California Health Care Foundation

UCLA CENTER FOR HEALTH POLICY RESEARCH

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Issue Brief

ACA Reduces Racial/Ethnic Disparities in Health Coverage

Differences in the uninsured rate between white, African American, and Asian/Pacific Islander Californians have been eliminated; however, the coverage rate for Latinos still lags behind.

Under the Patient Protection and Affordable Care Act (ACA), millions of Californians have gained health coverage. These gains have come either through the expansion of Medicaid (called Medi-Cal in California) to low-income adults earning up to 138% of the federal poverty guideline (FPG), or through Covered California, the state's ACA health insurance marketplace, where people earning up to 400% FPG can purchase subsidized insurance coverage. The major coverage expansions of the ACA were implemented starting in 2014, and by 2016 the uninsured rate among nonelderly Californians had fallen from 15.5% to a historic low of 8.5%.

This brief examines health care coverage rates and sources of coverage among nonelderly (under age 65) Californians based on the 2017 California Health Interview Survey (CHIS). The authors focus on nonelderly Californians because those over 65 are nearly universally covered by Medicare. For ease of presentation, the nonelderly uninsured rate is referred to in the text as the "uninsured rate."

In 2017 multiple unsuccessful attempts by the Trump administration and Congress to repeal the ACA and enact policies that would have reduced the number of Californians with coverage created uncertainty for consumers about coverage options and requirements. California also took steps to mitigate the effects of certain federal actions. Federal actions and the uncertain environment may not have had a heavy influence on Californians' decisions regarding coverage for 2017, due in large part to timing. For example, 2017 open enrollment for Covered California ended on January 31, 2017, before ACA repeal attempts began in earnest and before many of the federal actions were announced. Covered California's 2018 open enrollment began in November 2017, near the end of CHIS data collection for 2017. 2018 CHIS data may better capture the effects of 2017 federal actions and uncertainties.

This brief focuses on changes from 2013 to 2017 to compare pre- and post-ACA implementation. It also flags important changes from 2016 to 2017. Only changes that are statistically significant

(see definition below) are highlighted. (The term "changed significantly" is used throughout the brief to mean a statistically significant change.)

Undocumented Adults: What Counts as Insurance?

In this brief, in keeping with previous CHIS analyses, all Californians reporting Medi-Cal coverage are considered covered by Medi-Cal. This includes undocumented adults who are not eligible for full-scope Medi-Cal but may have used restricted-scope Medi-Cal. Restricted-scope Medi-Cal is not comprehensive coverage, covering only emergency and pregnancy-related services. When asked by survey researchers about health coverage, some undocumented immigrants who have used restricted-scope Medi-Cal may respond that they have Medi-Cal coverage. If undocumented immigrants reporting Medi-Cal were considered uninsured, the number of Californians who are uninsured would be higher, as would the number of uninsured among some demographic groups, such as Latinos.

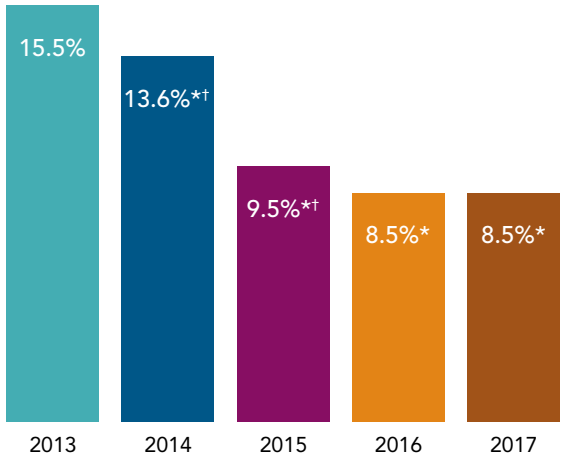
Statistical significance is a mathematical test that helps researchers assess whether differences are real or the result of random chance. In these survey findings, if a change is "statistically significant" the CHIS team is confident the change occurred due to a factor other than random chance.

Key Findings

Uninsured rate remained stable and nearly 50% lower than before ACA implementation.

In 2017 the uninsured rate among nonelderly Californians was 8.5%, just over half the 15.5% uninsured rate in 2013, before full implementation of ACA coverage provisions. Since 2016, with the ACA's main coverage provisions in place since 2014, California's nonelderly uninsured rate has been stable.

