



**Protecting & Advancing California's Progress  
on Health Care & Coverage  
in Turbulent Times**

**February 7, 2018**

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[www.health-access.org](http://www.health-access.org)

# CALIFORNIA UNDER THE ACA

Millions with new consumer protections; financial assistance

4+ million Californians with new coverage already

**Biggest drop in uninsured rate of all 50 states**

## CA IMPLEMENTED AND IMPROVED:

- Covered CA negotiating on behalf of consumers
- Shop & compare health plans & benefits
- Medi-Cal express lane enrollment options
- Oversight over health plan rates & networks
- State coverage expansions: immigrant kids, newly qualified immigrants

If we can prevent ACA repeal,  
stop Medicaid cuts, and resist attacks

**how can California drive forward?**



# ACA Repeal Proposals Mean Devastation for CA

Each of the 2017 repeal proposals would have had catastrophic impacts on our health system:

## **MASSIVE CUTS TO CALIFORNIA'S HEALTH CARE SYSTEM**

- Phase out/Zero out ACA funding: Medicaid expansion & Marketplace affordability assistance
- Graham-Cassidy: \$23 billion/year by 2026; \$53 billion/year in 2027 and beyond

## **CUT AND CAP MEDICAID**

- End 50-year federal match guarantee with a per capita cap. Threatens all 14 million in Medi-Cal

## **LEAVE 4-7 MILLION MORE UNINSURED & INCREASE PREMIUMS**

- Four million would lose coverage from the elimination of Medicaid expansion; More from cutting Covered California affordability assistance
- Zeroing out individual (& employer) mandates, and further impacts on coverage & premiums

## **REPEAL KEY CONSUMER PROTECTIONS**

- Give states discretion to undo: essential health benefits, lifetime limits, no surcharges for people with pre-existing conditions, maximum out-of-pocket costs, etc. Without funding, even California would face pressure to scale back benefits.

