Title

TESTIMONY: Landscape of health insurance for low-wage workers in California

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Landscape of health insurance for low-wage workers in California

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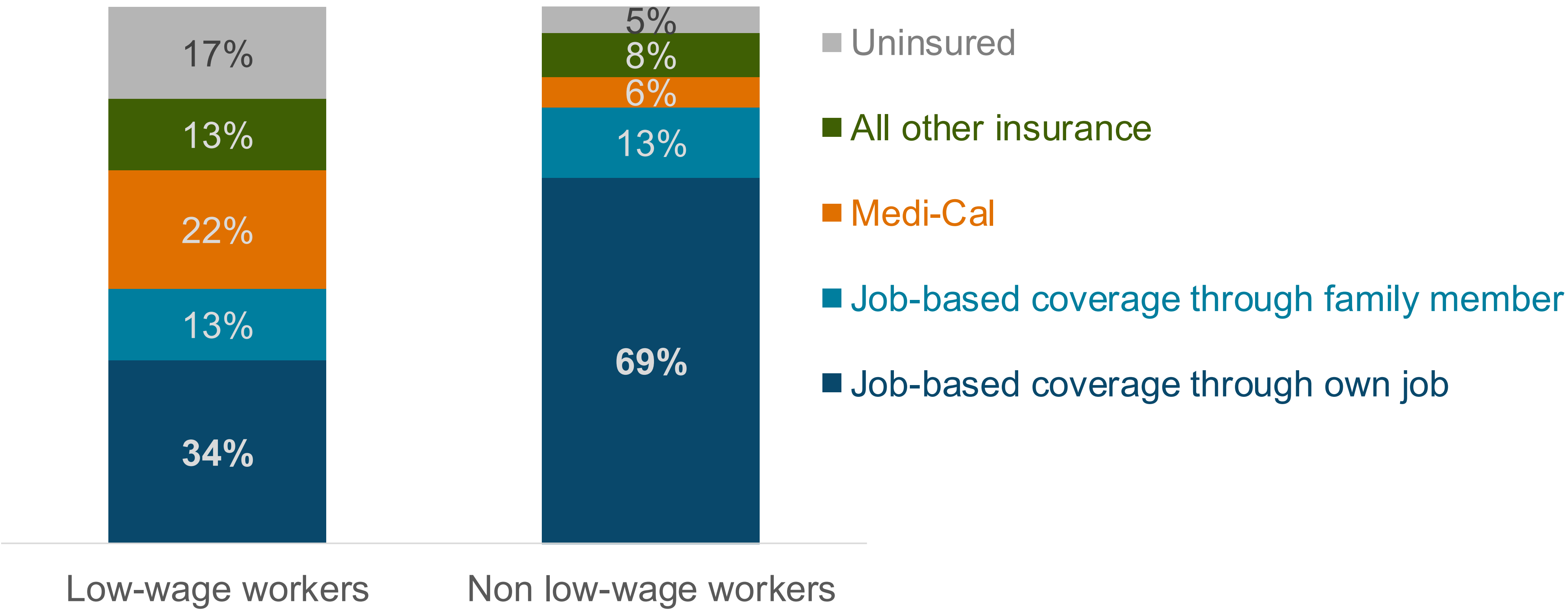
Workers paid low wages are less likely to have coverage through their own job

Source of health insurance among California workers, 2022



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Source: Savannah Hunter, UC Berkeley Labor Center, Current Population Survey 2022. Low-wage workers are those paid less than $19.69 per hour in 2022. Includes California non-self-employed workers age 16+. Does not account for survey undercount of Medi-Cal. Numbers may not add due to rounding.

Why are some workers left out of job-based coverage?