Figure 1. Uninsured Rate Among Californians Age 0–64, 2013–2017



*Significantly different from 2013 ($p < 0.05$).
†Significantly different from previous year ($p < 0.05$).
Source: California Health Interview Survey, 2017.

2016's historic narrowing of disparities in coverage between most racial/ethnic groups was maintained, although Latinos continued to experience a higher uninsured rate than others.

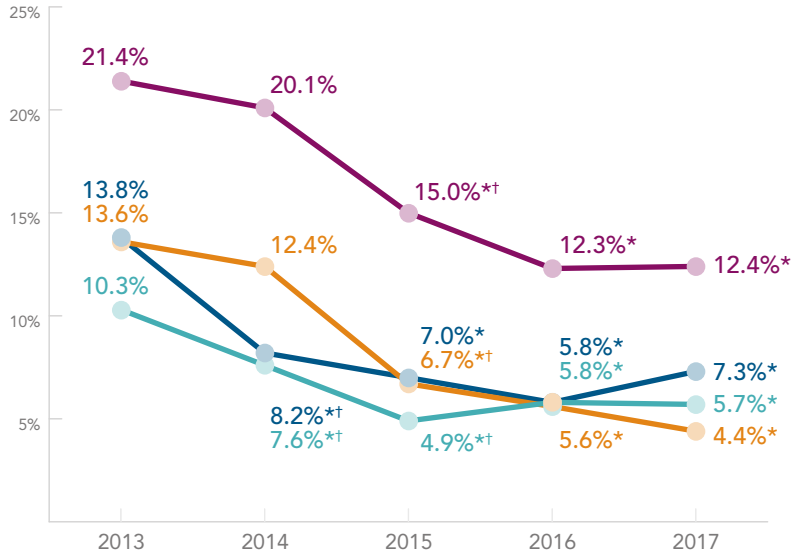
The ACA has significantly reduced the uninsured rate among all racial/ethnic groups in California and has produced historic declines in racial disparities in health coverage rates.

Between 2013 and 2017, the uninsured rate declined by more than 40% for each group, with slightly larger declines among African Americans and Asians/Pacific Islanders (see Figure 2, page 3). By 2016, there was no statistically significant difference between the uninsured rates for non-Latino whites (5.8%), African Americans (5.8%), and Asians/Pacific Islanders (5.6%) — the first time such equity in health coverage rates had been achieved between these racial/ethnic groups since CHIS began collecting data in 2001.

Although Latinos experienced a significant decline in their uninsured rate, dropping from 21.4% in 2013 to 12.4% in 2017, the coverage rate for Latinos continued to lag behind other racial/ethnic groups.

In 2017, there continued to be no statistically significant difference in the uninsured rate between non-Latino whites, African Americans, and Asian/Pacific Islanders. Between 2016 and 2017, uninsured rates remained statistically stable within each racial/ethnic group.

Figure 2. Uninsured Rate Among Californians Age 0–64, by Race/Ethnicity, 2013–2017



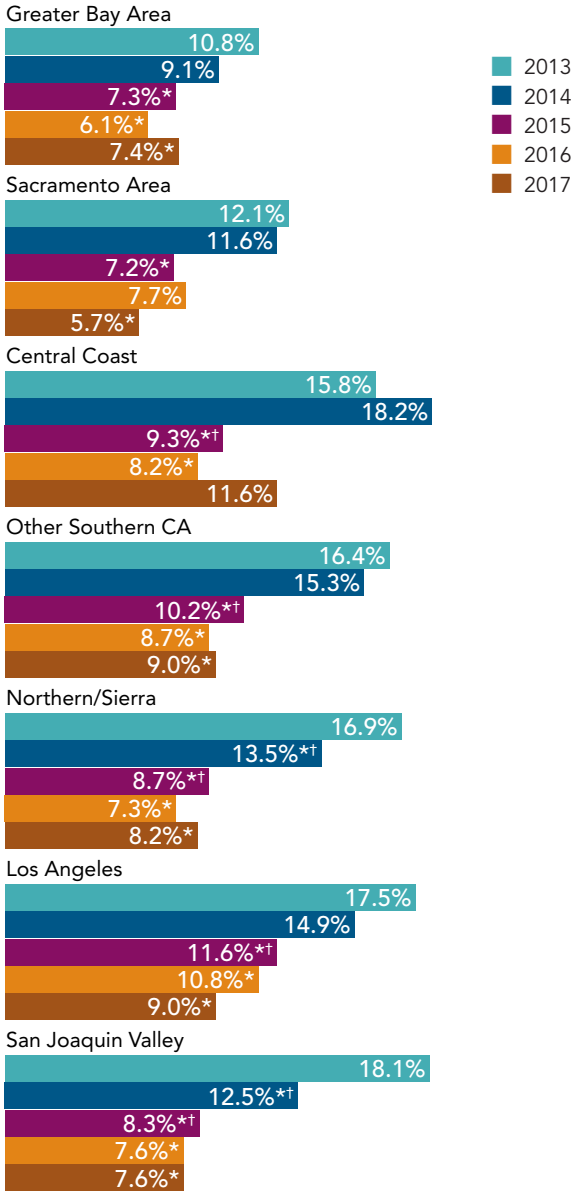
In 2017, there continued to be no statistically significant difference in the uninsured rate between non-Latino whites, African Americans, and Asian/Pacific Islanders.