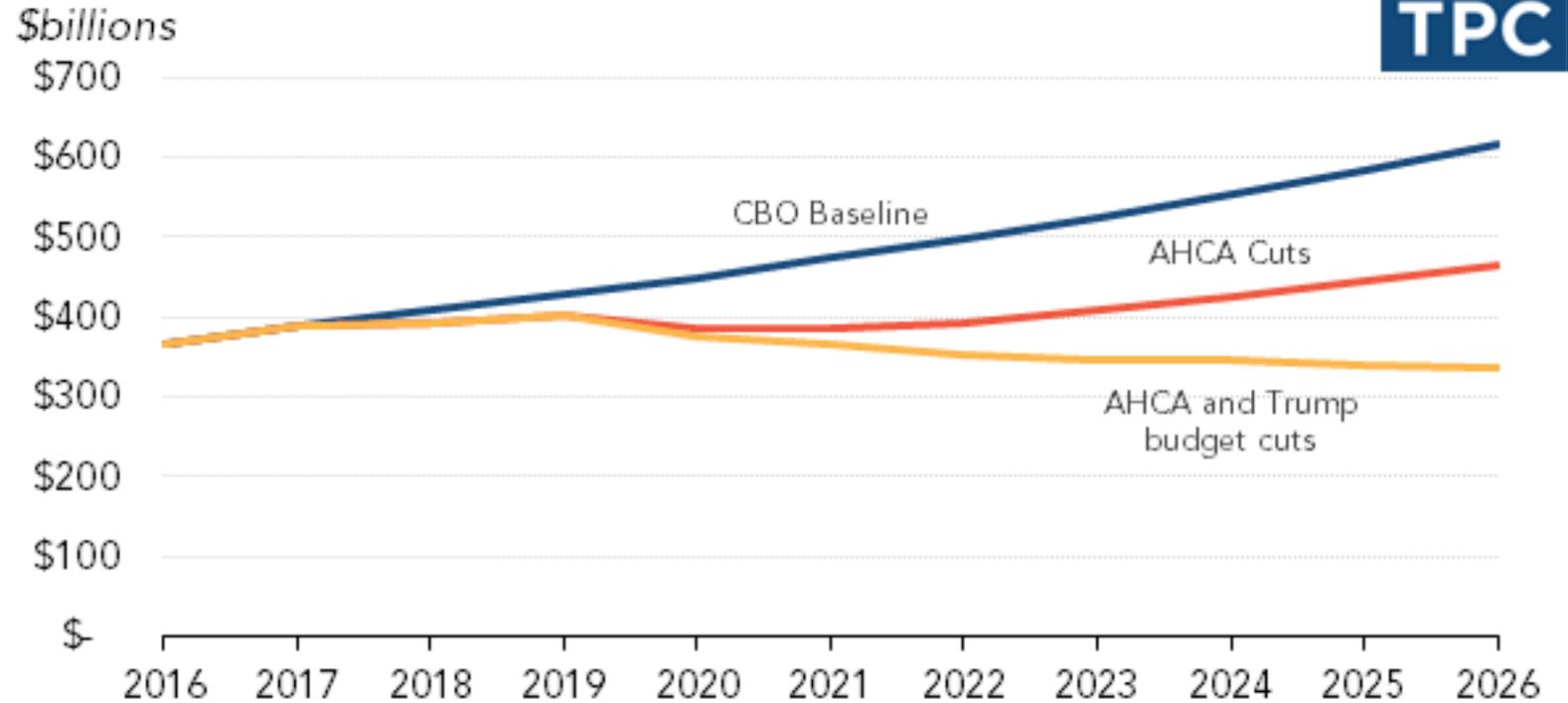
# The Ongoing Threat to Medi-Cal

## The Threat Isn't Just ACA Repeal:

- Budget resolution outlines Medicaid cuts twice as severe as ACA repeal bill
- Within a decade, the budget proposal would seek to cut almost half of Medi-Cal.
- Cuts could be packaged in the budget, or under “entitlement reform” or “welfare reform.”

Medi-Cal covers 13.8 million: 1/3 of state, 1/2 of children, 2/3 of nursing home residents.

## Medicaid After Proposed Cuts



Source: CBO, OMB.

Note: CBO's estimated AHCA cuts (\$834 billion) end in 2026. OMB's estimated budget cuts (\$610 billion) end in 2027; the last year (\$165 billion) of those cuts are not shown on the graph.



# Holding Californians Harmless From Administrative Attacks

*If the framework and financing of the ACA is intact, California has the will & wherewithal to withstand sabotage of individual insurance market:*

- **Cost-Sharing Reductions & Covered California** workaround
- **Marketing & Outreach:** Federal budget cut by 90% to \$10M vs. Covered CA's \$110 Million Campaign
- **Open enrollment:** CA keeps 3-month open enrollment period (AB 156, Wood)
- **Insurer exits:** Extend continuity of care protections to individual market (SB 133, Hernandez)
- **Contraceptive Coverage:** While Trump executive order impacts ERISA plans, existing law requires CA-regulated plans cover preventative care without cost sharing (SB 1053, Mitchell)

# Holding Californians Harmless From Administrative Attacks

## More To Do

- **“Junk” Substandard Insurance:**
  - AHP Regulations
  - SB910 (Hernandez) on Short Term Insurance
- **Medical Loss Ratio**
- **Market Stabilization Efforts: Increased Affordability Help** Funded in Part by a More Progressive Individual Coverage Contribution to Encourage Enrollment
- Ongoing Vigilance

# Renewed Focus on Universal Care—in the Tradition of California’s History on Health Reform

The renewed interest in universal health care is a bipartisan tradition that dates back to Governor Earl Warren. California has long considered complementary proposals on different tracks and timetables, including: **single-payer proposals, mandates on employers and individuals, public program expansions, consumer protections, and oversight on insurers and providers.** Just in the Bush years, the legislature considered:

- A single-payer bill, albeit one without financing, passed the full legislature twice, and was vetoed, as was a proposal to expand Medi-Cal to all children;
- An employer mandate, SB2 (Burton), was passed and signed into law, but faced a referendum and got a very close 48.2% of the vote;
- A broader set of reforms, AB8 (Nunez), passed in 2007 in the Assembly but stalled in the Senate.