No offer

- Self-employed
- Small firms are less likely to offer coverage
  - 35% of CA firms with less than 50 employees offer coverage to some employees

Not eligible

- Part-time workers may be ineligible
- Recent hires may be ineligible due to waiting periods

Unaffordable

- Average annual CA worker-share of premium 2025:
  - $1,303 for single
  - $7,312 for family
- Worker premium often the same across wage levels within a firm

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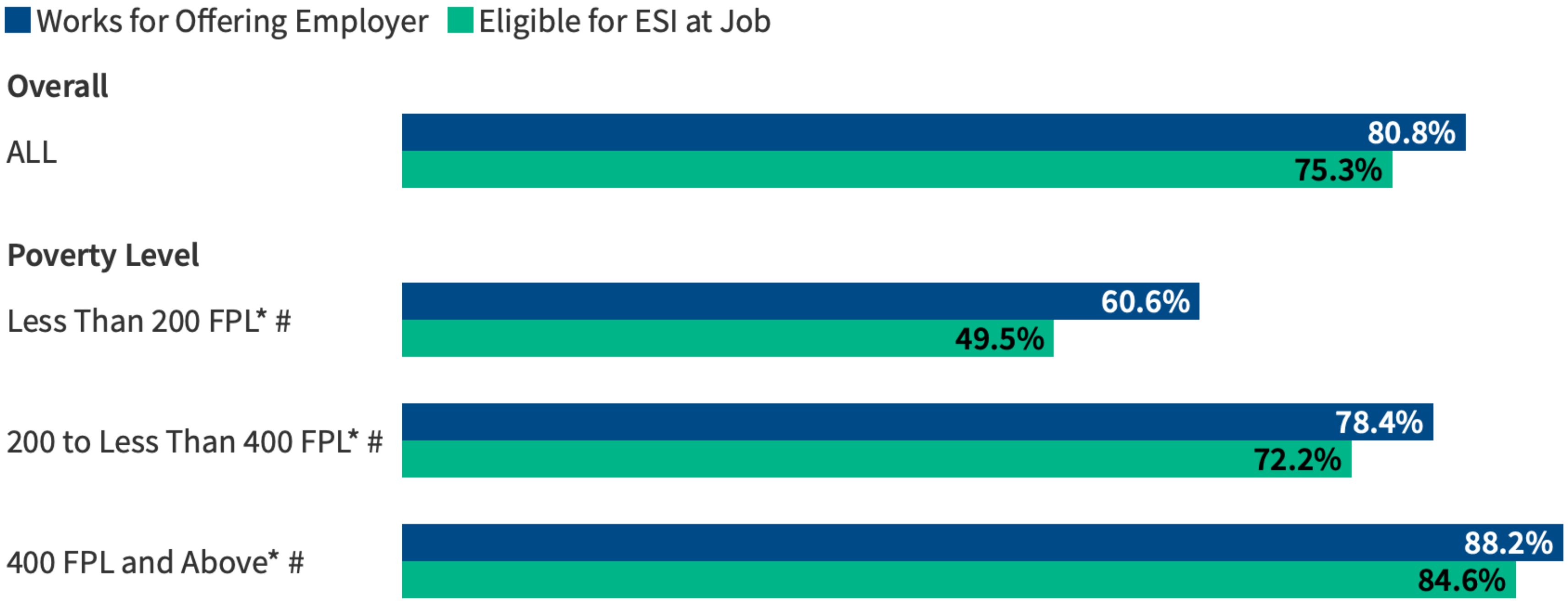
Source: California Medical Expenditure Panel Survey Insurance Component 2024 and California Employer Health Benefit Survey 2025

Low-income workers less likely to work for an offering employer and less likely to be eligible

Among workers ages 18-64 years, share working for an offering employer and share eligible for employer-sponsored health insurance (ESI) at job, overall and by poverty level, March 2023



* Offer rate for group different than others within the category at p<.05
# Eligibility rate for group different than others within the category at p<.05

