	146,000 (11.7%)	311,000 (25.0%)	673,000 (54.0%)	82,000* (6.6%)	33,000* (2.6%)	1,245,000 (100%)
Contra Costa County	148,000 (15.9%)	119,000 (12.9%)	541,000 (58.2%)	112,000* (12.1%)	8,000* (0.9%)	928,000 (100%)
Fresno County	92,000 (11.0%)	323,000 (38.5%)	371,000 (44.3%)	21,000* (2.6%)	30,000* (3.6%)	838,000 (100%)
San Francisco County	55,000* (7.5%)	122,000* (16.9%)	489,000 (67.6%)	52,000* (7.2%)	6,000* (0.8%)	724,000 (100%)
Ventura County	116,000 (16.2%)	98,000 (13.7%)	427,000 (59.8%)	52,000* (7.3%)	21,000* (3.0%)	713,000 (100%)
San Mateo County	18,000* (2.8%)	126,000 (19.3%)	441,000 (67.7%)	47,000* (7.3%)	19,000* (2.9%)	652,000 (100%)
Kern County	75,000 (9.9%)	261,000 (34.7%)	304,000 (40.3%)	102,000* (13.5%)	12,000* (1.6%)	754,000 (100%)
San Joaquin County	111,000 (18.2%)	271,000 (44.3%)	209,000 (34.2%)	13,000* (2.1%)	8,000* (1.3%)	612,000 (100%)
Sonoma County	13,000* (9.2%)	29,000 (20.9%)	71,000 (51.6%)	20,000* (14.5%)	5,000* (3.8%)	138,000 (100%)
Stanislaus County	63,000* (13.9%)	137,000 (30.1%)	191,000 (42.0%)	43,000* (9.5%)	21,000* (4.5%)	455,000 (100%)
Santa Barbara County	65,000* (18.4%)	72,000 (20.3%)	189,000 (53.5%)	23,000* (6.5%)	5,000* (1.3%)	353,000 (100%)
Solano County	14,000* (3.9%)	83,000 (23.9%)	223,000 (64.1%)	8,000* (2.4%)	20,000* (5.7%)	348,000 (100%)
Tulare County	27,000* (6.6%)	169,000 (41.7%)	171,000 (42.2%)	26,000* (6.5%)	12,000* (3.0%)	404,000 (100%)
Santa Cruz County	39,000 (17.7%)	66,000 (30.0%)	105,000 (47.3%)	7,000* (3.3%)	4,000* (1.7%)	221,000 (100%)
Marin County	17,000* (8.3%)	11,000* (5.4%)	143,000 (69.4%)	24,000 (11.9%)	10,000* (5.1%)	205,000 (100%)

Source: 2014 California Health Interview Survey

Exhibit 1.13

Type of Health Insurance Coverage by County, Ages 65 and Under, California, 2014 (continued)

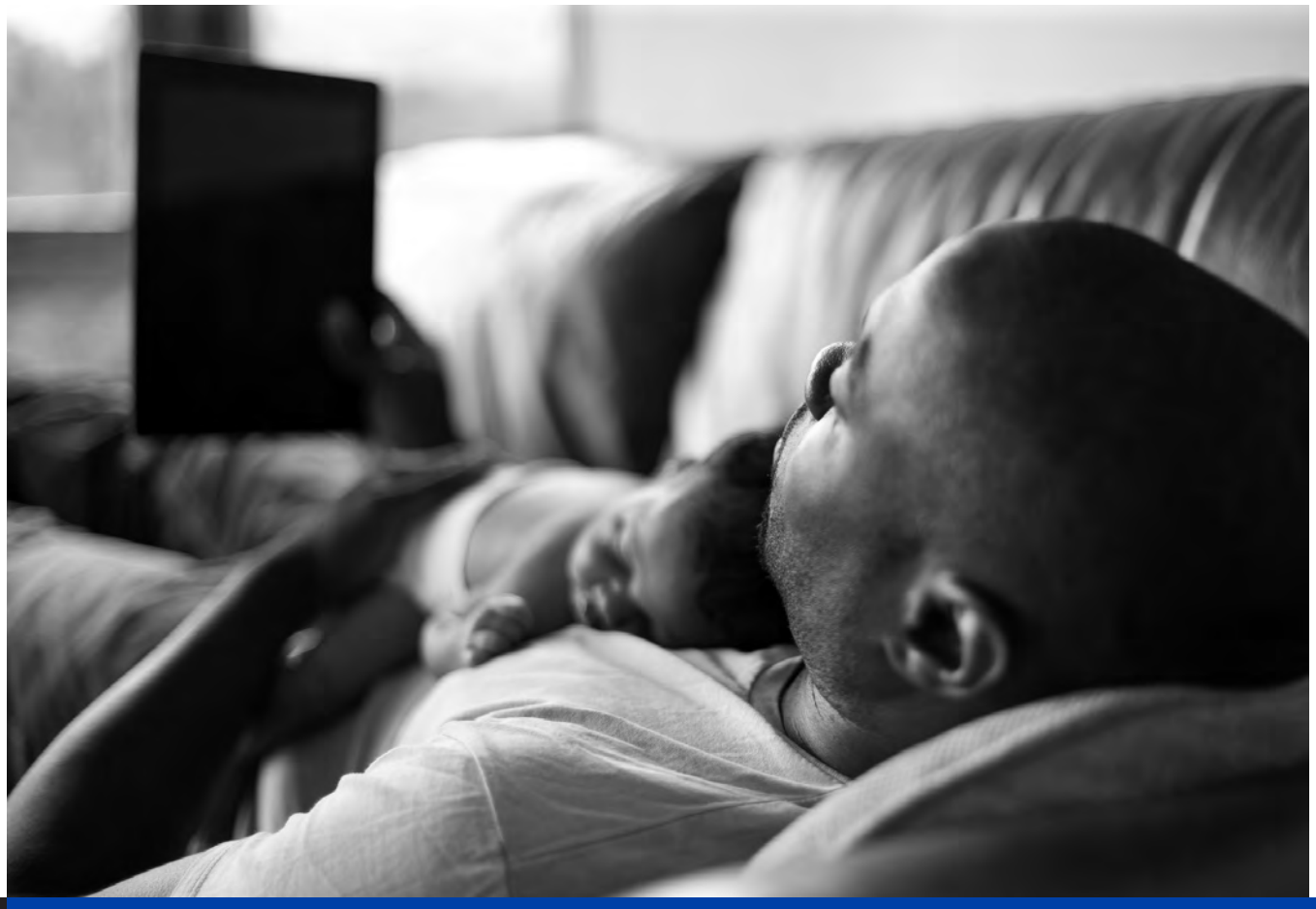
	Uninsured	Medi-Cal	Employment-Based	Individually Purchased	Other Public	Total
	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)	Population (%)
San Luis Obispo County	29,000* (13.3%)	20,000* (9.2%)	152,000 (69.6%)	15,000* (6.7%)	3,000* (1.2%)	219,000 (100%)
Placer County	34,000* (11.5%)	41,000* (14.0%)	195,000 (65.6%)	24,000 (8.1%)	2,000* (0.8%)	297,000 (100%)
Merced County	46,000 (19.7%)	86,000 (36.7%)	92,000 (39.4%)	6,000* (2.4%)	5,000* (1.3%)	233,000 (100%)
Butte County	19,000* (10.5%)	60,000 (32.6%)	93,000 (50.4%)	8,000* (4.1%)	5,000* (2.5%)	185,000 (100%)
Shasta County	22,000* (16.1%)	38,000 (28.1%)	63,000 (45.9%)	9,000* (6.3%)	5,000* (3.6%)	136,000 (100%)
Yolo County	15,000* (7.9%)	15,000 (8.2%)	142,000 (77.1%)	10,000* (5.7%)	2,000* (1.1%)	184,000 (100%)
El Dorado County	24,000* (15.6%)	22,000* (14.1%)	96,000 (61.6%)	6,000* (4.0%)	7,000* (4.8%)	156,000 (100%)
Imperial County	13,000 (8.6%)	64,000 (42.7%)	53,000 (35.5%)	17,000* (11.3%)	3,000* (1.9%)	149,000 (100%)
Napa County	11,000* (9.5%)	30,000 (27.0%)	61,000 (54.3%)	9,000 (8.4%)	1,000* (0.9%)	112,000 (100%)
Kings County	12,000* (10.3%)	55,000 (46.1%)	42,000 (34.7%)	7,000* (5.6%)	4,000* (3.2%)	120,000 (100%)
Madera County	18,000 (14.0%)	45,000 (35.7%)	52,000 (41.3%)	7,000* (5.4%)	5,000* (3.6%)	126,000 (100%)
Monterey County	96,000 (26.8%)	87,000 (24.2%)	160,000 (44.7%)	14,000* (3.9%)	1,000* (0.3%)	358,000 (100%)
Humboldt County	26,000 (24.3%)	20,000 (18.7%)	43,000 (40.3%)	10,000* (9.2%)	8,000* (7.5%)	107,000 (100%)
Nevada County	6,000* (7.7%)	10,000* (14.3%)	42,000 (58.1%)	13,000* (18.5%)	1,000* (1.4%)	72,000 (100%)
Mendocino County	7,000* (9.6%)	19,000 (26.3%)	33,000 (44.4%)	11,000 (15.4%)	3,000* (4.3%)	74,000 (100%)
Sutter County	10,000 (11.9%)	29,000 (36.4%)`	27,000 (34.2%)	10,000* (12.1%)	4,000* (5.5%)	80,000 (100%)
Yuba County	7,000 (10.6%)	24,000 (39.4%)	24,000 (38.3%)	4,000* (5.9%)	4,000* (5.8%)	62,000 (100%)
Lake County	13,000 (26.5%)	18,000 (35.7%)	13,000 (25.1%)	1,000* (1.1%)	6,000* (11.5%)	51,000 (100%)
San Benito County	3,000* (6.3%)	19,000 (38.4%)	19,000 (39.1%)	4,000* (7.5%)	49,000 (100%)	138,000 (100%)
Tehama, etc.	19,000 (19.3%)	34,000 (34.5%)	34,000 (34.5%)	6,000* (6.2%)	5,000* (5.6%)	98,000 (100%)
Del Norte, etc.	13,000 (11.1%)	27,000 (23.1%)	55,000 (46.5%)	17,000* (14.1%)	6,000* (5.2%)	119,000 (100%)
Tuolumne, Calaveras, etc.	8,000* (6.7%)	32,000 (25.2%)	70,000 (54.7%)	6,000 (5.1%)	11,000* (8.4%)	127,000 (100%)

Source: 2014 California Health Interview Survey

Conclusions

During its first year of full implementation, the Affordable Care Act significantly reduced the uninsured rate among women, single families with children, and low-income adults, primarily through the expansion of Medi-Cal eligibility to most low-income Californians. Historically, women have had lower uninsured rates than men due to their higher enrollment in public health care programs. Because the Medi-Cal expansion had at least an initially greater success in expanding coverage to nonelderly adult women than to men, the result has been an expanding gender gap in access to health insurance coverage.

This growing gender gap could be because adult women were more likely to already have had familiarity with the Medi-Cal program, either through Medi-Cal's prenatal coverage or through their children's enrollment in the child health insurance program. Alternatively, the historical association of public programs with women and dependency may have led to resistance against participation among some low-income men. However, the high enrollment among single men with children (an admittedly small and selective group) provides some evidence for the former explanation and suggests that it is possible to extend coverage to a greater number of men through outreach efforts.



2 Employment-Based Coverage and the Individual Market

Ken Jacobs

2014 brought important changes to individually purchased coverage. Individuals could no longer be denied coverage based on pre-existing conditions, and middle-income families not offered insurance on the job would now have access to subsidized coverage through Covered California. In 2014, 2.4 million (7.3 percent) nonelderly adults reported having individually purchased coverage, compared to 1.9 million (5.9 percent) in 2012.[5]

Implementation of the Affordable Care Act was anticipated to modestly reduce job-based coverage among lower-income families who would now have access to Medi-Cal and subsidized coverage through the new exchanges. Any changes in employment-based coverage as a result of the ACA were too small to measure: 12.35 million (53.4 percent) of Californians between 0 and 64 reported employment-based coverage in 2014, a small but not statistically significant decline from 2012 (54.9 percent).

Fewer Working Californians Went Without Health Coverage As a Result of the ACA Expansion

Individually purchased coverage rose for the full-time employed, while Medi-Cal coverage increased across the board for full-time workers, part-time workers, and people who were unemployed or not in the workforce. As a result, the share of working-age adults without health insurance fell from 21.2 percent in 2012 to 17.5 percent in 2014 (not shown). Medi-Cal coverage for part-time workers rose from 13.2 to 21.7 percent, while the uninsured rate for this group fell from 25.2 to 21.9

5 The 2014 survey began in January and ran throughout the year, while open enrollment in Covered CA continued through mid-April. As a result, the survey will undercount the total change between the two years. An analysis by the California Healthcare Foundation using data from the California Department of Insurance and the Department of Managed Health Care found an increase of 693,481 individuals with privately purchased coverage between 2013 and 2014.

percent. Nearly one-third (32.5 percent) of those who were unemployed or not in the labor market enrolled in Medi-Cal, up from less than one-quarter (22.1 percent) in 2012 (Exhibit 2.1).

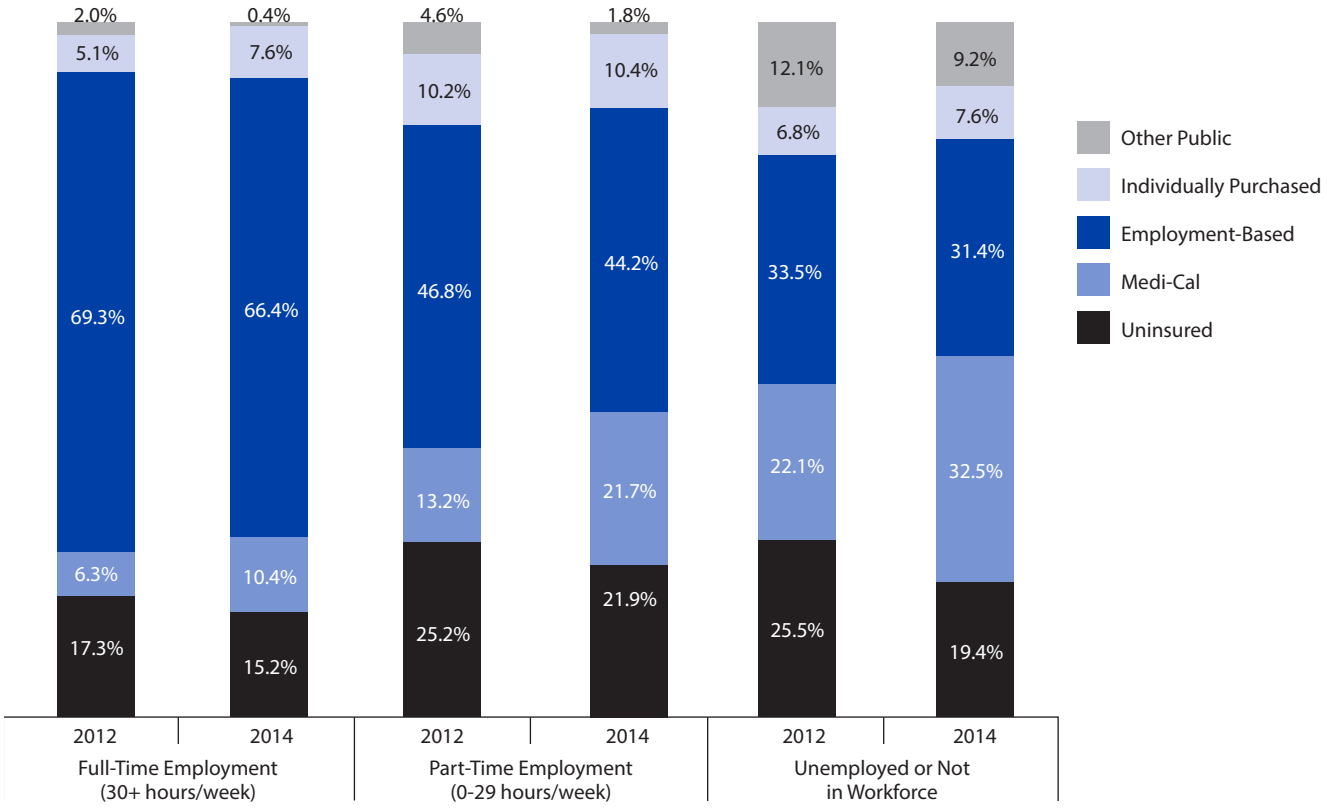
Two-thirds of full-time workers (66.4 percent) had coverage through their own or a parent or spouse's employer in 2014, a figure not measurably changed from 2012. In 2014, 44.2 percent of part-time workers reported job-based coverage, down from 46.8 percent in 2012, but that change was not statistically significant.

Share of Workers with Job-Based Coverage Varies Across State

The share of individuals with job-based coverage varied throughout the state (Exhibit 2.2). Coverage rates were the highest in the Greater Bay Area, where every county, with the exception of Napa, had more than 55 percent of nonelderly residents covered through an employment-based plan; San Francisco, San Mateo, and Marin counties all had more than two-thirds of nonelderly residents covered through such a plan. Employment-based coverage was lowest in the Central Valley, with every county below 45 percent, and similarly low in Northern California, Riverside, and Imperial counties. The county with the highest level of employer coverage in the state was Yolo (77.1 percent), while the lowest was Lake County (25.1 percent).