One lesson: State-based reform is harder without a federal partner to help with the financing.

The ACA provides the federal framework and financing— which gives California a stronger foundation for universal coverage.

# Renewed Focus on Universal Coverage & Medicare for All

Since its founding, Health Access has been a strong supporter of multiple vehicles to get universal health care and quality, affordable health care to all Californians—including a Medicare for all single-payer system, such as bills by Senator Kuehl (SB971, SB810), Leno (SB840), Petris, and Proposition 186 (in 1994). SB562 (Lara/Atkins) renewed this effort.

## When we work for single-payer we are fighting for:

- a **universal system,**
- a **publicly and progressively financed system,**
- a **cost-effective system,**
- a **comprehensive coverage system**
- a **simpler and more efficient system,**
- a **system focused on prevention not profits.**

# Overcoming Obstacles to Health Reform

**Big health reforms—single-payer or otherwise--have faced tough odds over a century—the equivalent of threading a multiple needles at once:**

- **Political forces**, industries and stakeholders who oppose with \$/influence
  - **Industry opposition:** Insurers, Employers, Providers, Etc.
  - **Ideological opposition**, Some oppose taxes, social programs, government, immigrants
- **Public perception:** People's anxiety about health care actually make them more protective of what they have—and make them susceptible to opposition arguments.
- **Principles/Policy:** Trade-offs and policy decisions on any health reform--particularly how to **fund** and **finance**, how to **govern**, how to **structure** and how to **transition** to any new system..
- **Process:** There are some structural and constitutional barriers at the state level:
  - **Financing:** 2/3 legislative vote to enact taxes; (single-payer requires significant funds to replace all premiums/cost-sharing)
  - **Voter approval:** Likely needed to avoid state **constitutional** issues: Prop 98, Gann Limit, taxes(?)
  - **Federal permissions** (both administrative and Congressional): ERISA, Medicare, Medicaid, ACA.
  - May be easier policy-wise (if much tougher politically) to do at the federal level. **State efforts much tougher without a friendly federal partner**

# What Steps Can Be Soon? \*Without Federal Approval

## Universality

- #Health4All expansions to undocumented immigrants
  - **No one excluded due to immigration status.**
- Expand affordability help in the individual market & Covered California:
  - **No one should spend more than a % of their income on premium, on a sliding scale.**
  - **Those in Covered California need more help paying for both premiums and cost-sharing, including both copays and deductibles.**

## Cost/Quality/Equity

- Health care prices: **No unjustified medical bills beyond benchmarks**
- Public option/Medicaid Buy-in: **No bare counties/no consumer abandoned with no options at whim of private insurer.**
- Accountability of Medi-Cal managed care plans: **Year over year improvements on quality/equity.**