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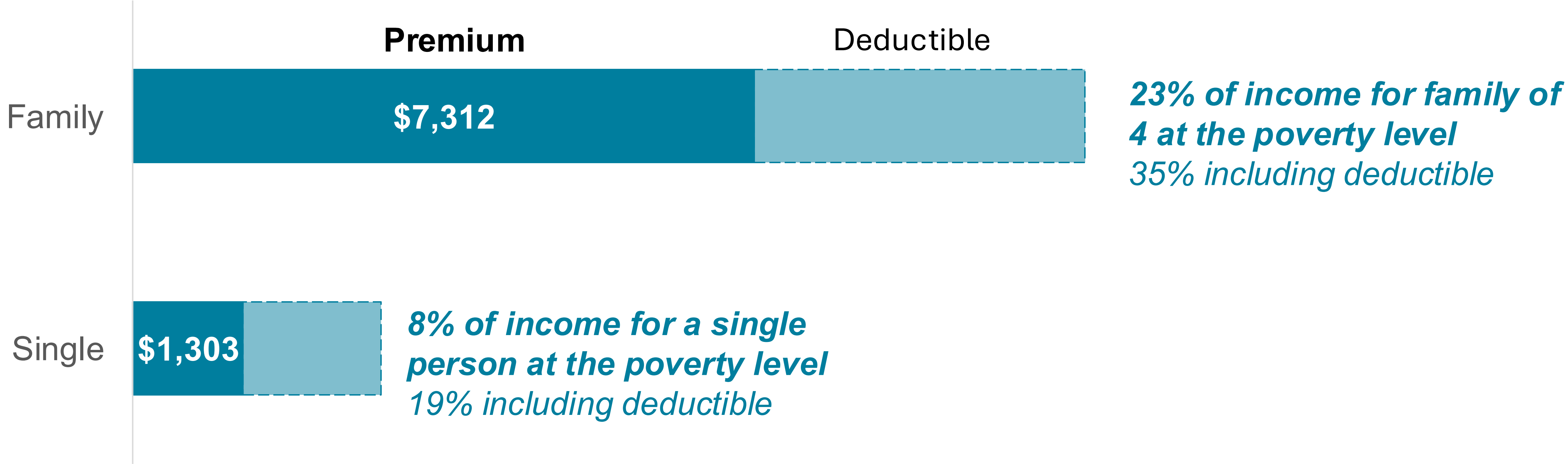
Note: National data. Self-employed workers excluded. Poverty measure based on income from prior year. Source: KFF analysis of the 2023 Current Population Survey ASEC Supplement, "Employer-Sponsored Health Insurance 101" 2025. Peterson-KFF Health System Tracker.

Worker cost of coverage can be prohibitive

Average annual California worker premium contribution, 2025



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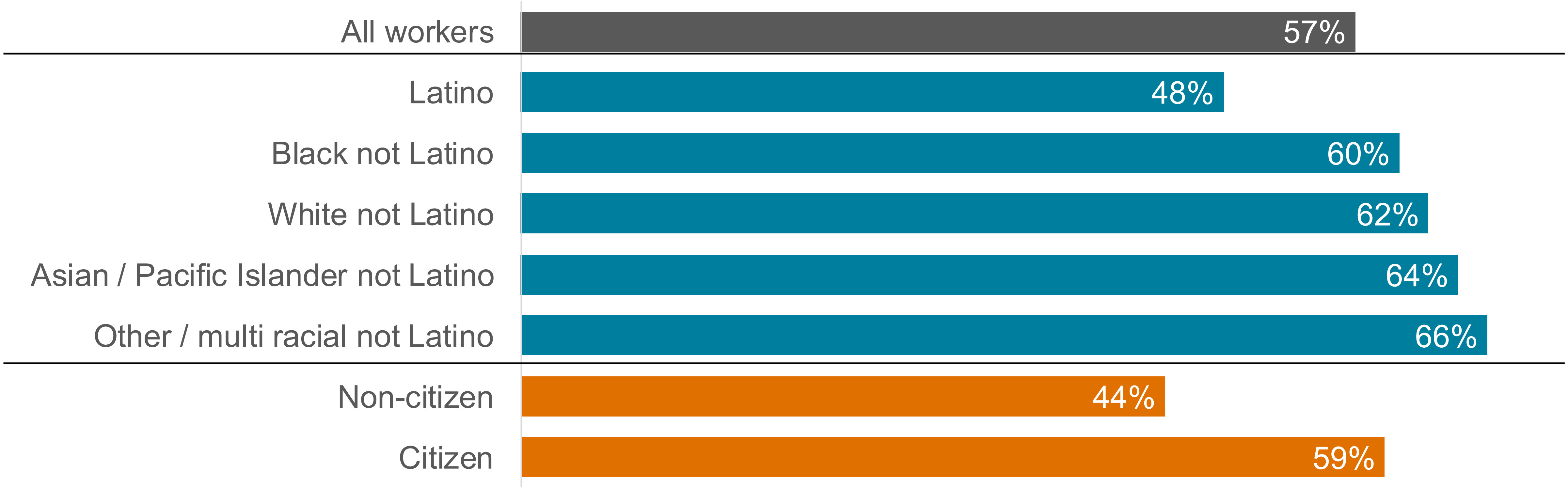
Note: 75% of California's covered workers were in a plan with a deductible in 2025.
Sources: California Employer Health Benefit Survey, 2025. Family deductible uses MEPS-IC 2024.