Exhibit 2.1

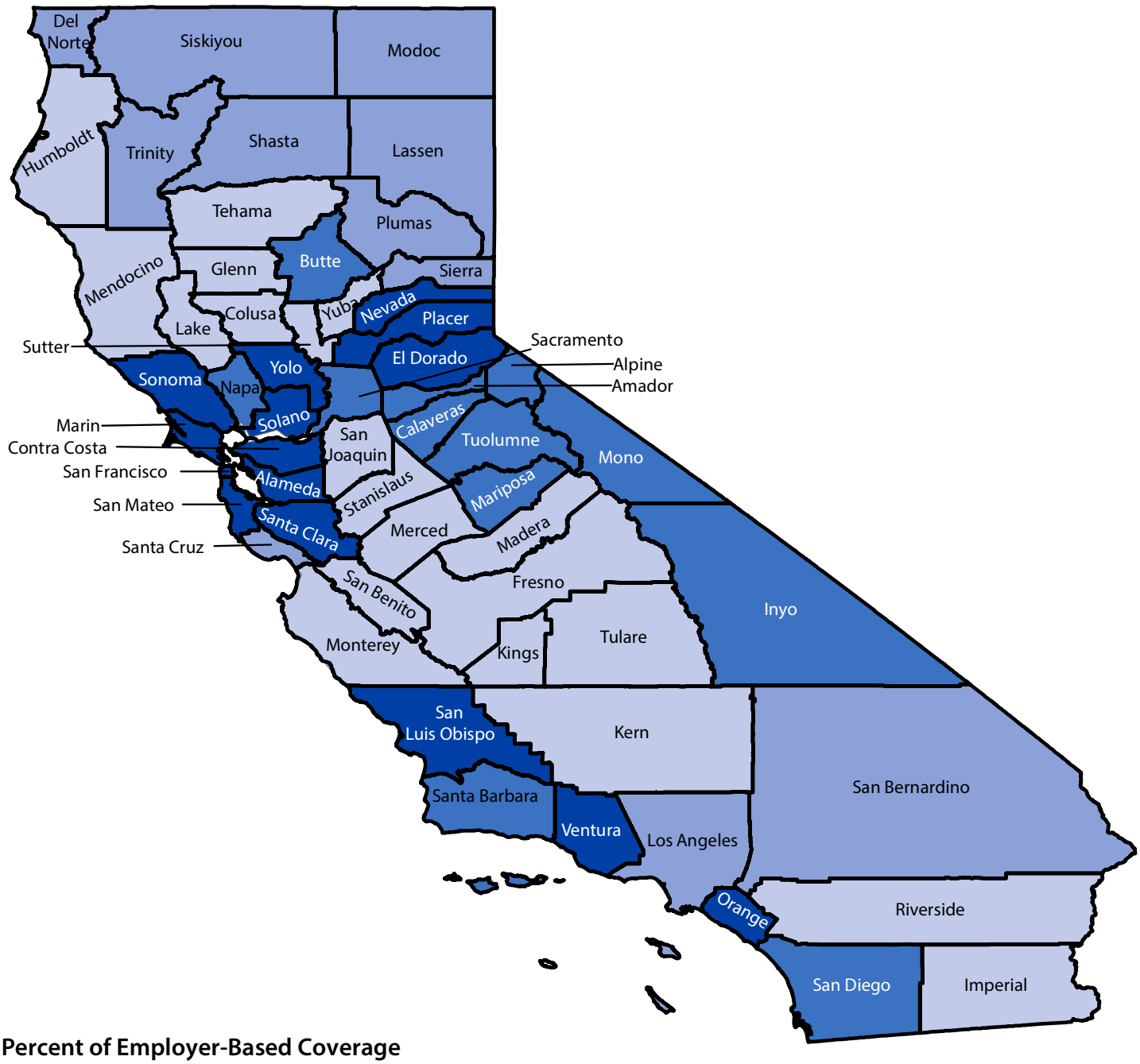
Source of Coverage by Work Status Among Nonelderly Adults, Ages 19-64, California, 2012 and 2014



Sources: 2012 and 2014 California Health Interview Surveys

Exhibit 2.2

Percent with Employment-Based Coverage Among Nonelderly Persons, Ages 0-64, California, 2014



Percent of Employer-Based Coverage Covered All Year

- < 45%
- 45% to < 50%
- 50% to < 55%
- 55%+

Map Scale: 1:5,500,000

Source: 2014 California Health Interview Survey

Job-Based Coverage Is Strongly Associated with Age, Race and Ethnicity, and Citizenship and Immigration Status

Job-based coverage is strongly associated with age, race and ethnicity, citizenship and immigration status, education, poverty rate, and hourly wage (Exhibit 2.3). In 2014, 51.9 percent of workers ages 19-25 were covered through an employer, compared to 70.2 percent of those ages 55-64. The difference is starker when we look at own-employer coverage: 28.5 percent of workers ages 19-25 were covered by their own employer, compared to 50.4 percent of those

Exhibit 2.3

Employment-Based Insurance Rates by Demographics Among Working Adults, Ages 19-64, California, 2012 and 2014

	2012			2014		
	Own EBI	Dependent EBI	All EBI	Own EBI	Dependent EBI	All EBI
All Workers	45.1%	18.4%	63.5%	43.0%	18.3%	61.3%
Age						
19-25	30.4%	22.9%	53.3%	28.5%	23.4%	51.9%
26-34	43.3%	10.9%	54.2%	45.9%	10.9%	56.8%
35-44	48.2%	18.1%	66.3%	44.0%	16.2%	60.2%
45-54	49.0%	19.8%	68.8%	45.1%	21.6%	66.7%
55-64	52.8%	20.9%	73.7%	50.4%	19.8%	70.2%
Race and Ethnicity						
Non-Latino White	52.4%	23.6%	76.0%	49.5%	25.0%	74.5%
Latino	32.9%	12.9%	45.8%	33.6%	11.1%	44.7%
African-American	55.5%	10.1%	65.6%	58.8%	13.6%	72.4%
Asian-American & Other Pacific Islander	53.1%	17.9%	71.0%	45.3%	20.2%	65.5%
Other Two or More Races	35.9%	29.8%	65.7%	31.6%	19.2%	50.8%
Family Composition						
Single Adult	45.1%	13.0%	58.2%	41.5%	12.7%	54.2%
Single Parent	30.9%	5.1%	36.0%	38.8%	5.2%	44.0%
Married without Children	51.4%	27.9%	79.3%	50.1%	26.3%	76.4%
Married with Children	45.0%	23.9%	68.9%	41.1%	25.9%	67.0%
Citizenship and Immigration Status						
U.S. Citizen	49.7%	20.5%	70.2%	47.5%	20.6%	68.1%
Non-Citizen with a Green Card	27.9%	14.7%	42.6%	25.9%	12.4%	38.3%
Non-Citizen without a Green Card	22.3%	2.5%	24.8%	17.8%	2.8%	20.6%
Highest Level of Education						
Less Than High School	23.8%	9.6%	33.4%	20.2%	8.3%	28.5%
High School Graduate	37.7%	15.9%	53.6%	34.3%	16.3%	50.6%
Some College	39.6%	20.4%	60.0%	39.4%	20.1%	59.5%
Vocational School, AA, AS	40.7%	21.3%	62.0%	45.2%	19.9%	65.1%
College Graduate or Higher	59.2%	21.1%	80.3%	55.8%	21.7%	77.5%
Federal Poverty Level						
Less than 138% FPL	16.0%	8.7%	24.7%	15.7%	7.9%	23.6%
139-200% FPL	33.7%	15.2%	48.9%	30.9%	12.2%	43.1%
201-400% FPL	49.6%	20.6%	70.2%	50.3%	21.4%	71.7%
400%+ FPL	61.7%	23.2%	84.9%	58.7%	24.8%	83.5%
Hourly Wage						
Less than $10.00	24.8%	12.7%	37.6%	22.9%	13.2%	36.0%
$10.00-$12.99	39.0%	13.9%	52.9%	41.5%	11.0%	52.5%
$13.00-$14.99	39.6%	12.1%	51.7%	44.4%	14.2%	58.6%
$15.00-$18.99	54.2%	14.4%	68.6%	53.4%	11.6%	65.0%
$19.00-$23.99	62.8%	14.1%	76.8%	59.8%	17.7%	77.5%
$24.00 +	70.6%	13.9%	84.5%	65.8%	14.4%	80.2%

ages 55-64. Young adults were much more likely than the workforce as a whole to have coverage as a dependent (23.4 percent). This reflects the impact of the ACA rules requiring plans to provide dependent coverage for young adults under the age of 26.

Only 44.7 percent of Latino workers had coverage through an employer, compared to 74.5 percent of white workers. Latino workers were less likely than the workforce as a whole to have own-employer coverage (33.6 percent) or dependent coverage (11.1 percent).

Job-based coverage is strongly correlated with citizenship and immigration status. Only 20.6 percent of non-citizen workers without a green card were covered on the job, compared to 38.3 percent of those with a green card and 68.1 percent of citizens. This reflects a decline in job-based coverage for non-citizens from 2012, when 42.6 percent of those with a green card reported coverage through an employer and 24.8 percent of non-citizen workers without a green card did the same.

Job-based coverage is also highly associated with education: 20.2 percent of workers with less than a high school education reported coverage through their own employer, compared to 55.8 percent of those with a college degree or higher. Only 8.3 percent of workers without a high school education had coverage through a parent or spouse, compared with 21.7 percent of workers with a college degree or higher. Workers without a high school education experienced the largest decline in coverage from 2012 to 2014.

The initial evidence shows little crowd-out of job-based coverage as a result of the Medi-Cal expansion. There was a small change in job-based coverage rates for workers in families with incomes below 138 percent of the FPL. It will be important to watch this in future years to see whether the trend holds up.

Job-based coverage is strongly associated with worker wages. More than 80 percent of workers earning more than $24 per hour had coverage on the job in 2014, compared to only 36 percent of those earning less than $10 per hour. California will be increasing the minimum wage incrementally from $10 an hour in 2016 to $15 an hour in 2022 for large firms (50 or more employees) and in 2023 for small firms (49 or fewer employees). As the minimum wage increases, future research should look at the impacts of the higher wages on job-based coverage.

Own-employer coverage fell slightly between 2012 and 2014, from 45.1 to 43.0 percent in 2014. The share of working Californians with coverage through a parent or spouse remained unchanged at 18 percent.

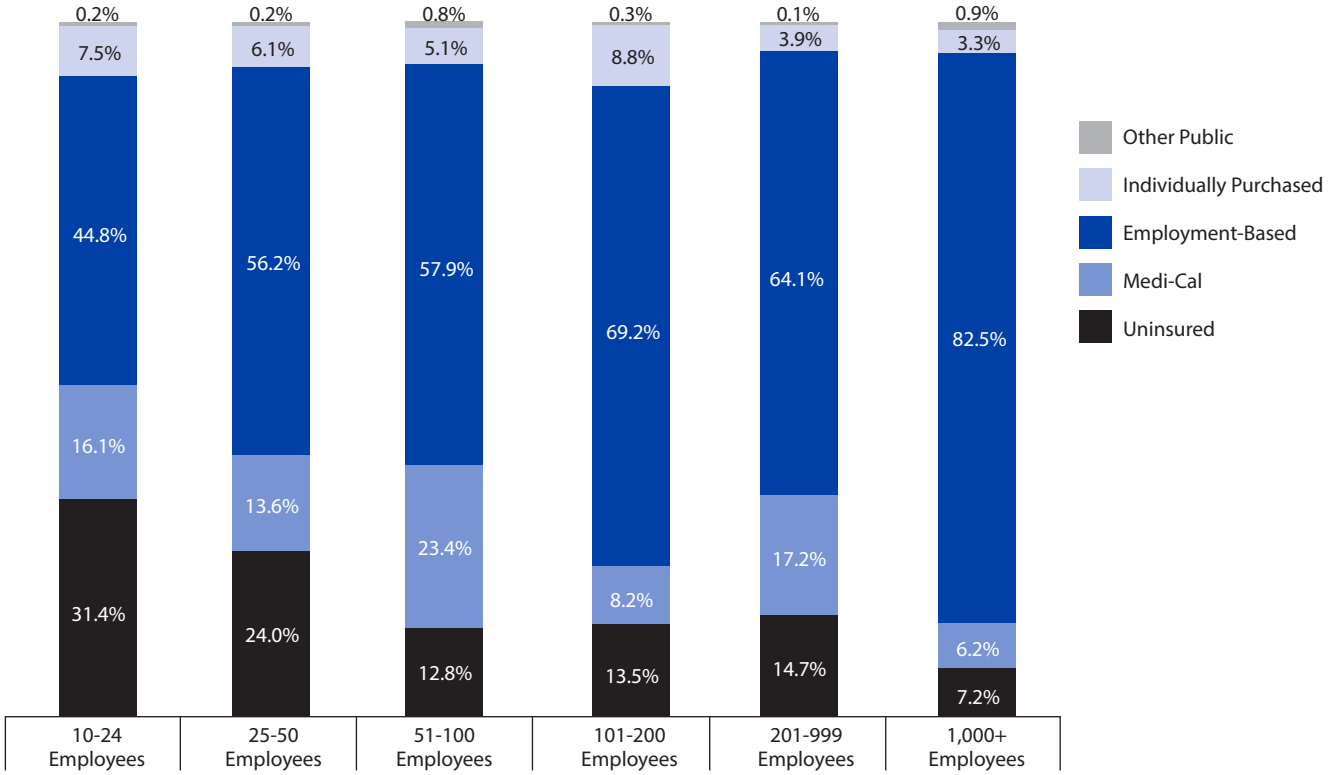
Workers in Large Firms Were Much More Likely to Have Employment-Based Coverage

There was a strong correlation between firm size and access to job-based coverage. Workers in large firms were much more likely to have coverage through an employer—either directly or through a parent or spouse—than those working in smaller firms. In 2014, 82.5 percent of workers in firms with more than 1,000 employees reported coverage through an employer, compared to 44.8 percent of those in firms with 10-24 employees (Exhibit 2.4).

Individuals working in small firms were much more likely than those in larger firms to be uninsured or to be enrolled in Medi-Cal. Nearly one-third (31.4 percent) of workers in firms with 10-24 employees were uninsured, and 16.1 percent were enrolled in Medi-Cal; in firms with more than 1,000 employees, 7.2 percent of the workers were uninsured, and 6.2 percent were enrolled in Medi-Cal.

Exhibit 2.4

Health Insurance Coverage During Last 12 Months for Employed Adults by Firm Size, Ages 19-64, California, 2014



Source: 2014 California Health Interview Survey

Coverage rates are a product of the share of workers who are in firms that offer coverage to employees, the share of the employees in offering firms who are eligible for that coverage, and the share of employees who choose to take up the coverage offered to them. Several factors affect eligibility rates in offering firms. Employers are less likely to offer coverage to part-time workers, and they also usually have waiting periods before employees are eligible for coverage. In high-turnover industries, longer waiting periods will result in a lower share of workers who are eligible for coverage at any one time.

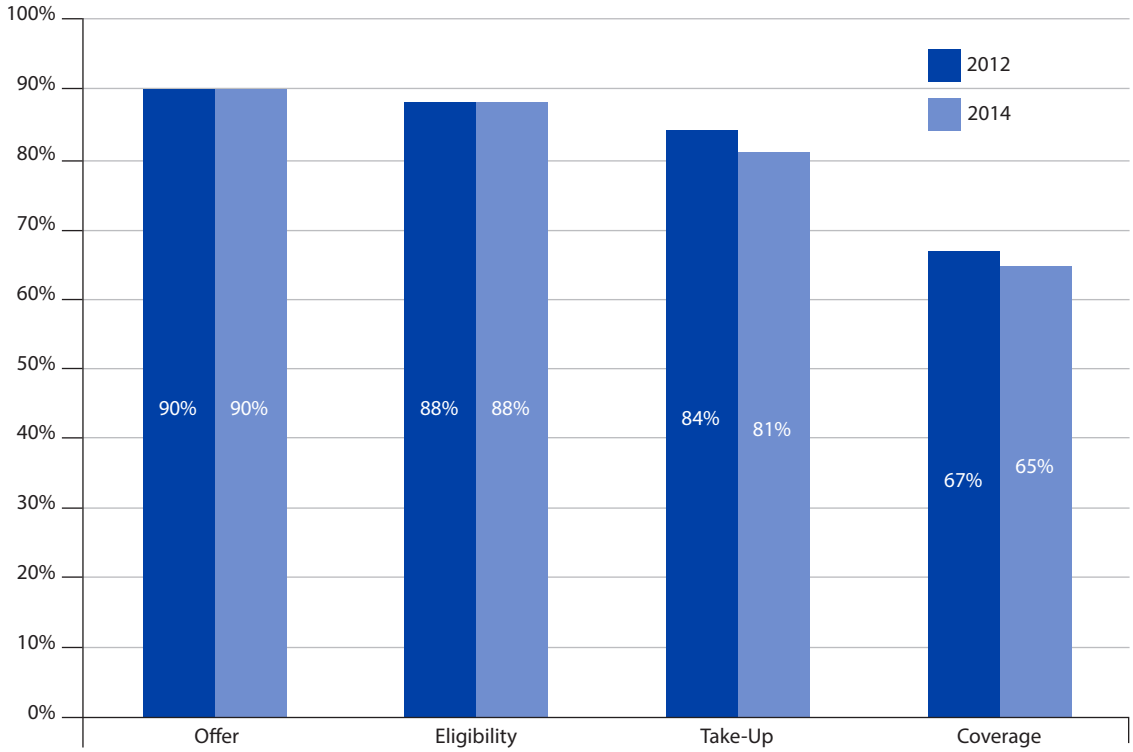
The Employer Shared Responsibility Provisions of the ACA were not yet in effect in 2014. The provisions establish penalties for firms that have 50 or more full-time equivalent workers and do not offer affordable coverage to those employees.

In 2014, 90 percent of workers in firms with 50 or more employees reported that their employer offered coverage, and 88 percent of those in offering firms reported being eligible for that coverage, unchanged from 2012. Take-up rates fell slightly (not statistically significant) from 84 to 81 percent, resulting in a drop in coverage from 67 to 65 percent (Exhibit 2.5).

Small firms were much less likely to offer coverage, and fewer workers took up the coverage offered. In 2014, 35 percent of workers in firms with 50 or fewer employees reported coverage through their employer, down from 42 percent in 2012 (Exhibit 2.6). Only 55 percent of workers in small businesses reported that their employer offered coverage, compared to 60 percent in 2012; 85 percent of those in offering firms reported that they were eligible for coverage, and 74 percent of those who were offered coverage reported accepting the coverage offered. The change from 2012 reflects declines in both offer and take-up rates.