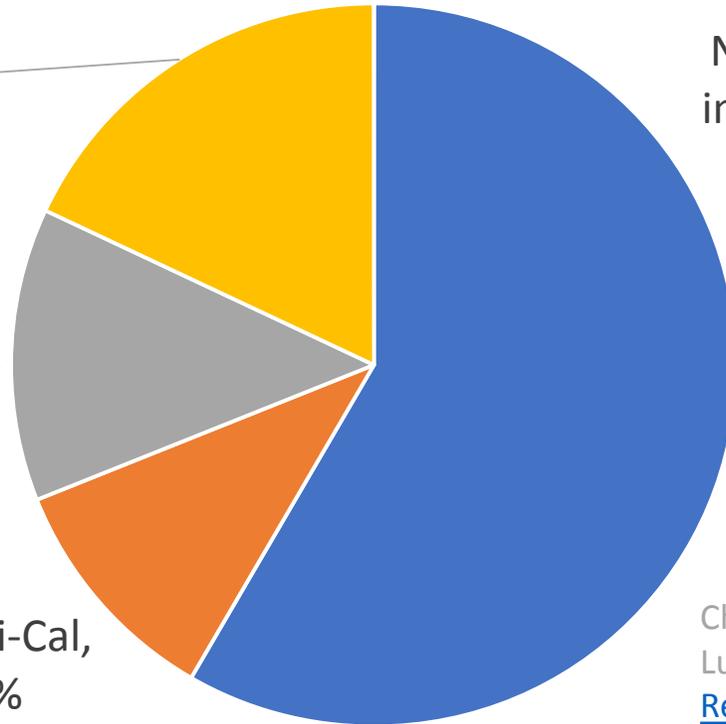
# Covering the Remaining Uninsured

## California Projected Uninsured Ages 0-64, 2017

Non-subsidy eligible  
citizens and lawfully  
present immigrants,  
550,000, 18%

Eligible for subsidies  
through Covered CA,  
401,000, 13%

Eligible for Medi-Cal,  
322,000, 11%



Not eligible due to  
immigration status,  
1,787,000, 58%

*Take-Up and Affordability Matter:*

### Medi-Cal:

- \* Enrollment today: 13.8 million
- \* 322,000 eligible but not enrolled
- \* Less than 3% eligible not enrolled

### Covered California:

- \* Enrollment today: 1.2 million
- \* 401,000 eligible but not enrolled
- \* Around 1/4 of those eligible for Covered California subsidies are not enrolled

Chart Source: Dietz M, Graham-Squire D, Becker T, Chen X, Lucia L, and Jacobs K, [Preliminary CalSIM v. 2.0 Regional Remaining Uninsured Projections](#), UC Berkeley Labor Center and UCLA Center for Health Policy Research, August 2016.

# Who Needs Affordability Help?

Under the ACA, millions have new coverage, new access, and/or new financial help to afford coverage under the ACA, but **some Californians need more assistance:**

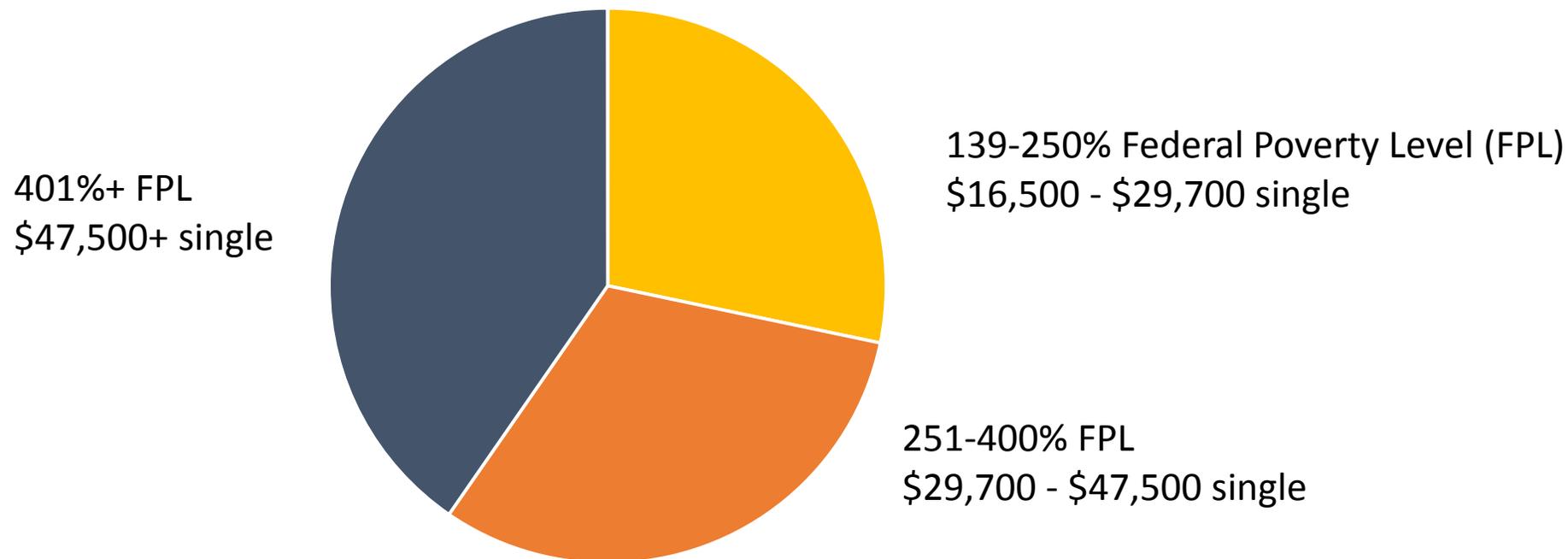
- Uninsured **undocumented immigrants** who should be eligible for Medi-Cal like every other Californian.
- Those in “**family glitch**”: family members of workers with job-based coverage that is affordable for only the worker—but dependents don’t qualify for tax credits.
- Some **over 400%** federal poverty level (typically older and high-cost areas) who have no affordability guarantee, and are spending more than 10% on coverage.
- Those **under 400%** who are eligible for help but it is insufficient, where monthly premiums/cost sharing still a burden, and may decline coverage as a result.