Coverage gains maintained in most California regions, but variation across regions continued.

In 2017, every region of California had experienced a statistically significant decrease in its uninsured rate compared to 2013, with the exception of the Central Coast. (See Figure 3.) The San Joaquin Valley, which had the highest uninsured rate in 2013 (18.1%), experienced the largest decline, reaching a low of 7.6% in 2017. The Greater Bay Area had the lowest uninsured rate in 2013 (10.8%) and has experienced the smallest decline, reaching a low of 6.1% in 2016. By 2017, the Sacramento area had the lowest uninsured rate (5.7%) and the Central Coast had the highest (11.6%).

Most of the change in the uninsured rates within each region occurred between 2013 and 2015. Since then, rates have remained stable.

Figure 3. Uninsured Rate Among Californians Age 0–64, by Region, 2013–2017



FIGURES 2 AND 3:
*Significantly different from 2013 ($p < 0.05$).
†Significantly different from previous year ($p < 0.05$).

Notes: While the uninsured rate among African Americans crept up slightly to 7.3% in 2017, it is not a statistically significant change. See Appendix for a list of counties within each region.

Source: California Health Interview Survey, 2017.

Coverage gains maintained for low- and moderate-income Californians.

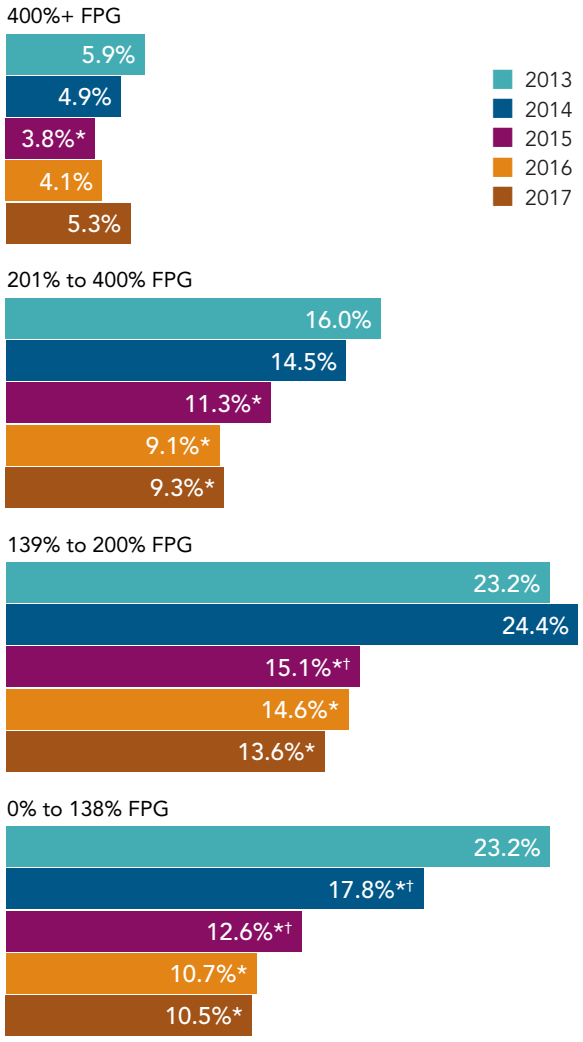
Under the ACA, low- and moderate-income families (earning up to 400% FPG) have seen the biggest decreases in their uninsured rates, reflecting the ACA's Medicaid expansion and subsidized private coverage for those earning up to and including 400% FPG. In fact, the biggest decline occurred among those earning 138% FPG or less, the income eligibility threshold for Medi-Cal, although large and significant declines also occurred among those earning 139% to 200% FPG and 201% to 400% FPG (see Figure 4).