Exhibit 2.5

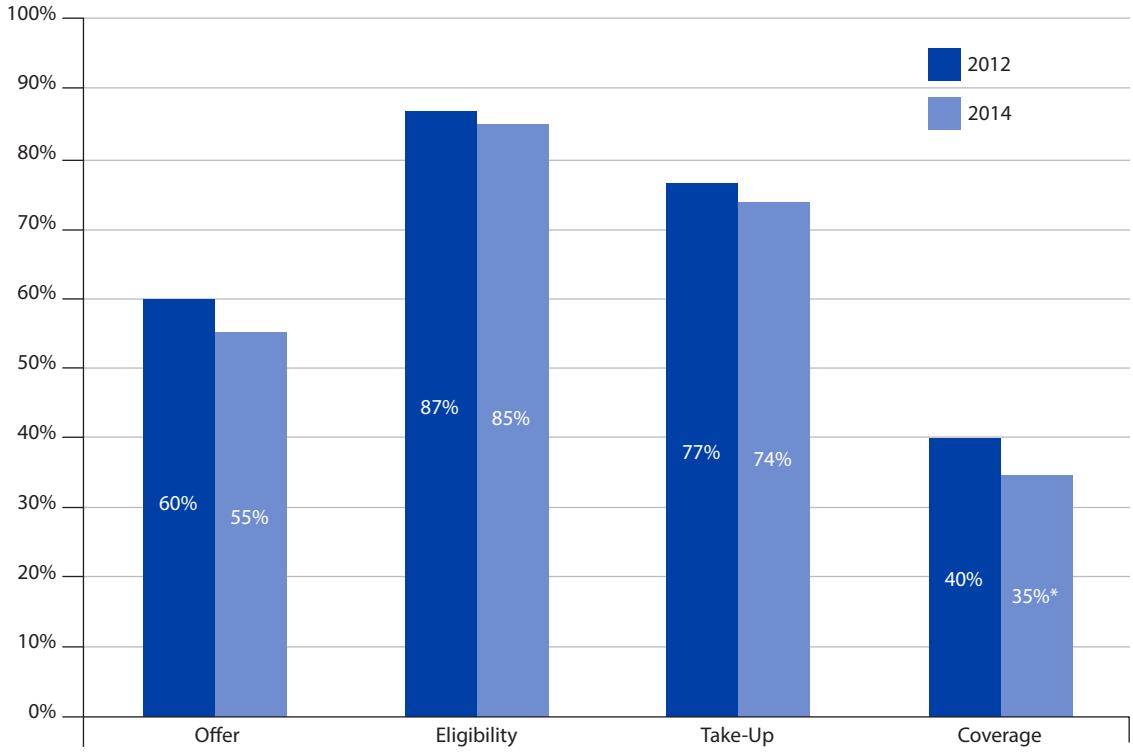
Offer, Eligibility, and Coverage in Firms with >50 Employees, Working Adults, Ages 19-64, 2012-2014



*Statistically different from 2012.

Exhibit 2.6

Offer, Eligibility, and Coverage in Firms with <50 Employees and Coverage, Working Adults, Ages 19-64, 2012-2014



*Statistically different from 2012.

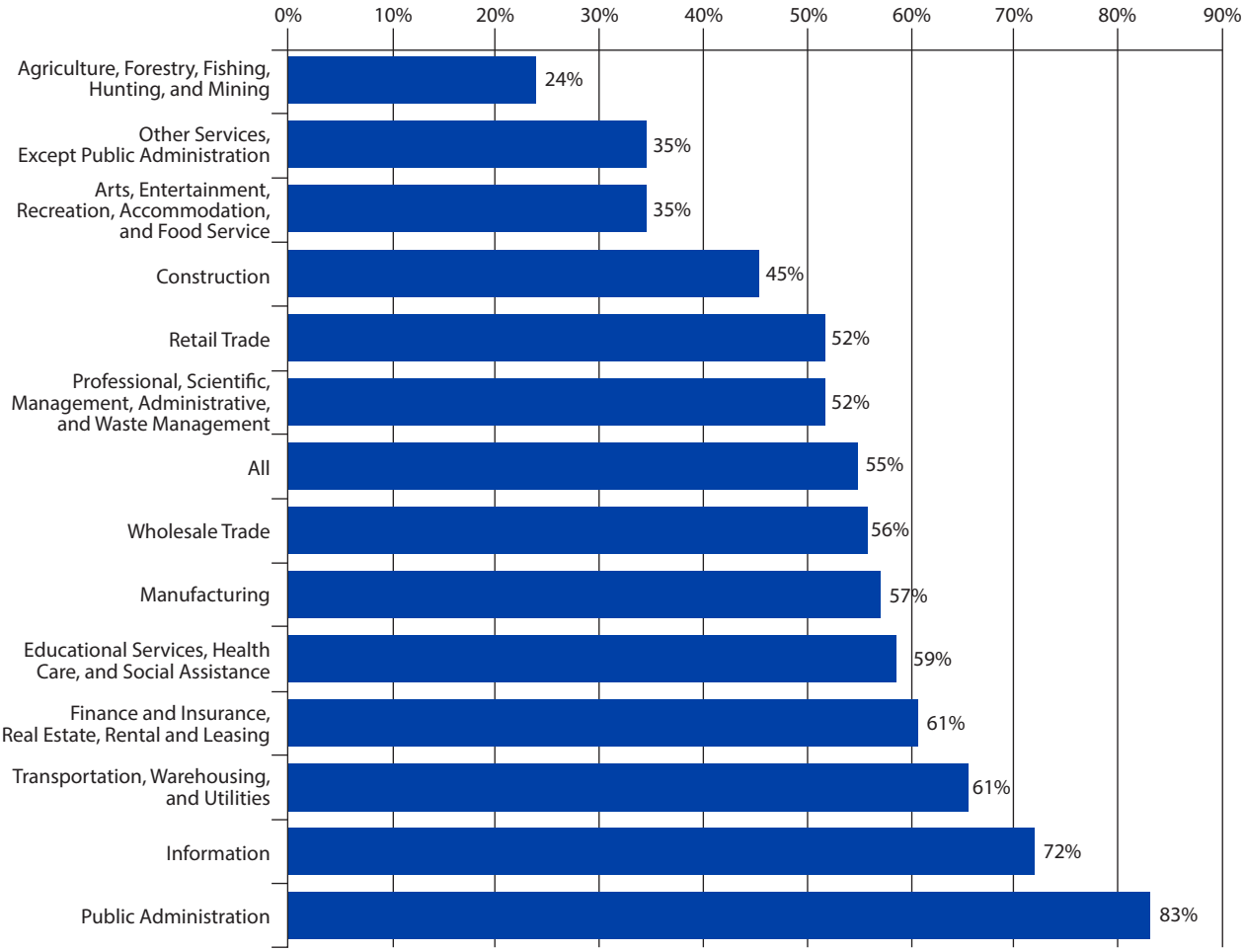
Job-Based Coverage Was Lowest in Agriculture, Arts, Entertainment, Recreation, Accommodation, Food Service, and Other Services, and Highest in Public Administration and Information

Own-employer coverage rates vary greatly by industry. Less than one-quarter (24 percent) of agricultural, forestry, fishing, hunting, and mining workers and slightly more than one-third (35 percent) of those in other services and arts, entertainment, recreation, accommodation, and food service reported taking up coverage through their own employer, compared to 83 percent in public administration and 72 percent in the information industry (Exhibit 2.7).

The differences in coverage rates are the results of variations in employer offer and employee eligibility and take-up. Fewer than half of the workers in agricultural, forestry, fishing, hunting, and mining (42.1 percent) and other services (46.0 percent) reported that they were eligible for coverage through their own employer, compared to 68.6 percent for all workers (not shown). Other industries with low shares of workers employed in offering firms and eligible for coverage through their employer included arts, entertainment, recreation, accommodation, and food service (51.6 percent) and construction (57.1 percent).

Exhibit 2.7

Coverage Through Employer by Industry, Working Adults, Ages 19-64, 2014

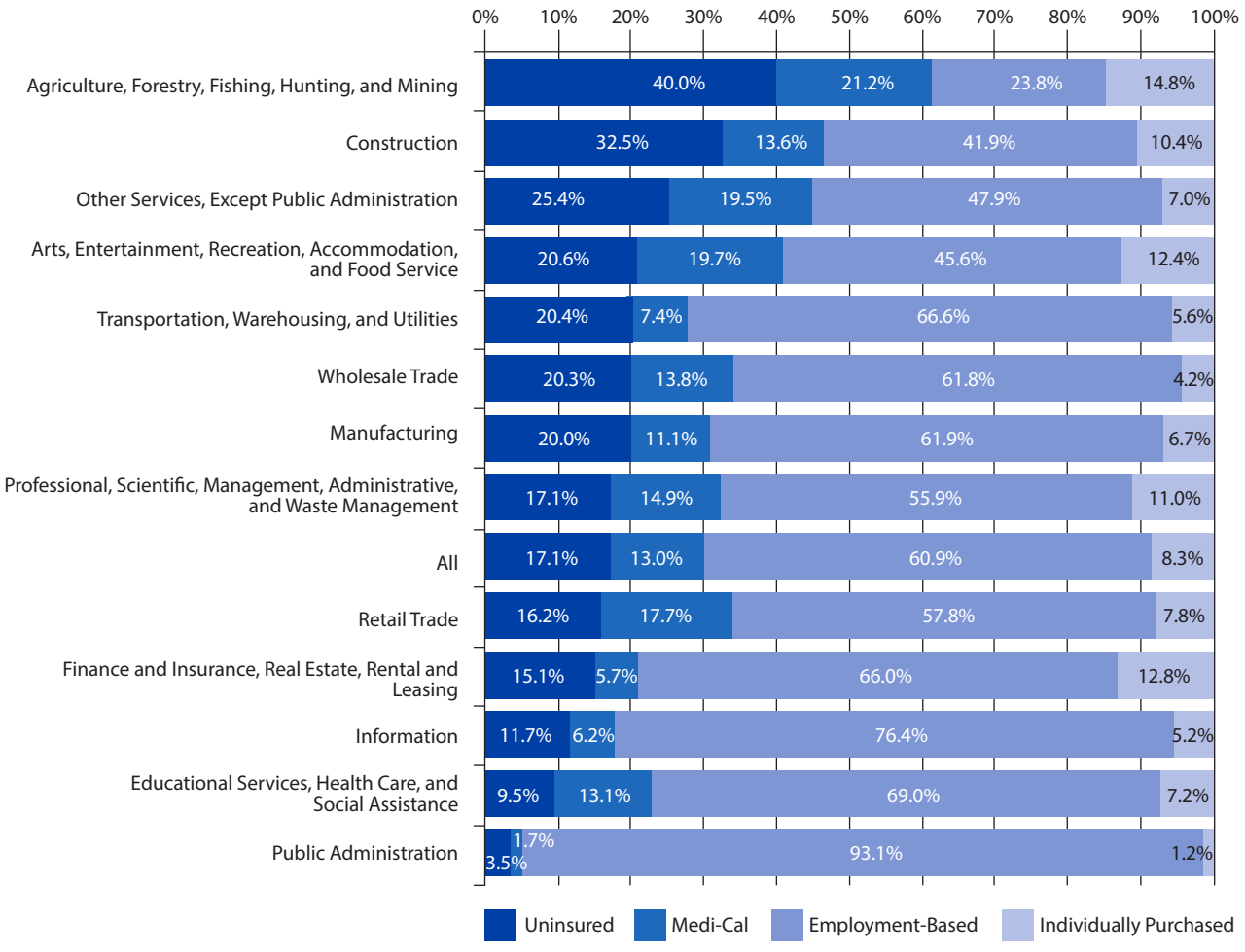


Uninsurance rates were highest in industries with the least access to job-based coverage and with greater concentrations of undocumented workers (Exhibit 2.8). The two industries with the highest shares of workers without health insurance were agriculture, forestry, fishing, hunting, and mining (40.0 percent) and construction (32.5 percent). This compares to 17.1 percent for the workforce as a whole.

Industries with low rates of workers with job-based health care, either through their own employer or a parent or spouse, were agriculture, forestry, fishing, hunting, and mining (23.8 percent); construction (42.9 percent); arts, entertainment, recreation, accommodation, and food service (45.5 percent); and other services (47.9 percent) (Exhibit 2.8). In contrast, 93.1 percent of those in public administration had employment-based coverage. Other industries with high rates of coverage included information (76.4 percent) and educational services, health care, and social assistance (69.0 percent).

Medi-Cal enrollment was the highest in agriculture, forestry, fishing, hunting, and mining (21.2 percent); retail trade (17.7 percent); arts, entertainment, recreation, accommodation, and food service (19.7 percent); and other services (19.5 percent). These figures compare to an average of 13.0 percent for workers as a whole.

Exhibit 2.8
Source of Coverage by Industry for Working Adults, Ages 19-64, 2014

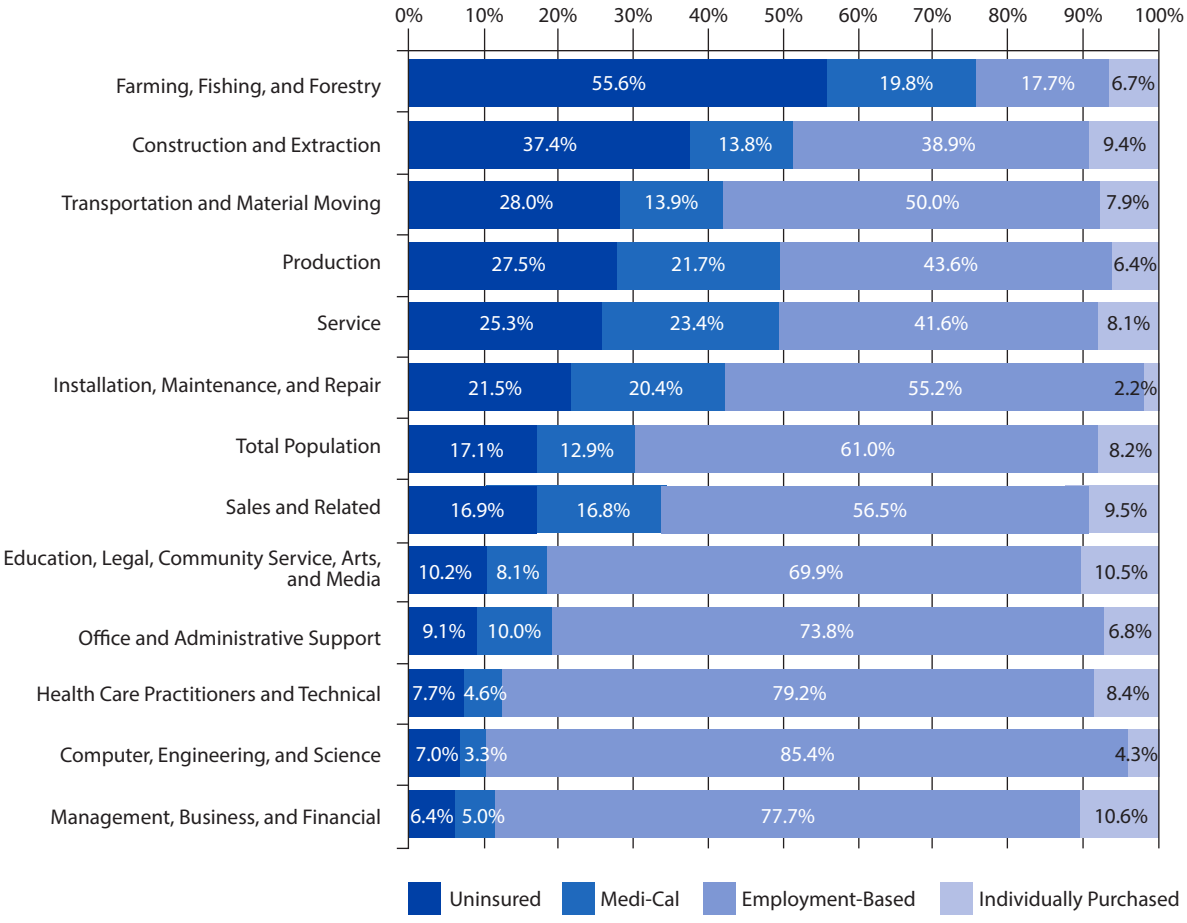


The previous section looked at source of coverage by industry. It is also useful to look at these data by occupation. Any industry will include a mix of lower- and higher-wage occupations. Low-wage industries—for example, restaurants, retail, and agriculture—will also include some higher-wage management, finance, administration, and sales occupations. Analyzing rates of EBI coverage by occupation reveals even lower levels of coverage for workers engaged in farming, fishing, and forestry (17.7 percent) than for the workers in those industries as a whole (Exhibit 2.9). Construction and extraction occupations were the next lowest (38.9 percent), followed by service occupations (41.8 percent) and production occupations (43.6 percent).

Occupations with higher-than-average rates of insurance included computer, engineering, and science occupations (85.6 percent); health care practitioners and technical occupations (79.2 percent); management, business, and financial occupations (77.7 percent); and office and administrative support occupations (73.8 percent).

Occupations with the highest rates of uninsurance included farming, fishing, and forestry (55.6 percent), construction and extraction (37.4 percent), transportation and material moving (28.0 percent), production (27.5 percent), and service occupations (25.3 percent).

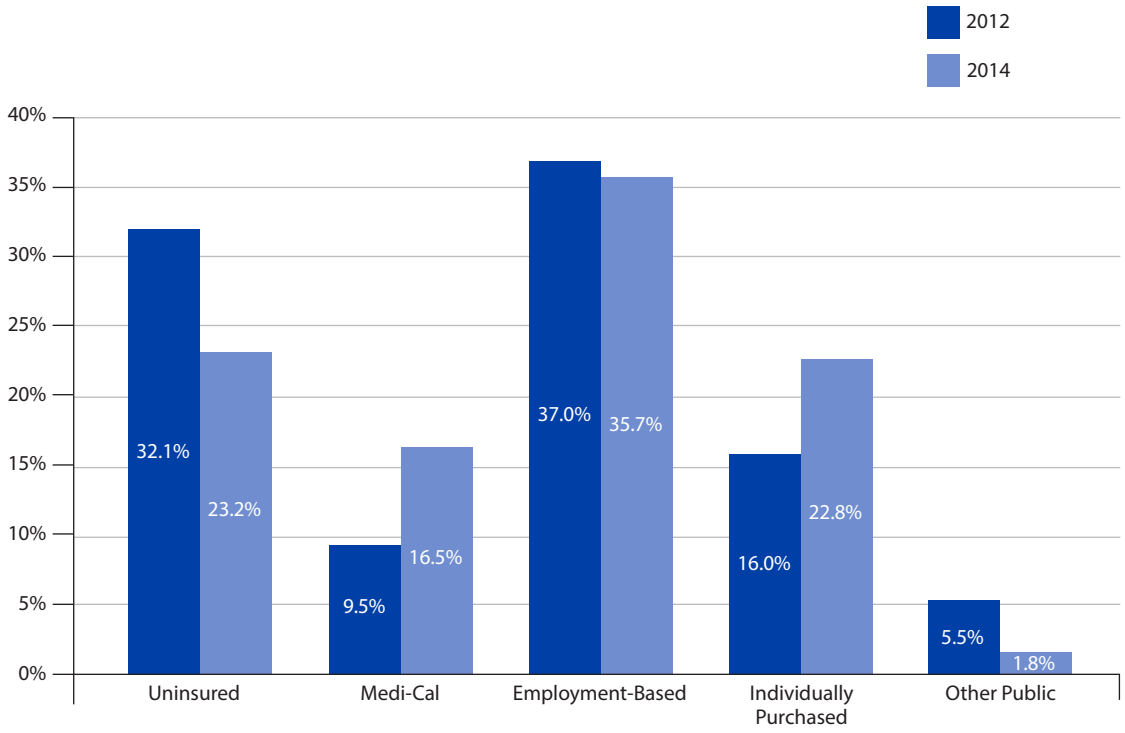
Exhibit 2.9
Source of Coverage by Occupation for Working Adults, Ages 19-64, 2014



Uninsurance Fell Sharply Among the Self-Employed As Individually Purchased and Medi-Cal Coverage Increased

The lack of health care options outside of employer-based coverage has long served as a barrier to entrepreneurship and self-employment in the United States. Prior to implementation of the ACA coverage options, nearly one-third (32.1 percent) of self-employed workers in California went without health care coverage (Exhibit 2.10). In 2014, the share of the self-employed who were uninsured had fallen to 23.2 percent. During the same time period, enrollment in Medi-Cal among these workers rose from 9.5 to 16.5 percent, and enrollment in individually purchased coverage increased from 16.0 to 22.8 percent.