Latino and non-citizen workers are less likely to have job-based coverage through their own job

Share of California workers age 19-64 enrolled in job-based coverage through own job, 2025



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Note: Includes California non-self-employed workers age 19-64.
Source: UC Berkeley Labor Center analysis of 2025 Current Population Survey ASEC Supplement

Lack of coverage for low-wage workers has state budget impacts

- 3.6 million CA workers ages 19-64 are enrolled in Medi-Cal, excluding 900,000 self-employed workers
- $36 billion in estimated federal and state spending on Medi-Cal for these enrollees in FY 26-27

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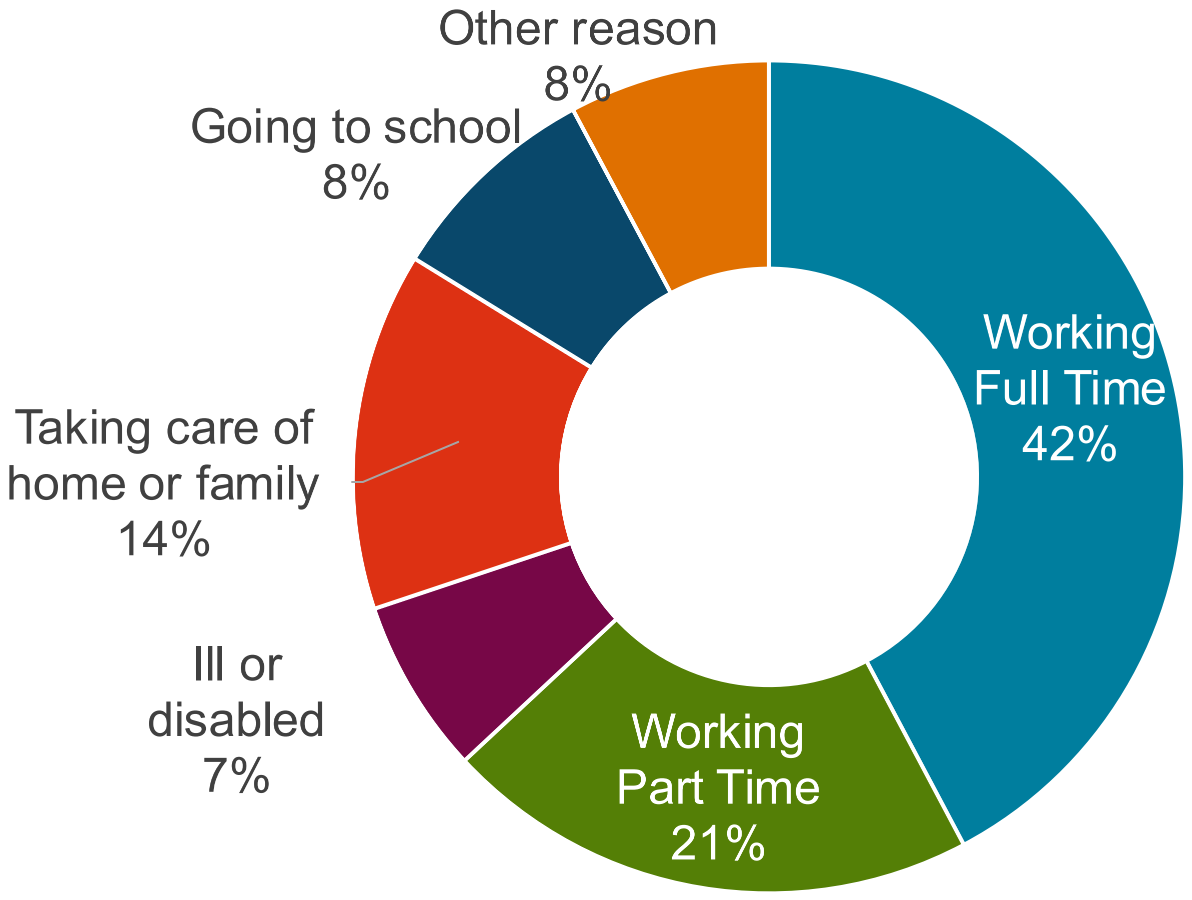
Source: UC Berkeley Labor Center analysis of DHCS Medi-Cal enrollment data for ages 19-64 from November 2025, DHCS Cost per Eligible in Fiscal Year 2026-2027 Based on November 2025 Estimate, and data on work status and self-employment status from UCLA California Health Interview Survey 2023-2024