California can fill in these gaps to guarantee:

**No one should pay more than a % of their income for premium**—on an improved sliding scale for premiums and cost sharing.

# Who Needs More Help-- To Enroll in or Afford Coverage?

Uninsured citizens ages 0-64 with household income at or above 139% FPL, California, 2016



Source: California Health Interview Survey 2016

HEALTHCARE

4all

NO EXCEPTIONS. NO EXCLUSIONS. #HEALTH4ALL

# HEALTH4ALL

*Moving California Closer To Universal Coverage*

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February 7, 2018

# Who We Are: California Immigrant Policy Center

Founded in 1996, CIPC is a non-partisan, non-profit statewide organization that seeks to inform public debate and policy decisions on issues affecting the state's immigrants and their families in order to improve the quality of life for all Californians. CIPC engages in policy advocacy, and provides technical assistance, training and education on immigrant issues.

# Undocumented & Uninsured Californians

- There are **2.9M** undocumented Californians (Source: [CIPC & USC](#))
- **1 in 6** of all CA children have at least one undocumented parent (Source: [USC](#))
- **1 in 10 workers** is an undocumented Californian. They are integral to a range of industries (Source: [AIC](#))
- Undocumented Californians contribute **\$180 billion/year** to our **economy** (Source: [CIPC & USC](#))
- More than **half of undocumented Californians** have lived in the U.S. for at least a decade (Source: [PEW](#))



Picture Isabela and Daissy

# Background

- The Affordable Care Act *explicitly* and *unjustly* excludes undocumented immigrants from accessing health coverage through Medi-Cal or Covered California.
- Types of coverage for low-income undocumented adults:
  - Restricted-scope Medi-Cal
  - Pregnancy-related Medi-Cal
  - Health4All Kids
  - Limited care through county-safety-net programs
- Medi-Cal for low-income DACA recipients
- It is projected that of the nearly 3 million Californians who remain uninsured, **58% are undocumented adults.**

# Past Legislative Actions

## **SB 75 & SB 4 – Health4All Kids (2015)**

- Enacted on May 16, 2016 providing full-scope Medi-Cal to undocumented children under the age of 19. Since then over **200,000 undocumented children** have received comprehensive care.

