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DATA BRIEF

Affordability and Eligibility Barriers Remain for California's Uninsured

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Summary

During the first year of expanded health insurance coverage options under the Affordable Care Act (ACA) millions of Californians gained coverage, but many remained uninsured. Using data from the 2014 California Health Interview Survey (CHIS), this brief examines the characteristics of the uninsured and the reasons for remaining uninsured among the undocumented who are ineligible for coverage under the ACA due to their immigration status, and the citizens and lawfully present immigrants who are eligible for coverage but did not enroll. The findings show that major barriers to coverage included costs and ineligibility due to documentation status. Increasing awareness of availability of financial assistance, implementing policies to expand affordability, and extending coverage options for the undocumented could help close these remaining gaps in coverage.

Background

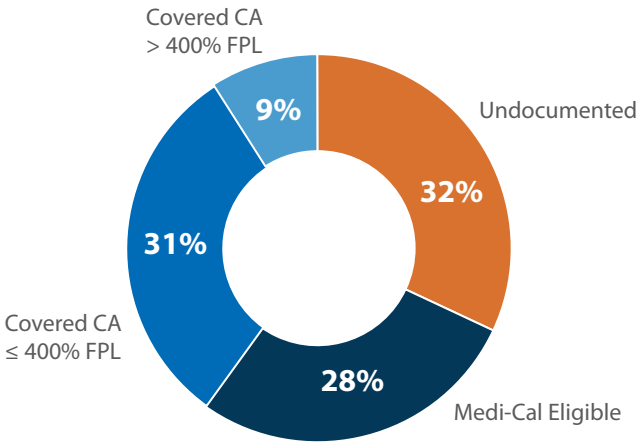
The ACA broadened access to health insurance for citizens and lawfully present immigrants by enabling states to expand eligibility for Medicaid (Medi-Cal in California) and create health insurance marketplaces. California expanded Medi-Cal and launched Covered California in 2014 and has succeeded in enrolling millions of Californians in these new types of coverage. Enrollment in Medi-Cal grew by 3.9 million

people from mid-2013 to November 2015,[1] and 1.3 million were enrolled in Covered California as of June 2015.[2] On average across 2014, 5 million Californians were uninsured according to the CHIS. This brief focuses on their demographic profile and reasons for remaining uninsured. These characteristics provide the baseline for assessing progress in enrollment in the future.

Many of the Remaining Uninsured were Eligible for Medi-Cal or Covered California

In 2014 most of the uninsured were eligible for either Medi-Cal coverage (28 percent), or Covered California coverage (40 percent—Figure 1). Those with incomes above the Medi-Cal threshold but at or below 400 percent of the federal poverty level (FPL) are potentially eligible for subsidies depending on the cost of coverage and whether they had an offer of coverage from elsewhere deemed affordable under the ACA. Citizens and lawfully present immigrants with incomes above 400 percent FPL (9 percent of the uninsured in 2014) are not eligible for subsidies, but can still purchase coverage through Covered California. About one-third of the uninsured were undocumented Californians who are ineligible for ACA coverage options. As more Californians eligible for the ACA have gained coverage, the proportion of the undocumented as a share of the uninsured has likely grown.

Figure 1. Uninsured by Eligibility Status, 2014



Many of the Remaining Uninsured were Latino and Male

The uninsured undocumented population was overwhelmingly Latino (91 percent—Figure 2). Latinos were a smaller share (53 percent) of uninsured citizens and lawfully present immigrants. Further examination within the group of uninsured citizens and lawfully present immigrants revealed that 60 percent of those eligible for Medi-Cal were Latino, compared to 51 percent of those eligible for Covered California with incomes at or below 400 percent FPL, and 39 percent of those with incomes above 400 percent FPL.

Regardless of eligibility group, a majority of the uninsured were male—54 percent of the undocumented, and 59 percent of citizens and lawfully present immigrants (Figure 3). The share of males among the population eligible for Covered California was particularly high—65 percent for those with incomes at or below 400 percent FPL, which was significantly different from the 52 percent share of men in the Medi-Cal eligible population.