Exhibit 2.10
Source of Coverage, Self-Employed Adults, Ages 19-64, 2012-2014



Privately Purchased Coverage Grew with Creation of Covered CA; New Enrollees in 2014 Were Older, Less Likely to Have Excellent Health, and More Likely to Be Immigrants

Along with the Medi-Cal expansion, the opening of Covered CA and reforms in the individually purchased insurance market generated major changes in the health care landscape in California and the U.S. as a whole in 2014. Premium subsidies were now available on a sliding scale for low- and moderate-income families. Cost-sharing subsidies that reduce barriers to utilization were made available to lower-income families, age rating reduced the differences in cost between older and younger individuals, and insurance companies could no longer discriminate on the basis of health status.

In 2014, 2.4 million nonelderly adults (7.3 percent) reported having individually purchased coverage, compared to 1.9 million (5.9 percent) two years prior. The 2014 survey provides an early snapshot of the expanded individually purchased insurance market. Since open enrollment lasted until mid-April and the survey began in January, the 2014 CHIS is likely an undercount of the increase in enrollment over the course of the year. The demographics of the 2014 CHIS are not fully representative of those who enrolled during the year, as younger and healthier individuals were more likely to wait and enroll toward the end of the open enrollment period, and their new enrollment status would not have been captured in the surveys conducted in the early months.

The demographics presented in this section, therefore, should be seen as a snapshot of the individually purchased market as enrollment was proceeding in 2014. Future surveys will provide a clearer perspective on the full pool of enrollees.

The 2014 CHIS found that individuals enrolled in the individually purchased market in 2014 were somewhat older and had lower incomes than the population in the pre-ACA market. In 2014, 15.4 percent of enrollees in private coverage were 18-24 years old, compared to 23.5 percent in 2012. Enrollment growth was especially strong among non-citizens, as those with privately purchased coverage increased from 11.5 to 19.8 percent. A full evaluation of the impact of the expansion on the demographics of the individually purchased market will require additional data.

Exhibit 2.11

Individually Purchased Coverage, Adults 19-64, 2012-2014

	2012 Individually Purchased	2014 Individually Purchased
All Nonelderly Adults	**%**	**%**
Age		
19-24	23.5	15.4
25-39	25.1	25.5
40-64	51.5	59.1
Total	100%	100%
Citizenship and Immigration Status		
U.S. Citizen	69.4	59.5
Naturalized Citizen	19.1	20.7
Non-Citizen	11.5	19.8
Total	100%	100%
Health Status		
Excellent	26.5	18.2
Very Good	36.1	37.3
Good	27.6	28.2
Fair or Poor	9.7	16.3
Total	100%	100%

Conclusions

The ACA was designed to build on the current health care system, in which the majority of working adults receive coverage through an employer. Most analysts projected small changes in the share of workers with job-based coverage as a result of the new coverage options. Some smaller firms with lower-wage workforces might decide to stop offering coverage given the availability of publicly subsidized options for their employees. The employer responsibility penalty reduces the incentive for firms with 50 or more full-time workers to cease offering coverage. With the individual mandate in place, some workers who did not take up coverage in the past could decide to opt into job-based coverage to avoid paying the penalty. Lower-wage workers who are newly eligible for Medi-Cal might opt out of paying a share of the premium for job-based coverage and enroll in Medi-Cal instead.

Early data from 2014 finds that any impact on the employer-based market was very small. Employer-based insurance has been slowly falling both in the state and nationally since the early 2000s, so it will be important to separate out ongoing trends in coverage from the effects of the ACA. The 2014 CHIS shows a small, not statistically significant decline in job-based coverage overall since 2012. The only measure reaching statistical significance is the decline in own-employer coverage in small firms, which is consistent with previous trends and with projections from the research literature. Employer-based coverage continues to provide the main source of coverage for working adults in California, and it can be expected to continue to do so in the near future.

There is great variation in coverage rates for workers by firm size, industry, wage, and workforce demographics. Coverage is lowest among low-wage occupations and industries and at small firms. Part-time workers are less likely to be covered through an employer than those who work full-time. The implementation of the employer-responsibility requirements in 2016, which apply to individuals working 30 hours a week or more and to firms with 50 or more full-time equivalent workers, may serve to increase these differences over time.

The Medi-Cal expansion and availability of subsidized coverage through Covered California have reduced uninsurance among part-time workers, workers in small businesses, the unemployed, and the self-employed. Uninsurance rates, however, have remained high in certain industries and occupations, including agriculture, construction, food, and other services.

3 Medi-Cal After the 2014 Affordable Care Act Expansions

Shana Alex Charles, PhD, MPP

January 1, 2014, marked a new era in public health insurance, both in California and nationwide. Under the Patient Protection and Affordable Care Act of 2010 (ACA, also known as "Obamacare"), the eligibility requirements for individuals and families dramatically changed to allow millions more people to become categorically eligible for Medi-Cal (California's Medicaid program). For the first time, California could enroll uninsured, childless adults directly into Medi-Cal with full federal reimbursement, as long as their household incomes were lower than 138 percent of the Federal Poverty Guidelines (FPG).[6] Eligibility for children (ages 0-18) in California was already equal to or more generous than this income level for Medi-Cal or Healthy Families, but this provision dramatically increased the number of adults who became eligible for free public health insurance coverage. However, it should be noted that the new income level for eligibility of 250 percent FPL did split parents from their children in coverage options, with children being enrolled in Medi-Cal and parents in private Covered CA plans, regardless of whether the parents might want to keep the family on one plan.

Additionally, in 2013, Governor Jerry Brown merged the Children's Health Insurance Program (CHIP, or "Healthy Families" in California) into Medi-Cal, creating a single program from the enrollee perspective (although not all family members might be able to enroll, due to eligibility requirements). When the two programs merged, co-pay structures for enrollees in full-scope Medi-Cal still remained different from the co-pays for former Healthy Families program enrollees. However, enrollee benefits and doctor networks were combined into one single program.

All of these coverage options became available in an accessible format through integration with Covered California, the new marketplace established under the ACA to provide a highly regulated forum in which to offer private health insurance plans to households with mid-range incomes (139-400 percent FPG), including giving them tax subsidies to purchase insurance. Additionally, people with incomes above that level could still purchase insurance through Covered CA if they paid their own entire premium.

For California's elderly population, Medicare remained the key source of health insurance coverage, with supplementation from Medi-Cal or from private plans through employers or purchased by the enrollees on their own (so-called "Medi-Gap" plans). While unrelated to Covered California and the health insurance expansions in the ACA, Medicare continued to be a continuing example of public health insurance delivered to California residents through the auspices of the federal government.

This chapter will explore the growth in public health insurance programs from 2012 to 2014, providing a first look at the effects of the ACA-sponsored Medi-Cal expansion in California. The California Health Interview Survey (CHIS) dataset provides unique opportunities to compare the growth of Medi-Cal by county in California, as well as the ability to link the insurance status of parents to their Medi-Cal enrolled children. Key demographic indicators of both the Medi-Cal and Medicare populations are also presented in order to provide a clear look at these enrollees.

6 The Federal Poverty Guidelines issued by the U.S. Department of Health and Human Services for 2014 were $11,670 for a single-person household, $15,730 for a two-person household, and $19,790 for a three-person household, continuing up to a maximum of $40,090 for an eight-person household (*https://aspe.hhs.gov/2014-poverty-guidelines#guidelines*). For eligibility into the newly expanded Medi-Cal category under the ACA, a single person would have to have annual income no higher than $16,104, a two-person household could have income no higher than $21,707, etc.

From 2012 to 2014, the Medi-Cal population in California grew dramatically among adults ages 19-64 (Exhibit 3.1). About 1.4 million more adults gained coverage under the Medi-Cal program following the implementation of the Affordable Care Act expansion of eligibility to adults with incomes up to 138 percent FPG, regardless of whether they had dependent children.

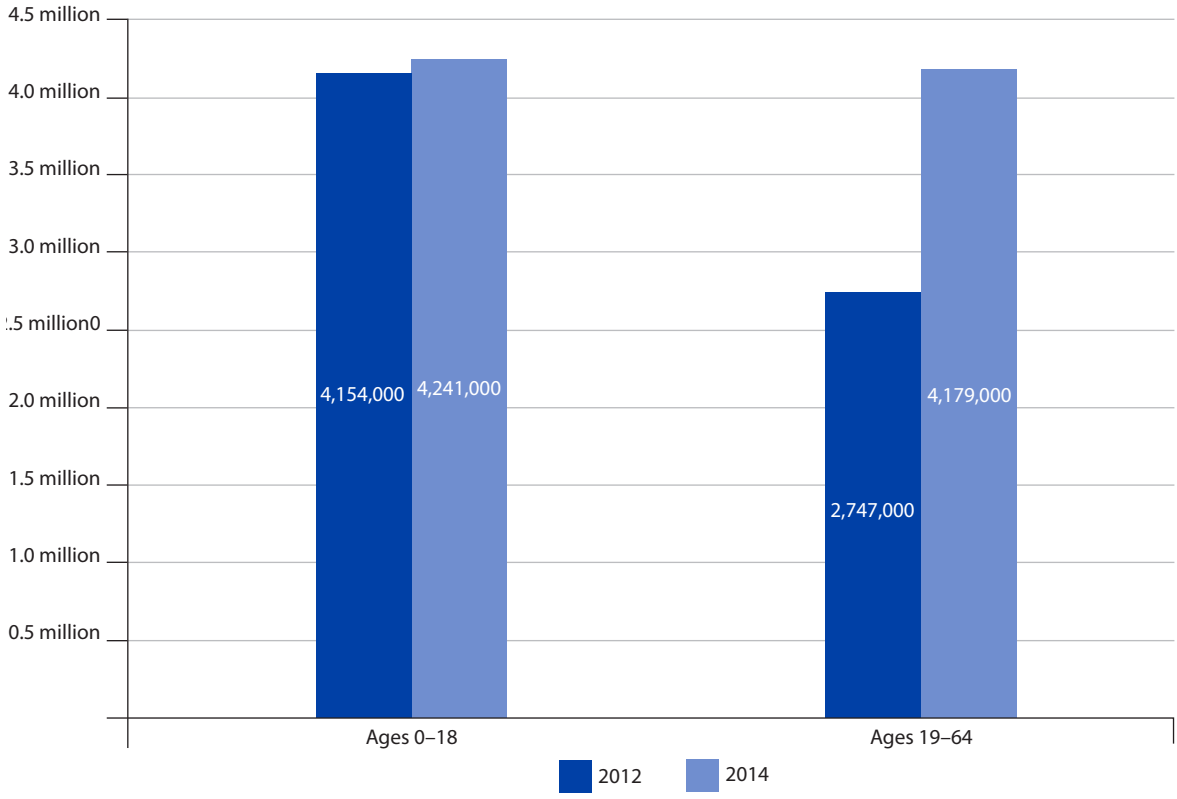
California's Medi-Cal Enrollment Grew in 2014, But Unevenly Statewide

Not every county in California experienced the same rate of growth. In 2014, roughly half of California's counties had over 27 percent of their nonelderly populations enrolled in the Medi-Cal program (Exhibit 3.2).[7] Most counties saw growth in the proportion of their populations enrolled in Medi-Cal, with San Joaquin County having the highest percentage point jump, from 22.4 percent to 44.3 percent (Exhibit 3.3). Some counties did see declines, however, most notably Yolo County, which dropped from 29.3 percent to 8.2 percent of nonelderly adults and children enrolled in Medi-Cal. It should be noted, though, that the job-based coverage rate in Yolo County increased from 45.0 percent in 2012 to 77.1 percent in 2014, indicating that fewer people needed public coverage because the recovering economy led to increased hiring and corresponding increased health benefits through employment.[8]

7 As of April 2016, the administrative data for Medi-Cal reported monthly enrollment of 12.4 million nonelderly adults and children (http://www.dhcs.ca.gov/dataandstats/statistics/Documents/Fast_Facts_April_2016.pdf, accessed on September 11, 2016).

8 The large swing in a smaller county may be due to sample size, although the difference is significant at the 95% level.

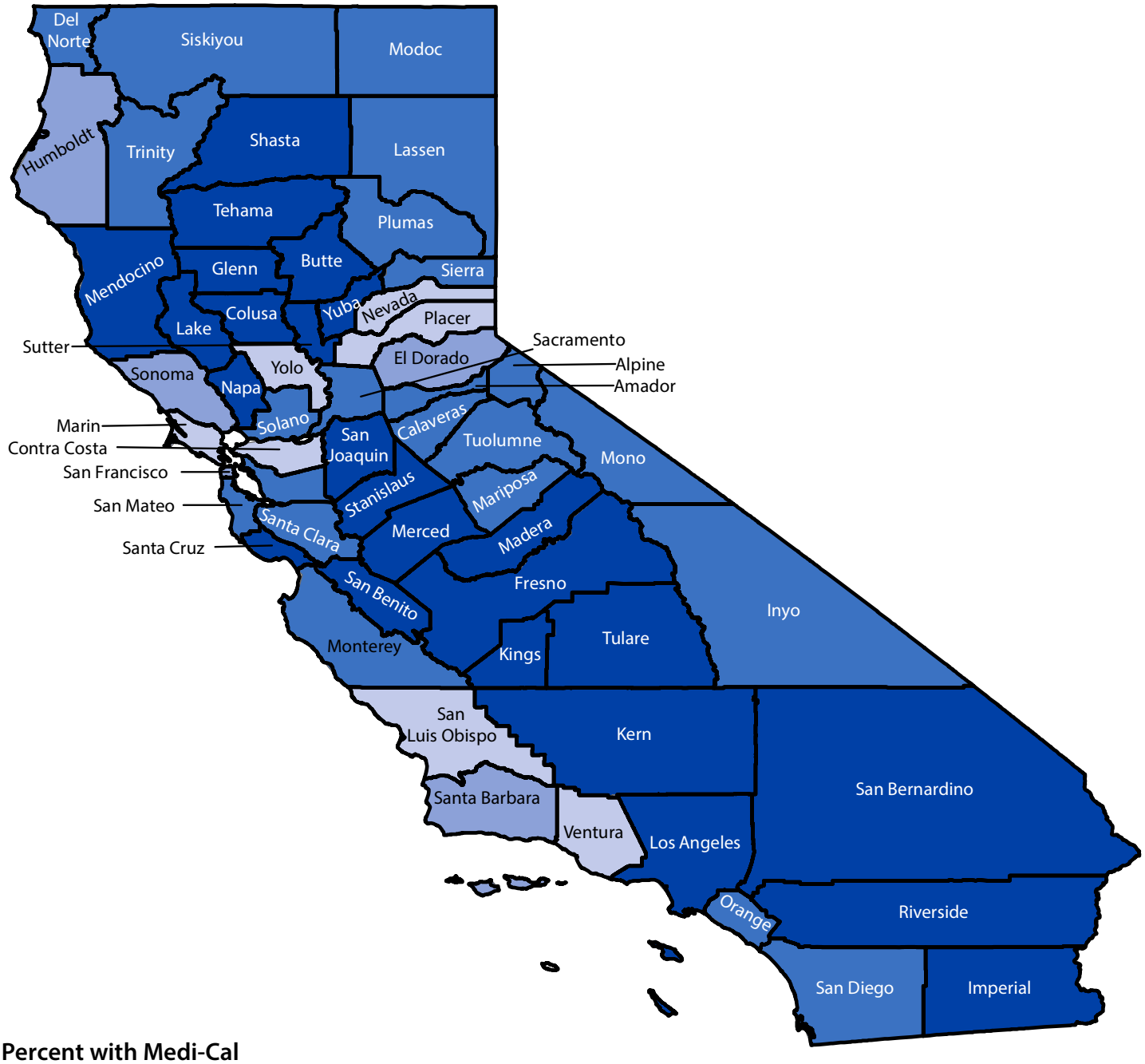
Exhibit 3.1
Current Medi-Cal Enrollment by Age Group, Ages 0-64, California, 2012 and 2014



Sources: 2012 and 2014 California Health Interview Surveys

Exhibit 3.2

Percent of Nonelderly with Current Medi-Cal Coverage by County, Ages 0-64, California, 2014



Percent with Medi-Cal Covered All Year

- < 15%
- 15% to < 21%
- 21% to < 27%
- 27%+

Map Scale: 1:5,500,000

Source: 2014 California Health Interview Survey

Exhibit 3.3

Percent with Current Medi-Cal Coverage by County, Ages 0-64, California, 2012 and 2014

County or County Group	2012	2014	Change
California (Total)	21.2	25.7	4.5*
Alameda	18.4	22.8	4.4
Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne	18.2	25.1	6.9
Butte	21.5	32.6	11.1
Colusa, Glenn, Tehama	33.9	34.5	0.6
Contra Costa	13.2	12.9	-0.3
Del Norte, Lassen, Modoc, Plumas, Sierra, Siskiyou, Trinity	39.7	23.1	-16.6
El Dorado	21.7	–	–
Fresno	40.7	38.5	-2.2
Humboldt	34.1	18.7	-15.4
Imperial	40.2	42.7	2.5
Kern	34.8	34.7	-0.1
Kings	39.9	46.1	6.2
Lake	26.8	35.7	8.9
Los Angeles	23.9	27.5	3.6
Madera	54.1	35.7	-18.4
Marin	–	–	–
Mendocino	29.4	26.3	-3.1
Merced	31.2	36.7	5.5
Monterey	25.4	24.2	-1.2
Napa	–	27	–
Nevada	18.3	–	–
Orange	14.9	22	7.1
Placer	–	–	–
Riverside	24.3	30.1	5.8
Sacramento	16.9	25	8.1
San Benito	28.6	38.4	9.8
San Bernardino	23.5	32.2	8.7
San Diego	14.6	21.3	6.7
San Francisco	13.6	–	–
San Joaquin	22.4	44.3	21.9*
San Luis Obispo	9.8	–	–
San Mateo	9.8	19.3	9.5
Santa Barbara	20.3	20.3	0
Santa Clara	12.8	21.2	8.4
Santa Cruz	18.8	30	11.2
Shasta	16.2	28.1	11.9
Solano	19.6	23.9	4.3
Sonoma	–	18.8	–
Stanislaus	33.2	30.1	-3.1
Sutter	26.1	36.4	10.3
Tulare	35.9	41.7	5.8
Ventura	16.9	13.7	-3.2
Yolo	29.3	8.2	-21.1*
Yuba	35.5	39.4	3.9

– = Data are unstable due to coefficient of variation above 30%.