## **SB 10 (Lara) – 1332 Waiver (2016)**

- SB 10 (Lara) directed the state to apply for a federal 1332 Waiver allowing undocumented Californians and DACA recipients to access to unsubsidized coverage in Covered CA.
- Waiver was rescinded due to concerns regarding the new administration's targeting of immigrant families.

## **Health4All Young Adults (2017)**

- Assembly and Senate pass budget investment to provide full-scope Medi-Cal to undocumented young adults ages 19-26.
- Enacted 2017-18 state budget did not include Health4All Young Adults.

# 2018 Health4All Proposal

Health4All brings California closer to universal health coverage and ensures that Californians have access to health care *regardless of their immigration status*.

## **Legislative Proposals:**

- Assembly budget blueprint: “Expand Medi-Cal access to cover all uninsured.”
- SB 974 (Lara): Removes an eligibility barrier to full-scope Medi-Cal for low-income undocumented adults

# Contact Information

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# A Robust 2018 Agenda on Cost/Quality/Equity

## More Work on Prescription Drug Prices

- Pharmaceutical Gifts to Doctors (SB 790, McGuire), Regulate PBMs (AB 315, Wood), Maintain co-pay caps, etc.

## Consolidation and its Impact on Costs

- Health Plan Merger Oversight (AB 595, Wood)
- Unfair & Anti-Competitive Hospital Contract Provisions (SB 538, Monning)

## Health Care Cost Containment

- “It’s the Prices, Stupid”: Insurers, Hospitals, Doctors, Drugs, Devices, etc.
- Oversight Focusing on Cost, Quality and Equity

## Medi-Cal Managed Care: Accountability for Quality and Equity

# “Public Option”

- Many Possible Goals: Additional choice in marketplace; price competition; public mission-driven “honest actor” in the market; insurer of last resort
- Urgent Goal: Preventing “bare counties” in California
  - **No Californian should be abandoned with no coverage options**
- Using the infrastructure of Medi-Cal managed care? CA’s county-run public health plans in many areas
  - Both a platform for progress--and a complicating condition
  - Issues of licensure/alignment of regulation between Medi-Cal and Department of Managed Health Care (DMHC)
  - Should we encourage/require local plans to offer coverage in Covered California? Market, regulatory, bandwidth issues
  - Opportunity for cross-county networks? Regional consortia?
- Other “Buy-In” public options in every region, especially rural
  - Need to be available in individual market, qualify for Covered California tax credit

# An Aspirational Agenda— Achievable Without Federal Approval

*“What we are getting here is not a mansion but a starter home. It’s got a good foundation: 30 million Americans are covered. It’s got a good roof: A lot of protections from abuses by insurance companies. It’s got a lot of nice stuff in there for prevention and wellness. But, we can build additions as we go along in the future” –Senator Tom Harkin*

## Stabilizing the Market/Resisting the Sabotage

Prevent Premium Spikes, More Uninsured and Junk Coverage

## Universality and Affordability

Removing Exclusions Due to Immigration Status

Increasing Affordability Assistance in Covered California Premiums & Cost Sharing

Bright Line on Medi-Cal Eligibility to 138%, Including for Aged & Disabled

## Quadruple Aim: Access/Cost/Quality/Equity

Industry Accountability: Health Plan Mergers, Hospitals Contracts, Rx Costs, Etc.

Cost Containment Oversight and Regulation

Quality/Equity Reporting & Requirements

Continued Progress on Consumer Protections, Delivery System Reform, Public Option





# Slippery Slope?

## Or Scaling a Mountain...

### Structural Steps to the Mountaintop:

- More People Covered & In the System
- More Pooled Purchasing
- Ceilings/Limits on Cost-Sharing
- Consumer Protections & Expectations
- Definition of Coverage/Essential Benefits
- Additional Public/Progressive Financing
- Public Program Expansions
- Price Review and Regulation

# For More Information



Website: <http://www.health-access.org>

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