Most enrollees are already working or *should* be exempt from HR1 work requirements

Work status and barriers to work among Medi-Cal adults, 2023



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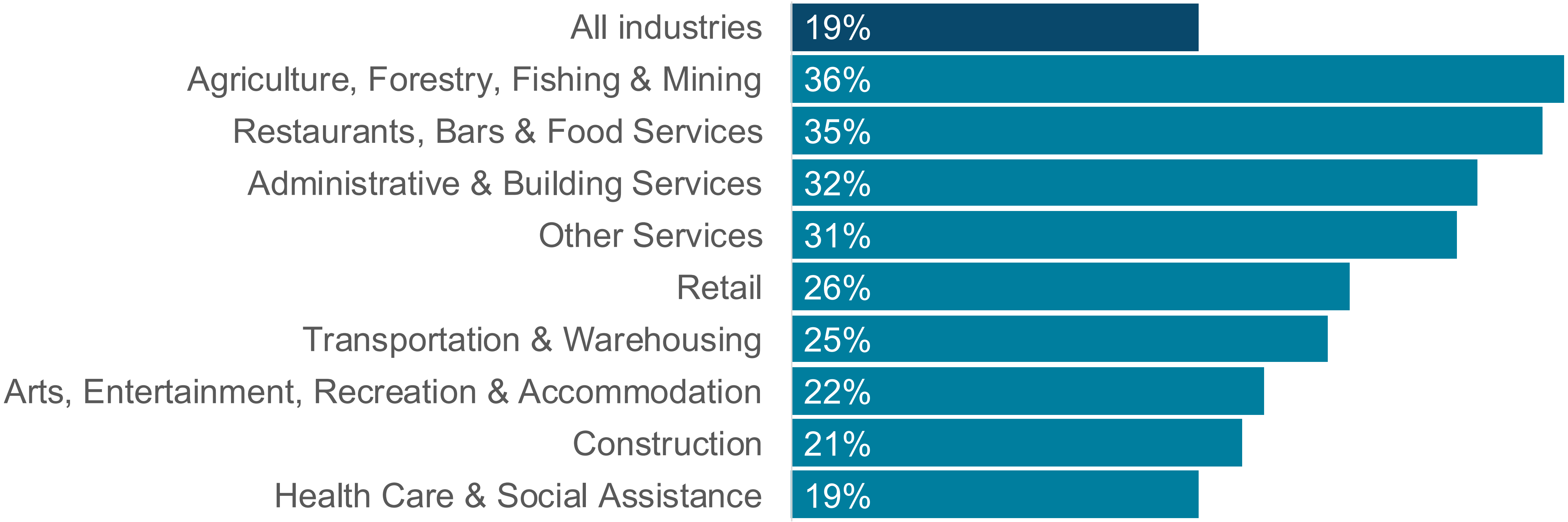
Note: Includes Medi-Cal covered adults (age 19-64) who do not receive benefits from Supplemental Security Income or Social Security Disability Insurance and are not also covered by Medicare.
Source: KFF, "Understanding the Intersection of Medicaid and Work: An Update" 2025

Workers in Medi-Cal by industry

Share of California workers age 19 to 64 enrolled in Medi-Cal by industry, for higher-than-average industries, 2023