* Change from 2012 to 2014 is statistically significant at the 95% level.

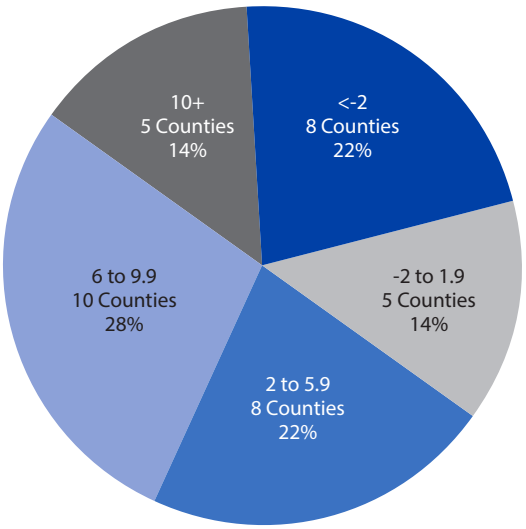
Note: Differences between counties may not be statistically significant due to margin of error.

Sources: 2012 and 2014 California Health Interview Survey

The highest number of counties in California saw increases in Medi-Cal enrollment from 2012 to 2014 of 6-9.9 percentage points (28 percent; Exhibit 3.4), with an additional 14 percent of counties having 10 percentage points or more growth in the proportion of nonelderly populations enrolled in Medi-Cal. In total, two-thirds of California's counties (64 percent) increased their Medi-Cal populations by more than two percentage points from 2012 to 2014 (Exhibit 3.4).

Exhibit 3.4

Percentage Point Change from 2012 to 2014 in Nonelderly Medi-Cal Enrollment by County or County Group, Ages 0-64, California



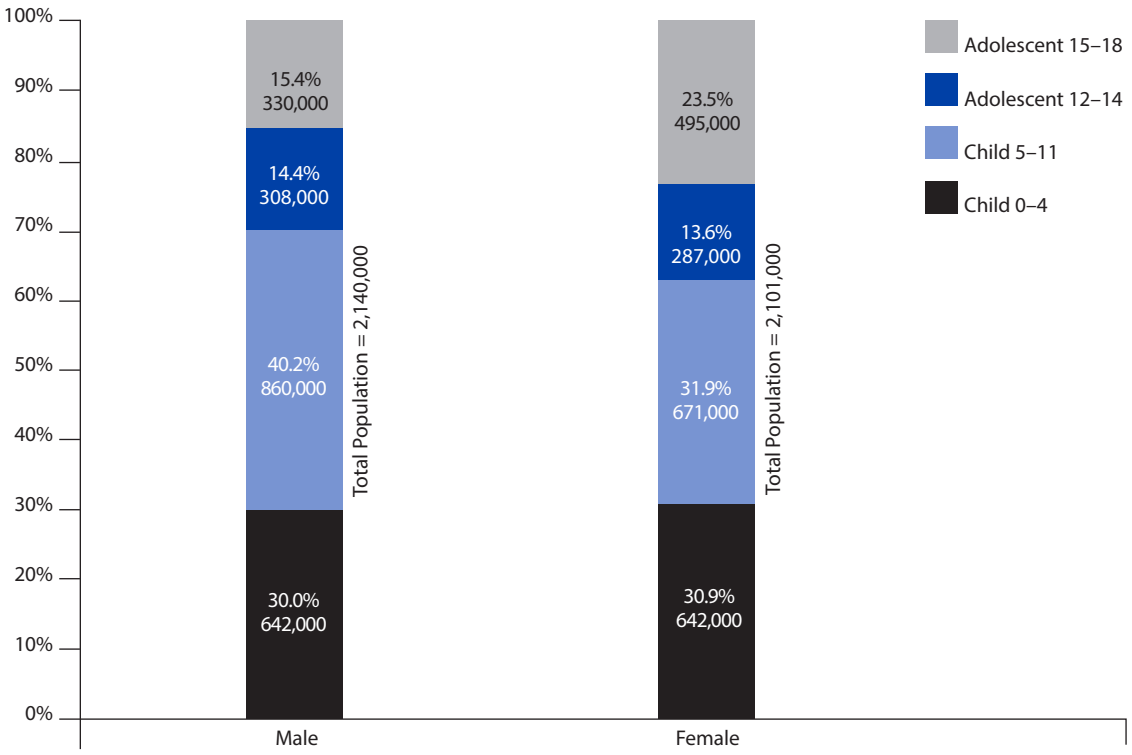
Sources: 2012 and 2014 California Health Interview Surveys

Demographics of Medi-Cal Enrollees in 2014

Medi-Cal program eligibility rules treat adults and children differently, resulting in two distinct populations within the program. Among girls, nearly one-quarter (23.5 percent; Exhibit 3.5) were older adolescents, ages 15-18. Only 15.4 percent of boys were older adolescents, with 40.2 percent being between the ages of 5 and 11. This age group difference by gender may be related to older teenage mothers who are able to enroll themselves and their dependent children in Medi-Cal, although administrative data have shown that the teenage birthrate in California has declined in recent years.[9]

9 The Guttmacher Institute. 2016. *https://www.guttmacher.org/news-release/2016/us-teen-pregnancy-birth-and-abortion-rates-reach-lowest-levels-almost-four-decades*. Accessed on 6/13/16.

Exhibit 3.5
Current Medi-Cal Enrollees by Gender and Age Group, Ages 0-18, California, 2014



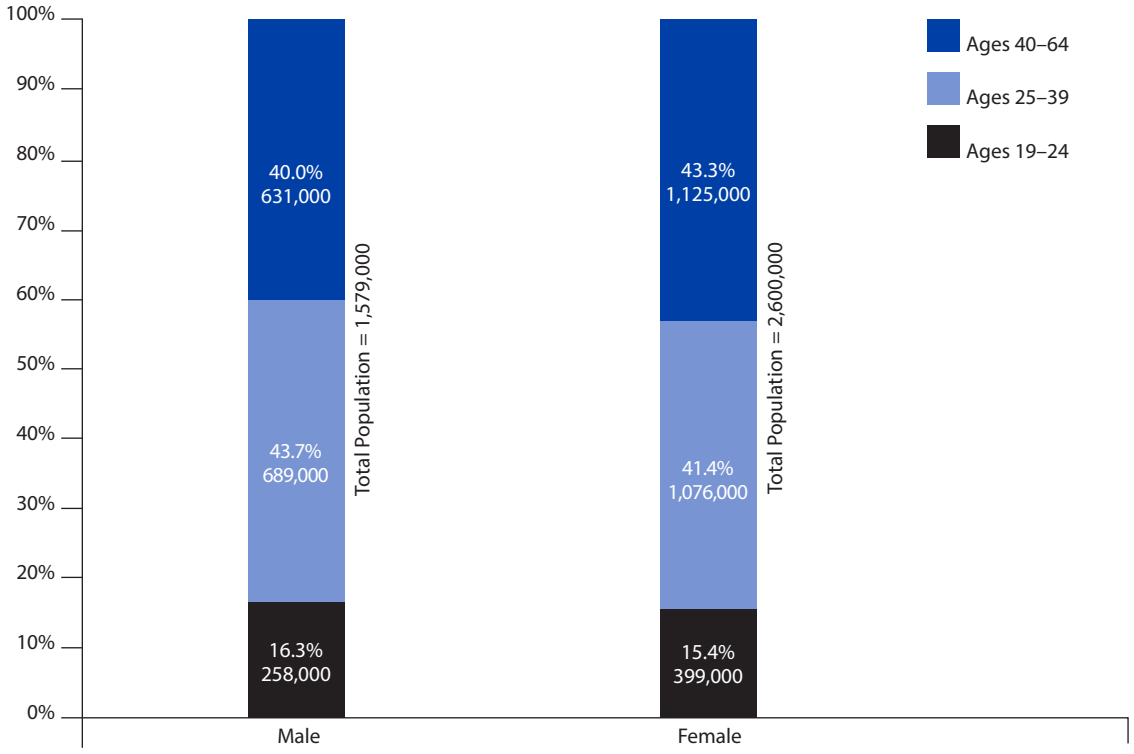
Note: Numbers may not add to 100% due to rounding.

Source: 2014 California Health Interview Survey

Among nonelderly adults enrolled in Medi-Cal, more parity exists among the age groups between men and women (Exhibit 3.6), with similar proportions for younger and older adults. However, in every age group, women outnumber men, with a total population of 1.5 million men and 2.5 million women enrolled in Medi-Cal in 2014.

Exhibit 3.6

Current Medi-Cal Enrollees by Gender and Age Group, Ages 19-64, California, 2014



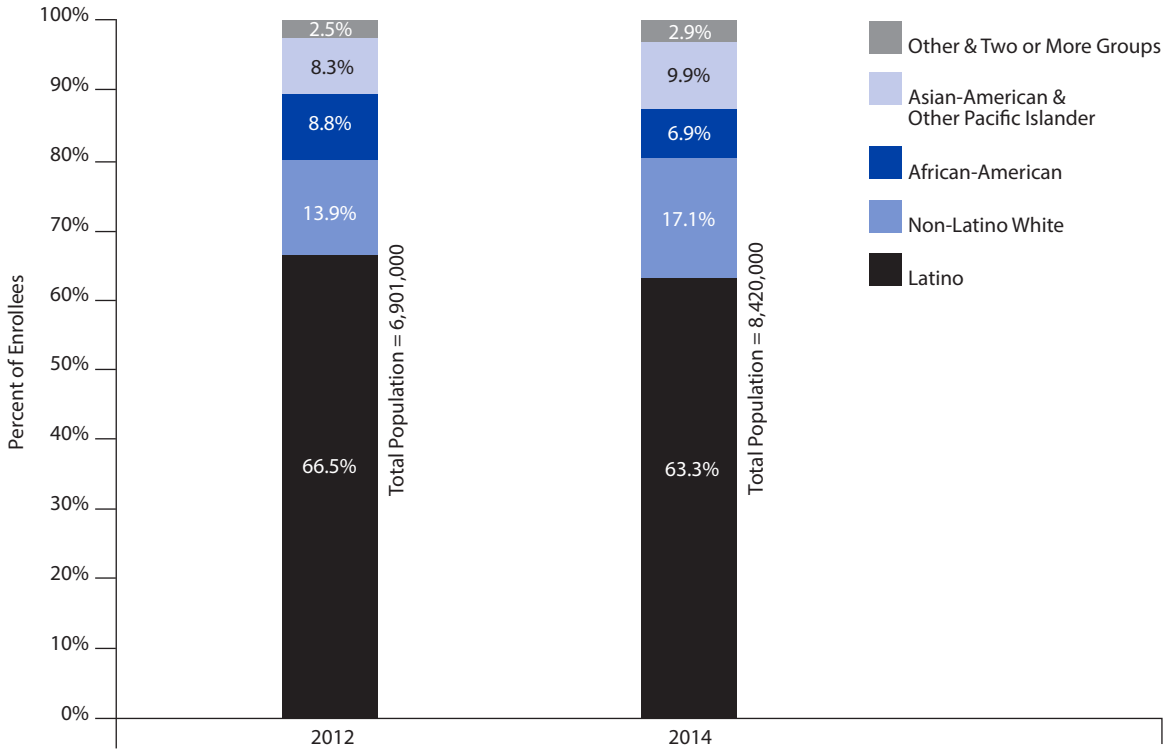
Note: Numbers may not add to 100% due to rounding.

Source: 2014 California Health Interview Survey

The racial and ethnic group composition of Medi-Cal enrollees changed slightly (but not statistically significantly) from 2012 to 2014, suggesting that the newer enrollees were more likely to be non-Latino white or Asian-American/Other Pacific Islander (Exhibit 3.7). Those two groups both increased their proportions in the Medi-Cal population, from 13.9 percent to 17.1 percent for white enrollees and from 8.3 percent to 9.9 percent for Asian-American enrollees.

Exhibit 3.7

Current Medi-Cal Enrollees by Year and Racial/Ethnic Group, Ages 0-64, California, 2012 and 2014



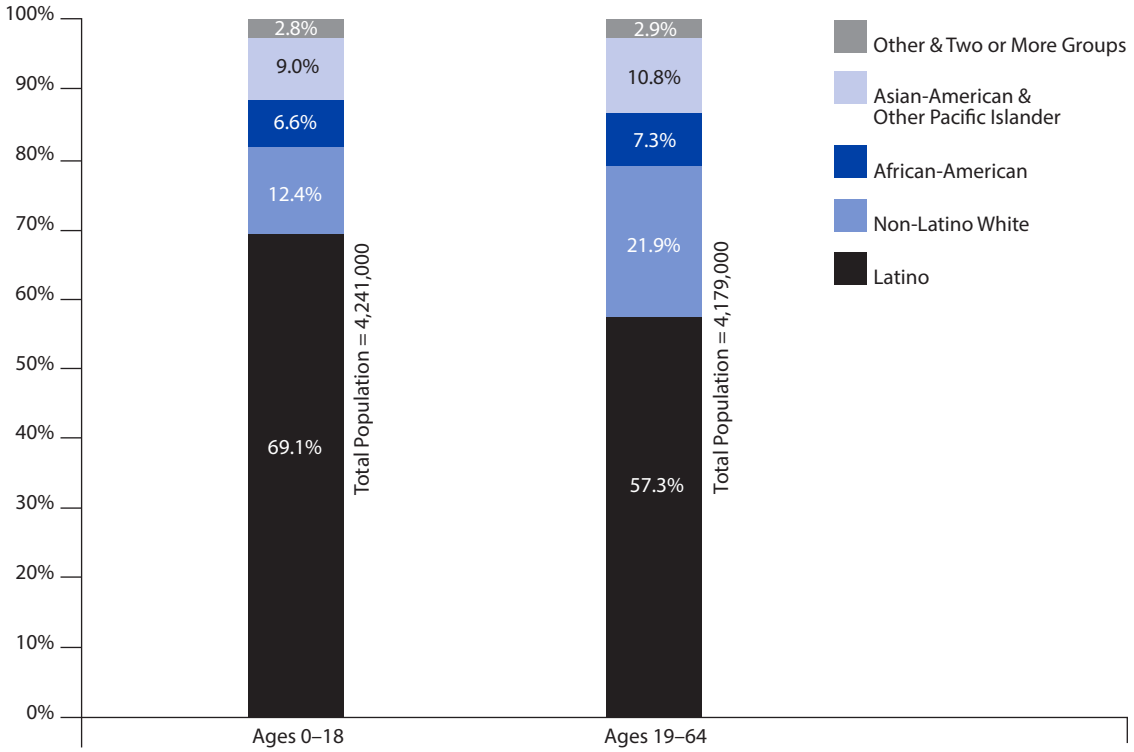
Note: Numbers may not add to 100% due to rounding.

Sources: 2012 and 2014 California Health Interview Surveys

Racial and ethnic group proportions also differ dramatically when comparing children to nonelderly adults within the 2014 enrolled population (Exhibit 3.8). Among children, seven in ten (69.1 percent) were Latino, while only 57.3 percent of nonelderly adults in Medi-Cal were Latino. Among non-Latino whites in Medi-Cal, the proportion of adults was nearly twice that of children (21.9 percent versus 12.4 percent).

Exhibit 3.8

Current Medi-Cal Enrollees by Age and Racial/Ethnic Group, Ages 0-64, California, 2014



*NHOPI = Native Hawaiian/Pacific Islander

**AIAN = American Indian/Alaska Native

***Other includes Two or More Races

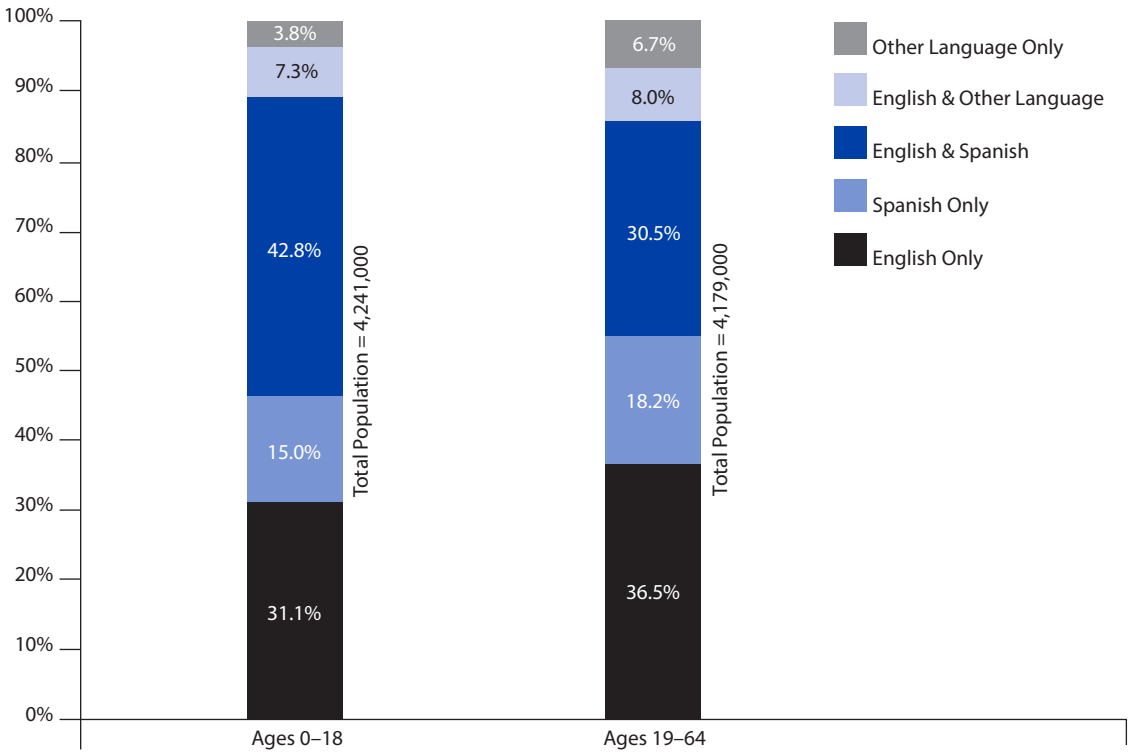
Note: Numbers may not add to 100% due to rounding.