Table 1. Federal Poverty Guidelines, 2017

	100%	138%	400%
Single Adult	$12,060	$16,643	$48,240
Family of Four	$24,600	$33,948	$98,400

The biggest decline in the uninsured rate has occurred among those earning 138% FPG or less, the income eligibility threshold for Medi-Cal.

Figure 4. Uninsured Rate Among Californians Age 0–64, by FPG, 2013–2017



*Significantly different from 2013 ($p < 0.05$).
†Significantly different from previous year ($p < 0.05$).

Note: See Table 1 for 2017 federal poverty guidelines (FPG) income values for single adults and families of four.

Source: California Health Interview Survey, 2017.

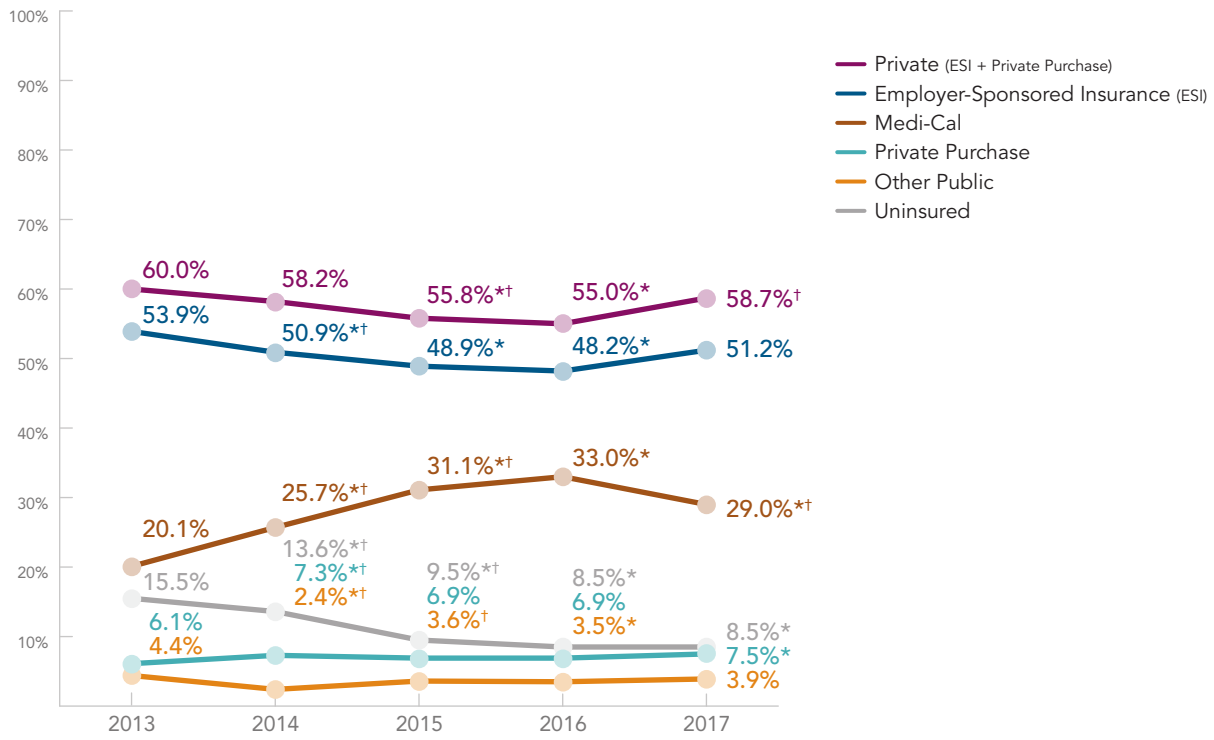
Medi-Cal enrollment decreased; private coverage rebounded.