A majority of uninsured adults were also working at least 30 hours per week—52 percent of the undocumented and 53 percent of citizens and lawfully present immigrants. The rest were either part-time employed, unemployed, or not in the workforce. Among the uninsured eligible for Covered California with incomes at or below 400 percent FPL, 58 percent were working full time; any of them who had an affordable offer of job-based coverage would be disqualified from subsidies.

On other demographic characteristics the uninsured differed significantly by eligibility group. Among the undocumented, 83 percent had limited English proficiency, and 81 percent were low-income (below 200 percent FPL—Figure 3). In contrast, only a quarter of citizens and lawfully present

Figure 2. Race and Ethnicity of Uninsured Californians under Age 65 by Eligibility Status, 2014

	Share of Undocumented	Share of Citizens and Lawfully Present Immigrants			
		Total	Eligible for Medi-Cal	Eligible for Covered CA, ≤ 400% FPL	Eligible for Covered CA, > 400% FPL
Latino	91%*	53%*	60%**	51%**	39%
Asian/Pacific Islander	--	15%	14%	15%	19%
White	--	25%	21%	27%	32%
Other (African American, American Indian/Alaska Native, and other single/ multiple races)†	--	7%	5%	7%	--
Total	100%	100%	100%	100%	100%

† Combined due to low sample-size

-- Indicates an unstable estimate due to small sample size

* Statistically significant difference between "Undocumented" and "Citizens and Lawfully Present Immigrants" at the .05 threshold

** Statistically significant difference between "Eligible for Medi-Cal" and "Eligible for Covered CA, ≤ 400% FPL" at the .05 threshold

immigrants had limited English proficiency, and just over half (58 percent) were low-income. The vast majority of the Medi-Cal eligible population was low-income because eligibility is based on income.[3] Of those potentially eligible for subsidies through Covered California, 42 percent were at or below 200 percent FPL, and the other 58 percent had incomes 200-400 percent FPL.

Looking at self-reported health status, the only significant difference was worse health among the undocumented uninsured: 61 percent reported being in good, very good, or excellent health, compared to 78 percent among those eligible for either Medi-Cal or Covered California. The share reporting one or more chronic conditions was similar across all groups, roughly a quarter of the population.

Figure 3. Demographics of Uninsured Californians under Age 65 by Eligibility Status, 2014

	Share of Undocumented	Share of Citizens and Lawfully Present Immigrants			
		Total	Eligible for Medi-Cal	Eligible for Covered CA, ≤ 400% FPL	Eligible for Covered CA, > 400% FPL
Male	54%	59%	52%**	65%**	62%
LEP (not well / not at all)‡	83%*	25%*	25%	28%	--
Full-time employed (30+ hours/week)‡	52%	53%	45%**	58%**	57%
Under 200% FPL	81%*	58%*	95%**	42%**	n/a
Excellent/very good/good health	61%*	78%*	76%	77%	82%
1+ chronic conditions	26%	28%	26%	32%	23%

‡ Asked of adult respondents 18 and older only

-- Indicates an unstable estimate due to small sample size; n/a indicates not applicable

* Statistically significant difference between "Undocumented" and "Citizens and Lawfully Present Immigrants" at the .05 threshold

** Statistically significant difference between "Eligible for Medi-Cal" and "Eligible for Covered CA, ≤ 400% FPL" at the .05 threshold

Barriers to Coverage Include Ineligibility and Affordability

The majority of the undocumented, who were excluded from the ACA coverage options, reported ineligibility, especially due to immigration and citizenship, as the most common reason for being uninsured (Figure 4). Almost one in three undocumented residents reported affordability as a barrier, which may reflect the high cost of insurance given the lack of free or low-cost options for comprehensive insurance.