Source: 2014 California Health Interview Survey

These patterns remain consistent when the populations of adults and children enrolled in Medi-Cal in 2014 are examined by language spoken (Exhibit 3.9). More than half of enrolled children spoke Spanish (either Spanish only, or English and Spanish). Interestingly, a slightly higher proportion of enrolled adults spoke Spanish only (18.2 percent), indicating a need for culturally competent materials and staff to ensure that all enrollees fully understand their benefits and medical instructions as patients.

Exhibit 3.9

Current Medi-Cal Enrollees by Age and Languages Spoken, Ages 0-64, California, 2014



Note: Numbers may not add to 100% due to rounding.

Source: 2014 California Health Interview Survey

Family Enrollment in Medi-Cal

With the ACA expansion of Medi-Cal to households with incomes under 138 percent FPG, more parents became eligible to enroll in the same coverage as their children. This consistency among family coverage leads to greater continuity of care and can have positive benefits for children getting necessary health care over time. Data from 2014 show that two-thirds of children enrolled in Medi-Cal had parents who were also covered through the program (Exhibit 3.10). Only 11.1 percent of children with Medi-Cal had at least one parent with job-based coverage. But most importantly, 9.6 percent of children in Medi-Cal had parents who were still both uninsured, even after the initial implementation of the ACA coverage expansions.

Conclusions

Medi-Cal expanded in 2014 to become even more vital to Californians, providing health insurance to 8.4 million children and nonelderly adults statewide.[10] The number of children in the program increased slightly, but the ACA expansions proved a boon for uninsured low-income adults, of whom nearly 1.5 million enrolled in Medi-Cal in 2014.

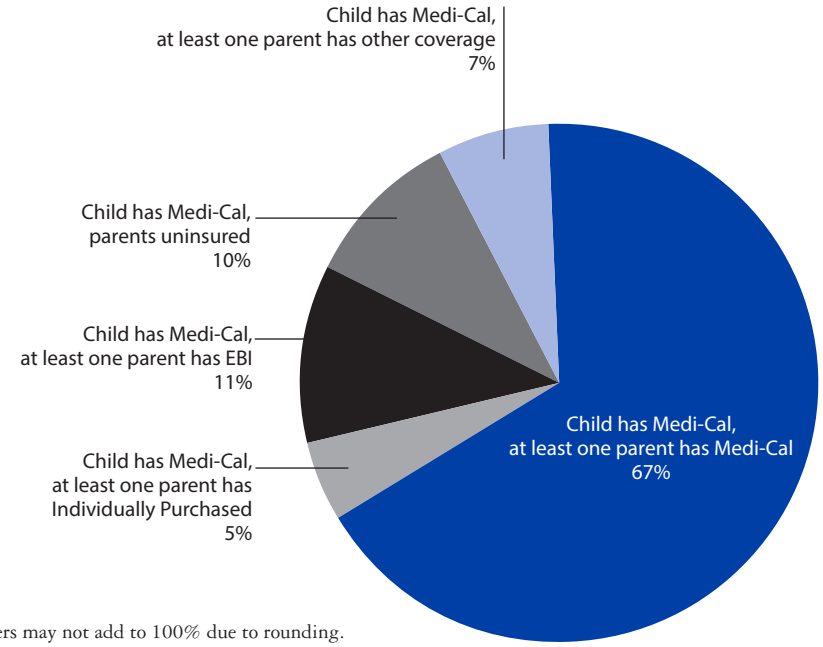
However, gaps in coverage persist. One in ten children in Medi-Cal still has parents who remain uninsured, despite the new coverage offered though Medi-Cal or the private subsidized coverage through Covered California. And a gender disparity still pervades the program, indicating that more outreach could be done to enroll eligible men who may not know about the new provisions for eligibility regardless of whether a person has dependent children.

Addressing these challenges and ensuring that the newly enrolled and expanded Medi-Cal population has consistent access to high-quality health care remain essential for the program's continuation as a vital source of coverage for Californians.

10 Note that administrative data from Medi-Cal reported a monthly enrollment of 12.4 million nonelderly adults and children as of April 2016 (*http://www.dhcs.ca.gov/dataandstats/statistics/Documents/Fast_Facts_April_2016.pdf*, accessed on September 11, 2016).

Exhibit 3.10

Parental Health Insurance Status and Type Among Children with Current Medi-Cal Enrollment, Ages 0-17, California, 2014



Note: Numbers may not add to 100% due to rounding.

Source: 2014 California Health Interview Survey

4 Access to Care Before and After Health Care Reform

Nadereh Pourat, PhD

The primary goals of the Patient Protection and Affordable Care Act (ACA) included increasing health insurance coverage and standardizing health insurance benefits nationally. Because health insurance is an important determinant of access to care, the increase in coverage promulgated by ACA is expected to improve access to care by reducing financial barriers. Improving access is expected to promote use of preventive and primary care and reduce the use of emergency services. Historically, access to care has varied by type of insurance due to variations in benefits and cost-sharing levels among employment-based insurance, individually purchased insurance, Medicaid, and Medicare. The ACA is expected to reduce some of these variations within the employment-based or individually purchased markets due to standardization of benefits among non-grandfathered plans. However, variations between public (Medicaid, Medicare) and private (employment-based, individually purchased) coverage are likely to remain after ACA implementation.

Changes in Access to Primary Care After ACA Implementation

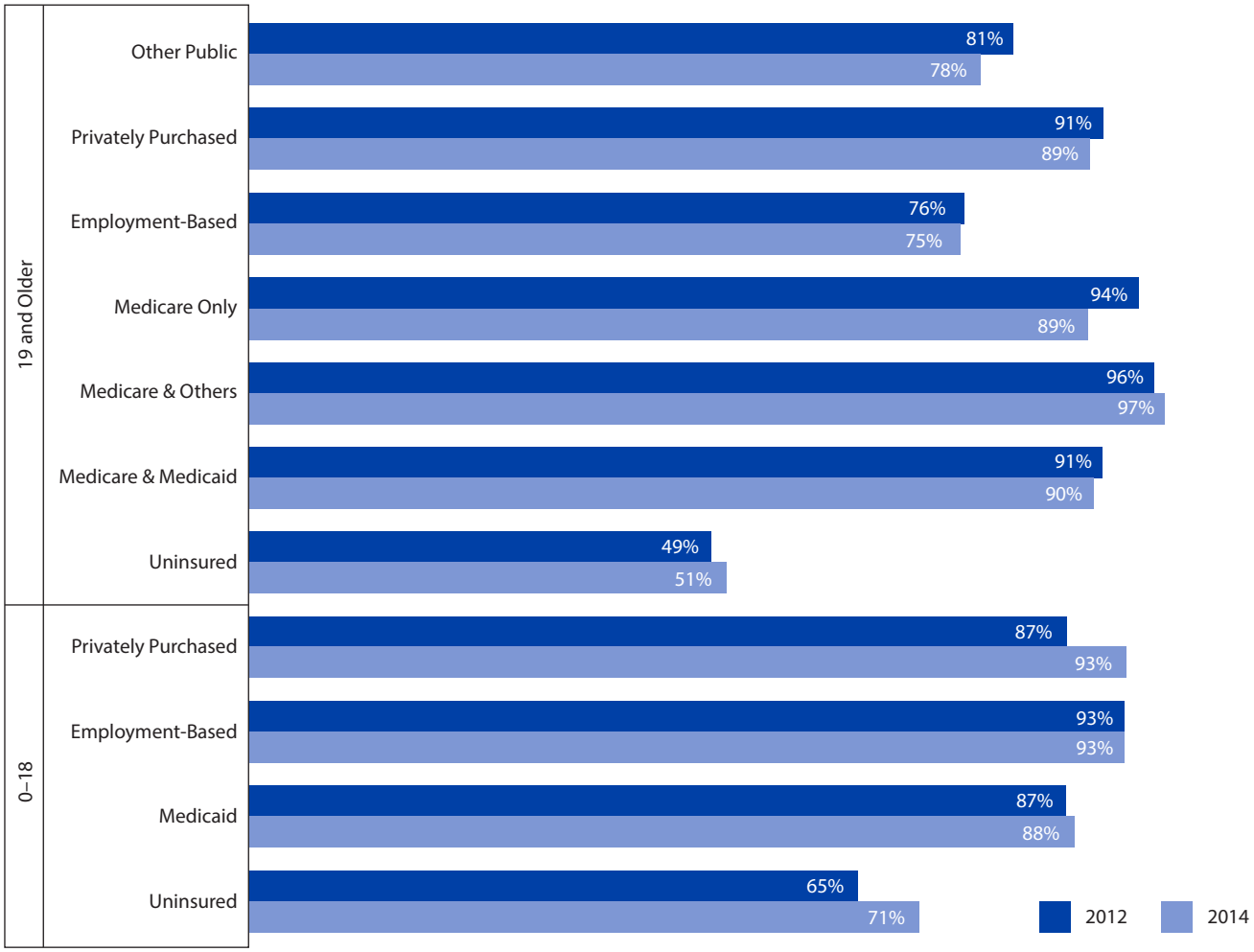
Access to a Usual Source of Care Improved for Those with Individually Purchased Coverage

Individuals with insurance are more likely to have a primary care provider who is their usual source of care and first point of contact. An established relationship with a provider improves continuity of and timeliness of care and can reduce the need for urgent care. According to data from the 2012 and 2014 California Health Interview Survey (CHIS), the proportion of children ages 0-18 who were covered by individually purchased insurance or who were uninsured and had a usual source of care increased after ACA implementation in 2014 (87 percent to 93 percent for the first group, and 65 percent to 71 percent for the second; Exhibit 4.1). Among adults 19 and older, the proportion with a usual source of care declined among those with Medicare as their only source of coverage (94 percent to 89 percent), and declined slightly in general among the other insurance types.

Differences in access to a usual source of care by insurance coverage continued to persist, however. Among children and nonelderly adults, the uninsured continued to have the least access to a usual source of care, while those with private sources of coverage (employment-based and individually purchased) most often had a usual source of care.

Exhibit 4.1

Languages Spoken and English Proficiency of Medicare Beneficiaries, Ages 65 and Older, California, 2012



Source: 2012 and 2014 California Health Interview Survey

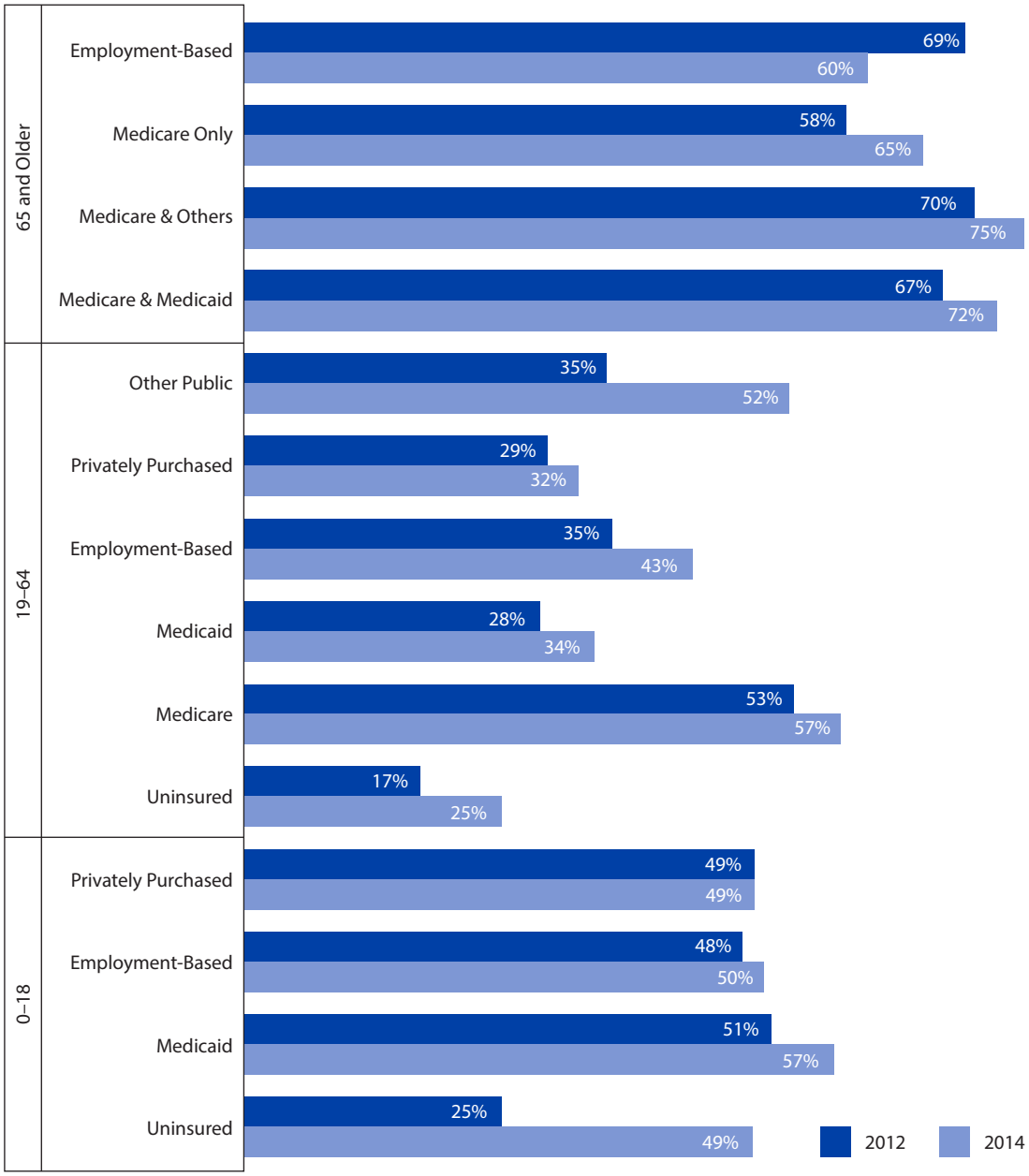
Receipt of Preventive and Primary Care Improved Following Reform

The flu shot is an important preventive service recommended for all age groups. CHIS data indicate that more individuals received flu shots in 2014 than in 2012 (Exhibit 4.2). Among children, this increase was observed among both those with Medicaid (51 percent to 57 percent) and those who were uninsured (25 percent to 49 percent). Among nonelderly adults, this increase was observed among all forms of coverage as well as uninsurance. Among those 65 and older, the increase was observed among those with Medicare coverage, but the rate of getting a flu shot declined among those with employment-based coverage (69 percent to 60 percent).

The rates of getting flu shots by type of insurance did not vary greatly, with a few exceptions. Among

Exhibit 4.2

Change in Proportion of Receiving Flu Shot, by Type of Insurance Coverage and Age, All Ages, California, 2012 and 2014



Note: Data for children ages 12-17 were not available in CHIS 2012.

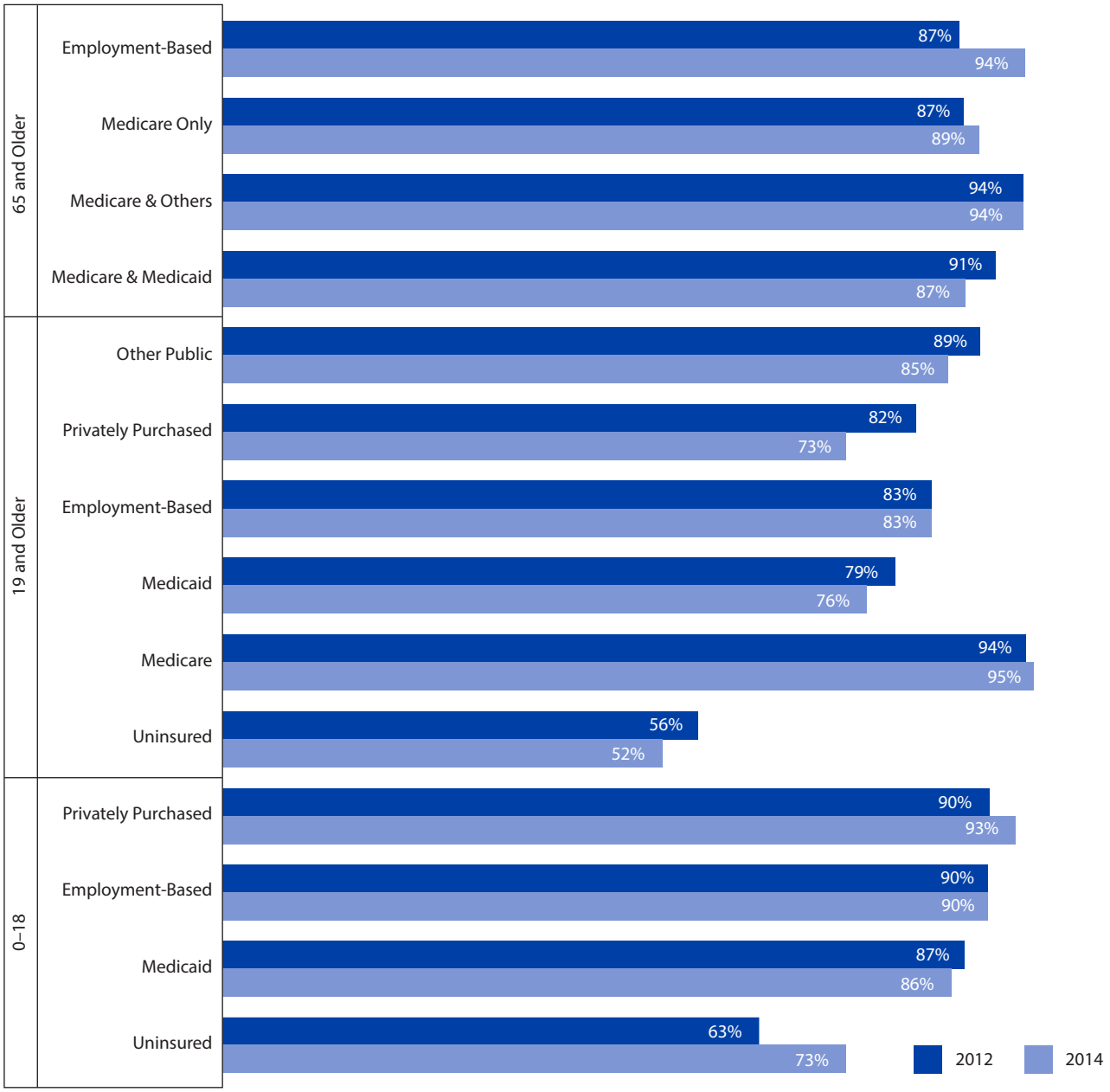
Source: 2012 and 2014 California Health Interview Surveys

nonelderly adults, those with Medicare had the highest rates of flu shots, while the uninsured had the lowest rates. Among those 65 and older, those with Medicare and no supplemental coverage had somewhat lower rates of flu shots than the rest.