Under the ACA, the percentage of Californians covered by Medi-Cal rose substantially, from 20.1% in 2013 to 33% in 2016 (see Figure 5, page 5). Although most Californians have continued to get their coverage through their jobs, the percentage with employer-sponsored insurance (ESI) declined between 2013 and 2016.

However, between 2016 and 2017, these trends started to shift. The percentage of Californians with coverage through Medi-Cal decreased significantly, from 33.0% to 29.0% (though it remained significantly higher than 2013). Meanwhile, the percentage of Californians with private insurance coverage (defined as including ESI and insurance purchased on the individual market, both on and off Covered California) rose significantly from 55.0% to 58.7%. This increase in private coverage offset decreases in Medi-Cal enrollment, resulting in a stable uninsured rate, and may reflect a growing economy and improvements in household income across the state.[1]

1. "Local Area Unemployment Statistics, 2008–2018," Bureau of Labor Statistics, data.bls.gov; "Real Median Household Income in California," Federal Reserve Bank of St. Louis, fred.stlouisfed.org.

Figure 5. Source of Health Insurance Coverage, Californians Age 0–64, 2013–2017



*Significantly different from 2013 ($p < 0.05$).
†Significantly different from previous year ($p < 0.05$).

Source: California Health Interview Survey, 2017.

Summing It All Up — and Looking Ahead

The story of health insurance coverage in 2017 is one of overall stability. The tremendous gains under the ACA largely persisted, including historic progress in narrowing racial/ethnic disparities in coverage. However, lagging progress among Latinos, persistent variation across regions, and many Californians still being uninsured point to the need for further work to ensure all Californians can get the coverage they need.

Continued monitoring of the uninsured rate will be particularly important going forward given the uncertainty created at the federal level around the ACA in 2017. In addition to the multiple ACA repeal attempts, many other federal policies in 2017, such as the elimination of cost-sharing reduction payments to insurers on the ACA health insurance marketplaces, were potentially destabilizing. The 2018 CHIS data may help show if the 2017 federal policy environment affected Californians' decisions around enrolling in, or purchasing, coverage.

Visit www.chcf.org for additional analyses focused on access metrics as well as future examinations of affordability drawing on CHIS and other data sources.

Methodology

In this fact sheet, health insurance coverage has been measured as coverage at a point in time (at time of survey response), rather than as coverage over the past year. Each respondent was coded into a single health insurance coverage type based on the following hierarchy: uninsured, Medicare, Medi-Cal, ESI, private direct purchase (which includes purchase on the individual market including on and off Covered California), and other public coverage. Those with Medicare were then reclassified into "other public coverage." For these reasons, the estimates included in this brief may not be comparable to estimates from other sources that report coverage over the past year or use a different health insurance hierarchy. See also "Undocumented Adults: What Counts as Insurance?" on page 2.

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

Data for this fact sheet were drawn from the newly released 2017 California Health Interview Survey (CHIS), in conjunction with data from the previously released 2011–16 CHIS annual data files. CHIS covers a wide array of health-related topics, including health insurance coverage, health status and behaviors, and access to health care. CHIS is based on interviews conducted continuously throughout the year, with respondents in approximately 20,000 California households annually. For more information about CHIS, please visit CHIS online at www.chis.ucla.edu.

About the Author

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About the UCLA Center for Health Policy Research

The UCLA Center for Health Policy Research is one of the nation's leading health policy research centers.

The Center is the home of the California Health Interview Survey (CHIS) and is affiliated with the UCLA Fielding School of Public Health.

PB2018-10.

About the Foundation

The California Health Care Foundation is dedicated to advancing meaningful, measurable improvements in the way the health care delivery system provides care to the people of California, particularly those with low incomes and those whose needs are not well served by the status quo. We work to ensure that people have access to the care they need, when they need it, at a price they can afford.

CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

For more information, visit www.chcf.org.

Appendix. California Counties within the CHIS Regions

CENTRAL COAST	Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, Ventura
GREATER BAY AREA	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma
LOS ANGELES	Los Angeles
NORTHERN/SIERRA	Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yuba
SACRAMENTO AREA	El Dorado, Placer, Sacramento, Yolo
SAN JOAQUIN VALLEY	Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
OTHER SOUTHERN CALIFORNIA	Imperial, Orange, San Bernardino, San Diego, Riverside