Among citizens and lawfully present immigrants, affordability/cost was the most frequent reason for remaining uninsured, followed by other factors such as procrastination, choosing to remain uninsured, or facing delays and being in process of getting coverage. Some (12 percent) reported that they were uninsured because of a lost job or change in employer, or because of their working status—which may mean they were ineligible for employer-based coverage because they were part-time or temporary, or that they thought they were ineligible for other coverage because they were working or offered coverage.[4]

The affordability concerns expressed by citizens and lawfully present immigrants who are eligible for Medi-Cal may indicate lack of knowledge that the program is free (or low-cost for some children at higher incomes). Of those potentially eligible for subsidies through Covered California, affordability concerns could reflect not knowing about financial assistance available in the form of tax credits and cost-sharing subsidies. A survey of continuously uninsured Californians found that 54 percent were aware of financial assistance for purchasing health insurance.[5] But affordability concerns may also reflect real challenges despite the level of financial assistance available under the ACA. These include:

Figure 4. Main Reason for Not Having Health Insurance among Uninsured Adults Age 19-64

Main reason for not having health insurance	Share of Uninsured Undocumented	Share of Uninsured Citizens and Lawfully Present Immigrants
CAN'T AFFORD/TOO EXPENSIVE	**29%**	**46%**
PERCEIVED TO BE INELIGIBLE	**53%**	**19%**
Not eligible due to working status/changed employer/lost job	--	12%
Not eligible due to health or other problem	--	--
Not eligible due to citizenship/immigration	40%	--
Can't qualify for public program coverage	--	--
OTHER	**17%**	**35%**
In process of looking for/getting insurance	--	7%
Chose not to be covered (no need--general; don't believe in insurance)	--	6%
Procrastination/hasn't taken steps to get insurance	--	6%
Respondent thought s/he was insured	--	5%
Switched insurance companies, delay	--	4%
Other (family situation changed; don't know where or how to get insurance/forms too difficult; can get health care for free/pay for own)	--	7%

-- Indicates an unstable estimate due to small sample size

- The law's subsidy and affordability thresholds are all based on the federal poverty level, and thus do not account for geographic differences in the cost of living.
- Premium contribution thresholds for those in the 250–300 percent FPL range are over 8 percent of family income for premiums in a silver plan, and 9.66 percent for those in the 300–400 percent FPL range.[6] A silver plan has a $2,500 deductible, on top of those premium costs. Moderate-income people in high-cost-of-living areas may already be struggling to make ends meet, and face trade-offs between health insurance and other necessities.
- Older adults face the highest premiums, and those with incomes just over 400 percent FPL can face premium costs well over 9.66 percent of their income and are not eligible for subsidies.
- Some are excluded from subsidies because they fall into the "family glitch"—children and spouses of employees whose premium contribution for self-only coverage costs 9.66 percent of annual household income or less, are considered to have an "affordable" offer of employer coverage as long as the employer offers family coverage, regardless of the cost. Some of these families face unaffordable premium contributions that are well above the thresholds for their income level defined in the ACA, but they are nevertheless ineligible for financial assistance, leaving them in the so-called "family glitch."

Options to Expand Coverage among the Remaining Uninsured

The number of uninsured in California has declined since 2014, primarily among citizens and lawfully present immigrants who are eligible for coverage under the ACA. Further reductions in the number of uninsured will require targeting enrollment efforts to population characteristics and policies to address the persistent barriers of affordability and eligibility identified in this brief.

At least three avenues for addressing affordability concerns exist:

- **Increase awareness of eligibility**: Increasing awareness of the financial help available under the ACA could help increase enrollment among Californians who may find that they are able to afford coverage once they understand the extent of help available to them.
- **Promote innovations in statewide policies**: The state could explore ways to expand health insurance affordability through a federal waiver. This could be done by extending subsidies to those currently ineligible due to income or the "family glitch," or enhancing the subsides for those who are currently eligible. These expansions will require additional resources either from the state or from savings found in other parts of the health care system.
- **Implement local affordability programs**: Counties could implement local affordability programs, such as San Francisco's Bridge to Coverage program, which makes premiums and out-of-pocket costs more affordable for certain San Francisco workers who purchase coverage through Covered California.[7]

Eligibility is the other major issue facing California's uninsured. The state is currently implementing or considering the following proposals to expand coverage to the undocumented:

- As a result of state legislation in 2015, undocumented children will be eligible for full-scope Medi-Cal coverage starting in May of 2016.
- The proposed Senate Bill 10 includes a provision to expand full-scope Medi-Cal to all low-income Californians, regardless of documentation status or deferred action.