Receipt of at least one doctor visit is an indicator of access to care, since most individuals visit providers for a preventive visit or to address emerging or chronic health problems. From 2012 to 2014, a small increase was observed among children with individually purchased insurance (90 percent to 93 percent) and those who were uninsured (63 percent to 73 percent; Exhibit 4.3). Among nonelderly adults, this rate declined for those with individually purchased insurance (82 percent to 73 percent) or Medicaid (79 percent to 76 percent) and

Exhibit 4.3

Changes in Proportion with any Doctor Visit, by Type of Insurance Coverage and Age, All Ages, California, 2012 and 2014



Source: 2012 and 2014 California Health Interview Surveys

those who were uninsured (56 percent to 52 percent). Among adults ages 65 and older, the rate increased among those with employment-based coverage (87 percent to 94 percent) but declined among those with both Medicare and Medicaid (91 percent to 87 percent).

The rates of doctor visits were highest overall for those with health insurance coverage compared to those without among both children and nonelderly adults. Among those 65 and older, the rates of doctor visits were similar among the forms of coverage examined.

Rates of ED Visits Declined After Reform, But Some Experienced More Delays

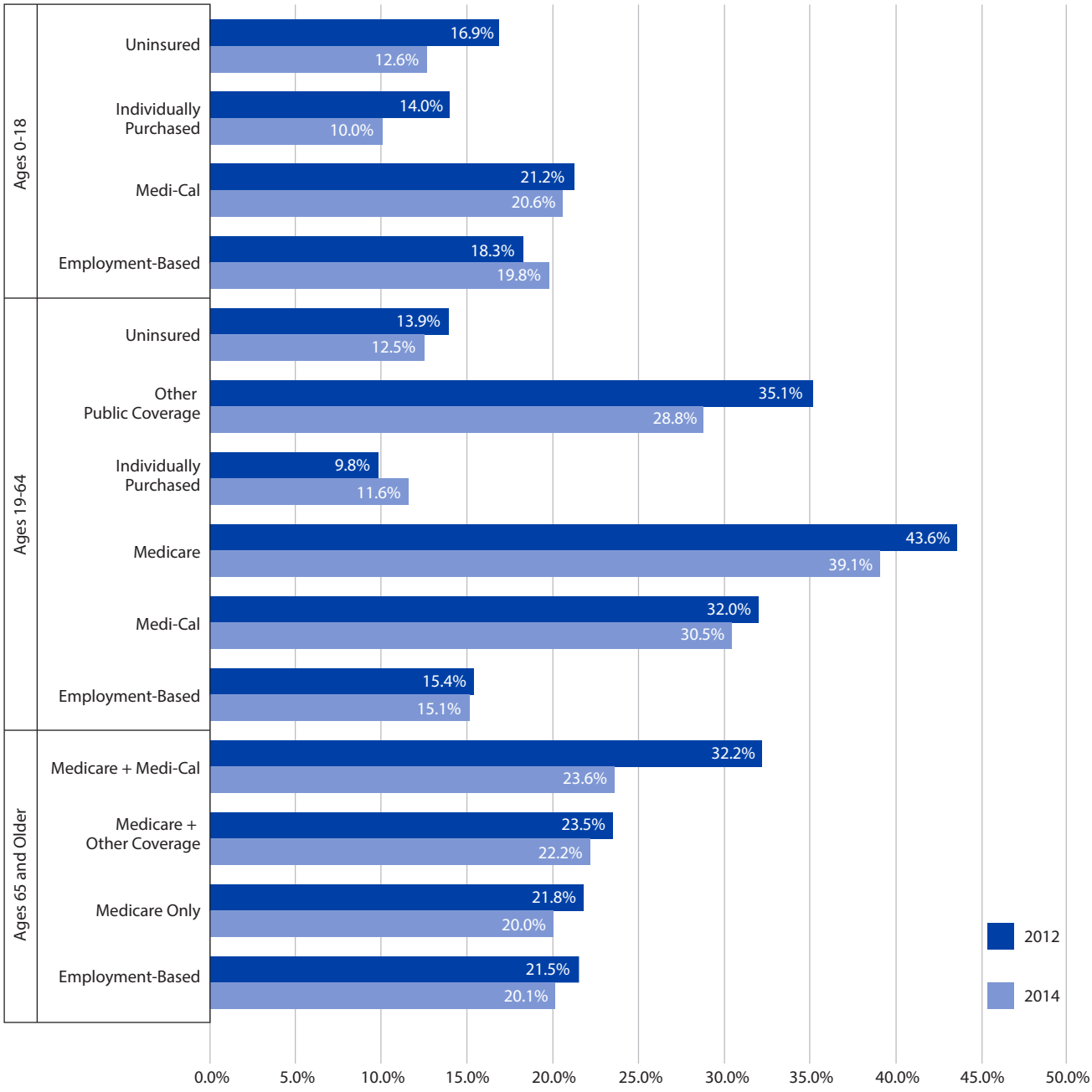
Reduction in emergency department (ED) visits is an important national goal. Increasing the number of insured populations is expected to improve access to timely care and reduce the rates of unnecessary ED visits. From 2012 to 2014, the rate of ED visits declined across insured and uninsured populations (Exhibit 4.4). Among children, ED rates declined among those with individually purchased insurance (14 percent to 10 percent) and those who were uninsured (15 percent to 10 percent). Among nonelderly adults, ED visit rates declined among those with Medicare (43 percent to 39 percent) and those with other public benefits (36 percent to 29 percent). Among those 65 and older, ED visit rates declined among those with Medicare and Medicaid coverage (32 percent to 24 percent).

Overall, ED visit rates were among the lowest for the uninsured. The highest ED visit rates were observed for nonelderly adults with Medicare. Among insured nonelderly adults, those with individually purchased insurance had the lowest rate of ED visits in both years.

It is not clear why those who were uninsured part year have the highest rate of ED visits, but reasons might include loss of coverage due to illness or poor health status.

Exhibit 4.4

Change in Proportion with at Least One Emergency Room Visit in the Last 12 Months by Type of Insurance Coverage and Age, All Ages, California, 2012 to 2014



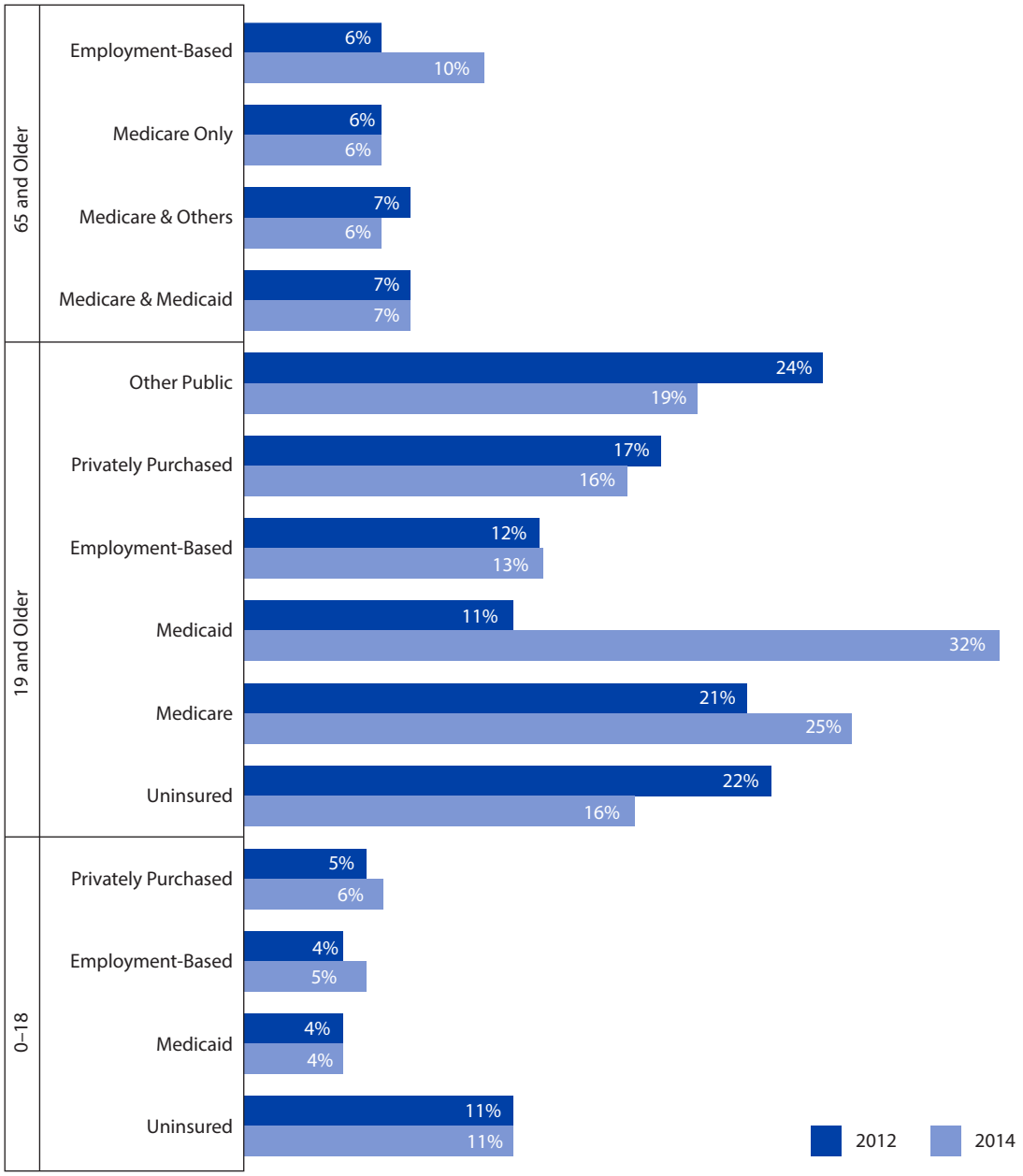
Source: 2012 and 2014 California Health Interview Surveys

Forgone or delayed care often reflects financial or other access barriers. Reporting of delays did not change from 2012 to 2014 for children (Exhibit 4.5). However, the rate of delays increased from 6 percent to 10 percent among those 65 and older with employment-based coverage. Among nonelderly adults, the rate of delays increased from 11 percent to 32 percent for those with Medicaid coverage and from 21 percent to 25 percent for those with Medicare coverage. The rates of delays declined for nonelderly adults who were uninsured (22 percent to 16 percent) or who had other public benefits (24 percent to 19 percent).

The rates of delays or forgone care were lower among children and those 65 years and older, but the rate was generally higher for nonelderly adults, with the highest level of delay by far among adults 19-64 with Medi-Cal coverage.

Exhibit 4.5

Change in Proportion of Nonelderly Adults Who Reported Delays in Needed Medical Care by Type of Insurance Coverage, All Ages, California, 2012 and 2014



Source: 2012 and 2014 California Health Interview Surveys

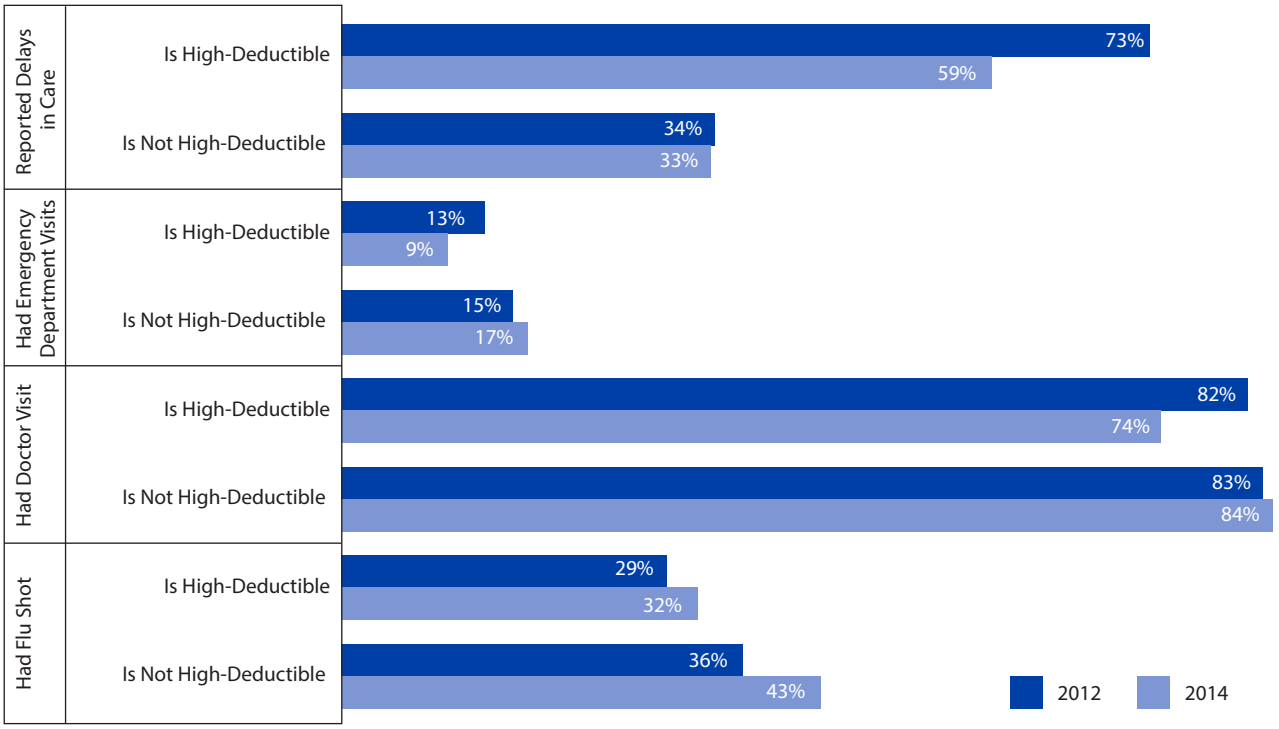
Access to Care Under High-Deductible Plans Changed

High-deductible plans have greater cost sharing, which is designed to reduce the use of non-urgent and discretionary services. On implementation of the ACA, high-deductible plans were required to cover preventive care and some primary care services without applying the deducible. Prior to the ACA, many high-deductible plans did not provide comprehensive benefits and varied in cost-sharing levels, but health savings accounts may be used to pay for services subject to the deductible.

The 2012 and 2014 CHIS data show that the rate of flu shots increased among privately insured individuals with high-deductible plans (29 percent to 32 percent), but the rate increased among those without high deductibles as well (Exhibit 4.6). However, the proportion who had a doctor or ED visit declined among individuals with high-deductible plans (82 percent to 74 percent for a doctor visit, and 13 percent to 9 percent for an ED visit), but remained the same among those without a high-deductible plan. The rate of reporting delays also declined among those with high-deductible plans (73 percent to 59 percent), but it stayed the same among those without such plans. These data indicate that some aspects of access to care, such as ED visits and delay in care, may have been positively impacted by the ACA due to standardization of benefits and cost-sharing levels and exclusion of preventive and some primary care visits from deductibles. However, the reduction in doctor visits may or may not be a positive development and should be monitored.

Exhibit 4.6

Change in Proportion of Nonelderly Adults with Flu Shots, Doctor Visits, Emergency Room Visits, and Experiences of Delay in Care During Last 12 Months by High-Deductible Coverage, Ages 19-64, California, 2012 and 2014



Source: 2012 and 2014 California Health Interview Surveys

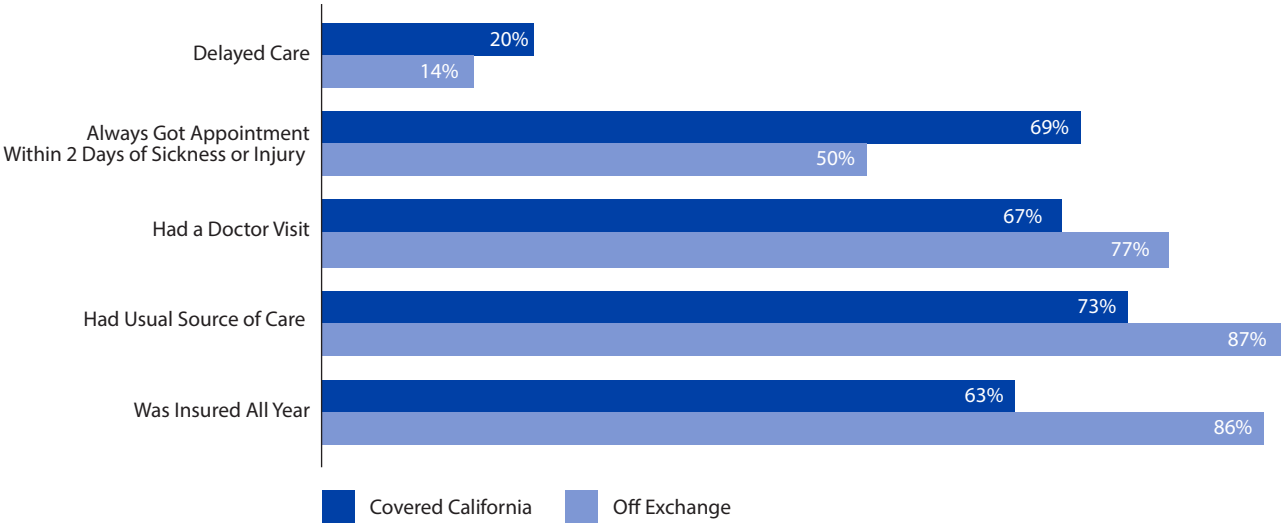
Early Assessment of Access Under Covered California

The early assessment of coverage under Covered California compared to individually purchased insurance in California's exchange marketplace in 2014 showed that Covered California enrollees had lower rates of a usual source of care (73 percent vs. 87 percent) and a doctor visit (67 percent vs. 77 percent) compared to those with individually purchased coverage off exchange, as well as higher rates of delays (20 percent vs. 14 percent) (Exhibit 4.7).