- Senate Bill 10 also proposes to apply for a federal waiver to expand Covered California coverage options, though not the subsidies, to undocumented Californians.
- Under state policy, undocumented Californians with Deferred Action for Childhood Arrivals (DACA) and qualifying income can receive full-scope Medi-Cal coverage. Enrollment in Medi-Cal among those with DACA was low, less than 11,000, as of mid-2014.[8] Outreach is required to increase awareness and promote enrollment.
- The proposed federal program to extend relief from deportation and work authorization to certain undocumented parents, Deferred Action for Parents of U.S. Citizens and Lawful Permanent Residents (DAPA), is currently on hold pending judicial review. If upheld, this group would be eligible under existing state policy for full-scope Medi-Cal with qualifying income.

In addition to addressing these specific barriers, funding for safety net providers, such as public hospitals and public and non-profit clinics, remains an important priority because uninsured Californians will continue to seek services through these providers. County indigent health programs offered in 47 out of 58 counties are also critical for supporting access to non-emergency care for undocumented residents who lack insurance. As data for later years become available, it will be important to continue to analyze which populations enroll at lower rates and why they remain uninsured in order to target outreach and enrollment efforts toward them.

Appendix: Methodology and Data Caveats

Data are from the 2014 CHIS, which was conducted throughout the calendar year. As such it reflects an average estimate across the year, but does not reflect how many had gained coverage by the end of the year.

This report uses 2014 CHIS data with a sample size that is approximately half of the two-year cycle required for more stable estimates. The 2013 data could not be included in this analysis since it was gathered prior to implementation of the ACA. The smaller sample size leads to less stable estimates for specific subgroups and differences between groups that are not statistically significant.

Those identified as undocumented who report having only Medi-Cal coverage were considered to be uninsured, since in 2014 the vast majority would have had emergency Medi-Cal, with only a small number already enrolled in full-scope after being granted DACA (see footnote 8).

Eligibility was determined based on documentation status and family income. The Medi-Cal eligible are adults with income at or below 138 percent of FPL and children with incomes at or below 266 percent FPL. Those eligible for Covered California were divided into those at or below 400 percent FPL, and those above. Advanced premium tax credits and, in some cases, cost-sharing subsidies may be available to those with incomes at or below 400 percent FPL, depending on the cost of coverage and whether they have an affordable offer of employer coverage. For those with incomes above 400 percent FPL, no subsidies are available.

Endnotes

[1] Center for Medicare and Medicaid Services, Medicaid & CHIP: November 2015 Monthly Applications, Eligibility Determinations and Enrollment Report, January 27, 2016.

[2] Covered California, Covered California Active Member Profile, June 2015, October 6, 2015.

[3] Adults ages 19-64 with incomes up to 138 percent FPL are eligible; children with incomes up to 266 percent FPL are eligible.

[4] People with an affordable offer of employer coverage are not eligible for subsidies through Covered California, but having a job or an offer of employer coverage does not disqualify people from Medi-Cal coverage.

[5] Kaiser Family Foundation, California's Previously Uninsured After The ACA's Second Open Enrollment Period: Wave 3 of the Kaiser Family Foundation California Longitudinal Panel Survey—Chartpack, July 2015.

[6] 9.66 percent was the threshold in 2016; these thresholds adjust annually.

[7] For more on San Francisco's plans, see the webinar from the California Health Care Foundation, Addressing Affordability of Health Insurance at the Local Level: San Francisco's Public Benefit Program, October 28, 2015.

[8] DACA enrollees in Medi-Cal cannot be isolated by aid code, but the enrollee population with the relevant citizenship/immigration status indicator code (PRUCOL documented) grew by less than 11,000 from August 2012, when the DACA program was implemented, to June 2014. See DHCS Research and Analytical Studies Division Medi-Cal Statistical Brief, Medi-Cal's Non-Citizen Population: A Brief Overview of Eligibility, Coverage, Funding, and Enrollment, October 2015.

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