More Covered California enrollees reported being insured for the entire past year than those covered off exchange (63 percent vs. 86 percent). Therefore, the gaps in access as indicated by lower usual source of care, doctor visits, and delays in care are due in part to lack of any coverage prior to gaining coverage under Covered California, and in part to changing to coverage under Covered California. There may also be some effect of learning how to access care with the new coverage. But despite gaps in access during the first year of implementation, Covered California enrollees more often reported getting an appointment within two days if they were sick or had an injury than those covered off exchange (69 percent vs. 50 percent).

Exhibit 4.7

Access to Care with Individually Purchased Coverage vs. Covered California, Nonelderly Adults, Ages 19-64, California, 2014



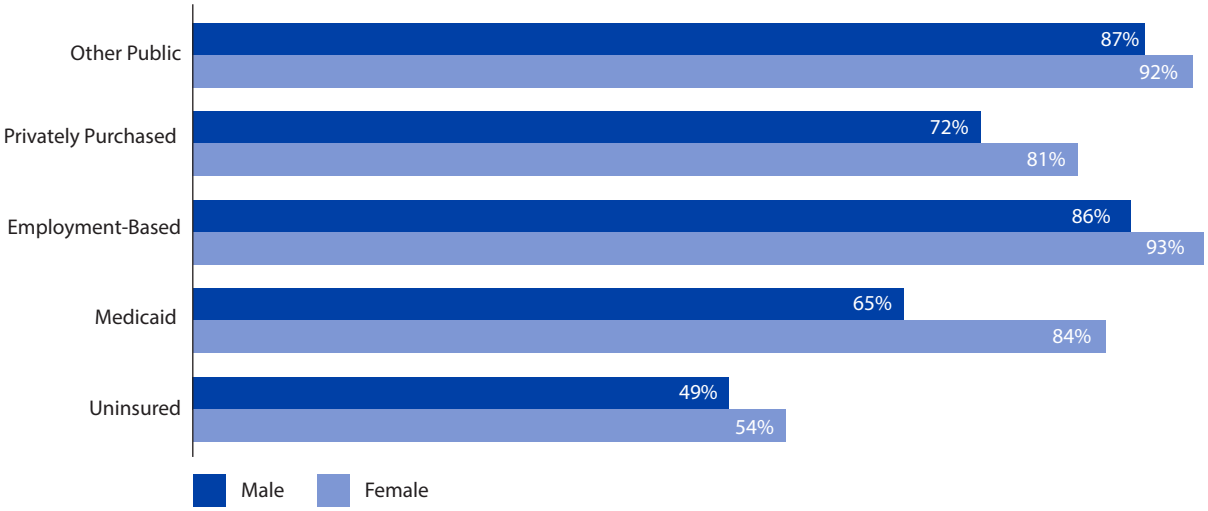
Source: 2014 California Health Interview Survey

Access to Care Differs by Gender

Women use more health care than men, in part due to biological differences and in part due to a higher propensity to seek preventive or other care. The examination of CHIS 2014 data confirm that women were more likely than men to report a usual source of care across all forms of coverage (Exhibit 4.8). The gender gap in usual source of care was most apparent among those with Medicaid coverage, where 65 percent of men reported having a usual source of care compared to 84 percent of women. This gap in having a usual source of care reduces the ability of men to receive timely access to a primary care provider and also reduces the likelihood of receipt of preventive care.

Exhibit 4.8

Rates of Having a Usual Source of Care by Gender and Insurance Coverage Among Nonelderly Adults, Ages 19-64, California, 2014

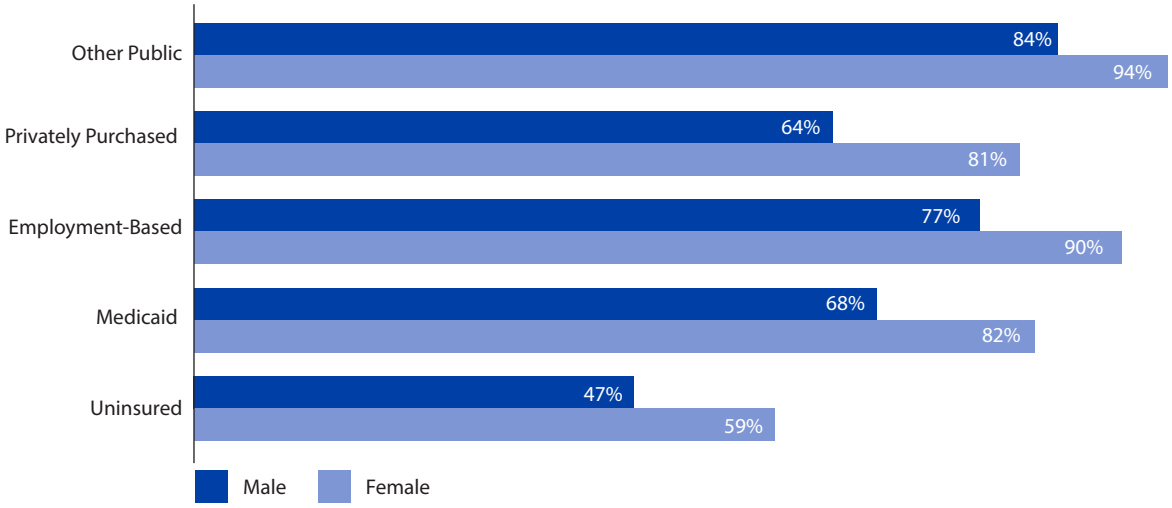


Source: 2014 California Health Interview Survey

Consistent with the gender gap in usual source of care, women were more likely to have had at least one doctor visit in the past year across all categories of coverage in 2014 (Exhibit 4.9). The gender gap was equally large for those in all categories of coverage except those reporting other public benefits. Lower rates of at least one doctor visit indicate a gap in receipt of preventive care and missed opportunities to address potential complications of chronic conditions early.

Exhibit 4.9

Rates of Any Doctor Visits During Last 12 Months by Gender and Insurance Coverage Among Nonelderly Adults, Ages 19-64, California, 2014

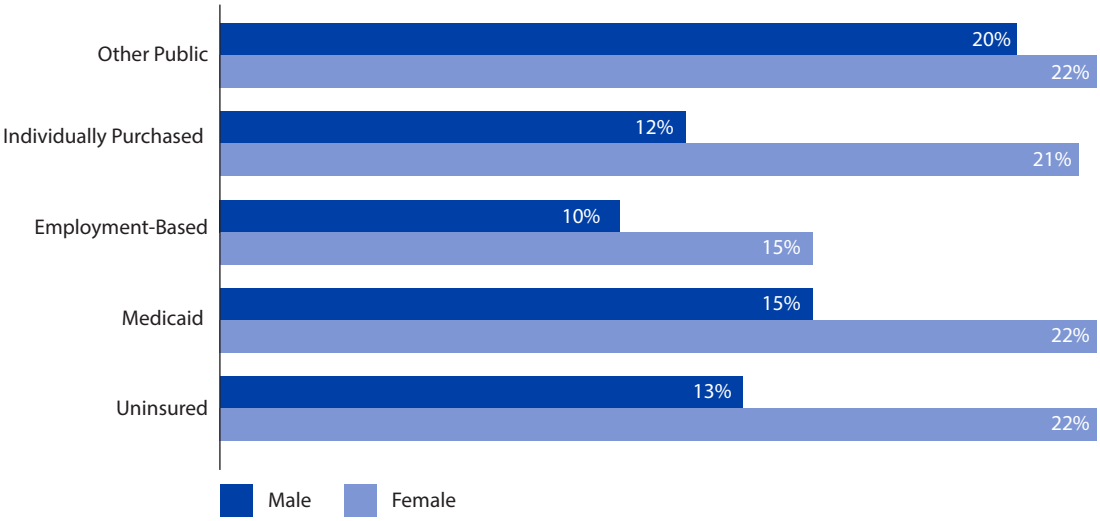


Source: 2014 California Health Interview Survey

A gender gap was also observed in delayed or forgone care in 2014 (Exhibit 4.10). However, women were more likely than men to report delays across all categories of coverage. The gap was greater among those with individually purchased coverage (from 21 percent for women to 12 percent for men), the uninsured (22 percent to 13 percent), and Medicaid insured (22 percent to 15 percent), and it was lowest among those with other public coverage (15 percent to 10 percent). The large proportion of women reporting delays in care among individually purchased and Medicaid insured may be due to the delays in enrollment experienced by these populations in the early part of 2014.

Exhibit 4.10

Rates of Delays in Medical Care During Last 12 Months by Gender and Insurance Coverage Among Nonelderly Adults, Ages 19-64, California, 2014



Source: 2011/2012 California Health Interview Survey

Conclusions

The findings of this chapter confirm that health insurance plays a central role in access to health care. Health insurance is essential to having a usual source of care, which can provide continuity, improve receipt of preventive care services, and reduce use of urgent and emergency services for insured and uninsured alike. Health insurance improves the likelihood of receipt of preventive services such as flu shots, improves rates of doctor visits, and reduces the likelihood of delaying or forgoing needed medical care.

Variations in health care use, particularly for public coverage and high-deductible plans, highlight the need for policy interventions to reduce such differences. For example, the higher rates of emergency room visits for those with Medi-Cal coverage is most likely a reflection of barriers in access to primary care providers who accept Medi-Cal and of insufficiency of resources to provide better care for Medi-Cal enrollees. Similarly, the variations in use of services by enrollees of high-deductible plans, given the availability of health savings accounts, highlight the importance of cost-sharing protections for these individuals.

Racial/ethnic disparities in access to care, despite insurance coverage, are a significant chronic problem highlighting the need for policy solutions that address cultural, linguistic, and/or systemic barriers to access. Policy solutions to address disparities include but are not limited to tailoring care delivery approaches to target populations and improving the cultural and linguistic competency of providers.

The success of enrollment of previously uninsured individuals in Covered California and Medi-Cal following the implementation of ACA bodes well for the ability of newly insured Californians to gain access to preventive and other needed health care. However, the data provided in this chapter indicate that while health insurance alleviates barriers in access to care, other barriers, such as the capacity of the system to provide care to the newly insured population, should remain a central policy focus.

5 Policy Recommendations

Gerald F. Kominski, PhD

California experienced a substantial decline in the rate of uninsurance in 2014 as a result of the ACA. The overall reduction was 16 percent among the population ages 64 and under,[11] with virtually no change among those 65 and over, as expected. The reductions in the rate of uninsurance occurred across a number of population groups, but some groups benefited more than others. All age groups except children ages 5-11 had lower rates of uninsurance, with the largest reductions occurring among adults ages 18-64. Women in general were more likely to gain coverage than men, although both genders had lower rates of uninsurance across all age categories. But further disaggregation by gender and other characteristics indicates that men with less than a high school education or income less than 250 percent of the Federal Poverty Level had both very high levels of uninsurance and little or no improvement between 2012 and 2014. These trends are troubling and merit deeper investigation, as they represent populations that could be benefiting from the ACA.

Substantial variation persisted across the state in the rate of uninsurance among the under-65 population. Among the 44 counties and county groups with sufficient sample size in CHIS, the rate of uninsurance ranged from 2.8 percent in San Mateo County to 26.8 percent in Monterey County. This large variation is indicative of the considerable variation in county-based outreach and enrollment efforts, many of which were implemented long before the enactment of the ACA, as well as other societal factors such as citizenship that may have an effect on coverage rates. In terms of future reductions in the number of uninsured, identifying and disseminating best practices may be one effective strategy for achieving greater reductions in counties with the highest uninsurance rates. If these substantial geographic variations persist, it may be necessary for the state and/or private foundations in the state to make targeted investments in selected counties to achieve meaningful reductions in the uninsurance rate in those counties.

Overall, our findings indicate little impact of the ACA on employment-based insurance, but again, substantial variations persisted across industries and occupations. Because the employer mandate provisions of the ACA were postponed until 2016, it is not surprising that we did not observe major changes in employment-based insurance during the period covered by this report. Nevertheless, we did observe rather large reductions in the uninsurance rate among part-time employees and among those not in the workforce or unemployed in 2014, and this provides reassuring evidence that the ACA is providing greater protection to those with less involvement in the workforce. Perhaps the most significant finding of this report is that self-employed Californians experienced an 8.9 percentage point (or a 27.7 percent) reduction in the rate of uninsurance

11 Studies by the Commonwealth Fund (*http://www.commonwealthfund.org/publications/newsletters/washington-health-policy-in-review/2014/aug/aug-4-2014/survey-shows-drop-in-californias-uninsured*) and Kaiser Family Foundation (*http://kff.org/health-reform/press-release/survey-finds-approximately-3-4-million-previously-uninsured-adult-californians-obtained-coverage-since-start-of-the-affordable-care-acts-first-open-enrollment-period/*) separately showed a roughly 50 percent drop in uninsurance in 2014 among nonelderly adults who had previously been uninsured, but these surveys followed a single group of uninsured adults over time. As the findings of a point-in-time, population-based survey, the CHIS data presented here capture the additional adult and child population, including those who became uninsured from 2012 to 2014, presenting a more comprehensive look at the entire population of California.

in 2014. This population was one of the clear targets of the ACA, and our results indicate the law was successful in achieving a large reduction in the number of uninsured, self-employed Californians.

The Medicaid expansion provision of the ACA has clearly had a major impact in California. Our findings show that there were more than 1.43 million new Medi-Cal enrollees between 2012 and 2014, an increase in enrollment of 22.2 percent. Our estimate of 8.67 million Medi-Cal enrollees in 2014, based on CHIS, matches extremely well with state administrative data showing 8.88 million Medi-Cal managed care enrollees as of December 2014.

It is clear that many newly enrolled Medi-Cal beneficiaries were previously uninsured, although we are unable to quantify the percentage in this report. Nevertheless, the Medicaid expansion in California has provided benefit to not only the previously uninsured, but also to those who had other forms of insurance coverage that required larger premium and out-of-pocket payments relative to Medi-Cal. As a result, even for those who were previously insured, the Medicaid expansion has provided additional financial protections to what was available prior to the ACA. Based on administrative data, we know that Medi-Cal enrollment has continued to grow since 2014, averaging at least 12 million enrollees per month in 2016. Because of this considerable increase in Medi-Cal enrollment, it is difficult to argue that the state should be doing more outreach. There will be an estimated 322,000 uninsured Californians eligible for Medi-Cal in 2017,[12] so efforts to reach those remaining uninsured, while important, will not have a substantial impact on achieving further reductions in the number of uninsured Californians.

It is also worth noting that California recently expanded Medi-Cal for undocumented children ages 0-18 with household incomes at or below 266 percent FPL; this went into effect in May 2016 as a result of SB 75. An estimated 250,000 Californians are expected to be eligible for this state-funded Medi-Cal expansion.[13] This expansion could have a noticeable impact on the estimates of uninsured children in our next report. It is worth noting, however, that up to 170,000 eligible children were previously enrolled in programs, including restricted-scope Medi-Cal, which could moderate SB 75's impact on reducing the rate of uninsured children.

Our findings suggest mixed results with regard to improved access to health care services. Usual source of care remained mostly unchanged, while flu shots increased for many age groups and insurance categories. Perhaps most troubling was the enormous increase in the percentage of adult Medi-Cal beneficiaries reporting delays in needed medical care – 11 percent in 2012 versus 32 percent in 2014. This finding suggests that the substantial increase in Medi-Cal enrollment overwhelmed the capacity of the provider network to accommodate the influx of

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

13 Lucia L, Jacobs K, Roby D, Kominski G. *Transitioning Children to Full-Scope Medi-Cal – Lessons from the Low Income Health Program Transition*. Memo to Richard Thomason, Blue Shield of California Foundation, October 1, 2015. Available at: *http://www.blueshieldcafoundation.org/publications/transitioning-undocumented-children-to-full-scope-medi-cal-%E2%80%93-lessons-lihp*.

new enrollees, along with an education gap for new enrollees in knowing how to access their new health care coverage. The state must monitor this issue to guarantee that Medi-Cal enrollees are able to achieve timely access to necessary services.

Since enactment of the ACA in March 2010, California's legislature and governors have embraced it and supported its full implementation. As a result, our report documents the significant impacts the law had during the first year of implementation of its major provisions, namely, subsidies to purchase insurance and Medicaid expansion. There is no question that the ACA had produced historical improvements in access to affordable insurance for close to 1 million Californians as of 2014. We expect to see further reductions in the number and percentage of uninsured Californians when we publish our next report because of further growth in Covered California enrollment, significant enrollment increases in Medi-Cal, and the recent expansion of Medi-Cal to undocumented children ages 0-17.

California faces ongoing challenges in achieving more significant progress toward universal access, and suddenly all the progress since 2014 is threatened by the expected plan to repeal and replace the ACA advocated by the incoming president. Almost 1.79 million uninsured adults remain ineligible for benefits because of immigration status, another 550,000 are ineligible for subsidies, and 402,000 are eligible for subsidies but uninsured.[14] Under ideal circumstances under the ACA, California would still have about 2.34 million uninsured individuals, roughly 6 percent of the state's population. There is no doubt that reaching an uninsurance rate of 6 percent would be a major achievement, celebrated by public health officials and advocates. Under the ACA, California has still faced challenges related to significant geographic variation in rates of uninsurance across the state, high rates of uninsurance among adult males with less than a high school education, and the issue of how to provide coverage to undocumented adults.

However, instead of tackling these issues, we now face an uncertain future that could result in millions of newly insured Californians losing their insurance under the Trump administration's to-be-determined repeal and replace plan. And because of November's election, we've gone from thinking about how to improve the ACA, by closing its remaining coverage gaps, to fighting to preserve the gains we've achieved since 2014. By the end of this decade, we could be reporting for the first time in history on how federal policy has significantly and deliberately increased the rate of uninsurance, a reversal that promises catastrophic consequences for the health of Californians and the nation.

14 Dietz et al., note 12.

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UCLA CENTER FOR HEALTH POLICY RESEARCH

10960 Wilshire Boulevard, Suite 1550
Los Angeles, California 90024
Phone: 310.794.0909
Fax: 310.794.2686
Email: chpr@ucla.edu