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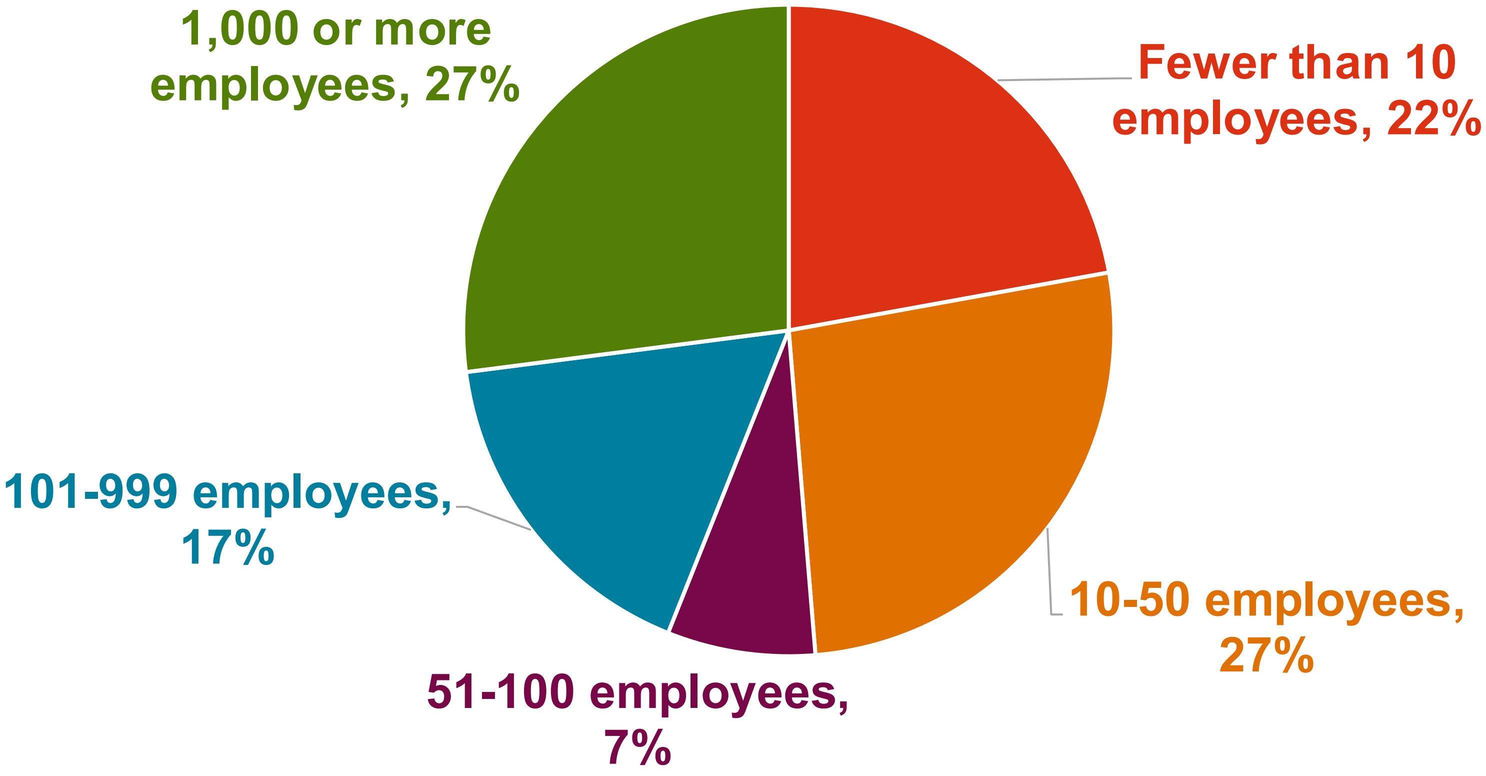
Notes: Workers include self-employed; Medi-Cal estimates adjusted to account for survey undercount
Source: UC Berkeley analysis of 2023 American Communities Survey

Medi-Cal enrollees work across the range of firm sizes

California workers age 19 to 64 enrolled in Medi-Cal by firm size, 2023-24



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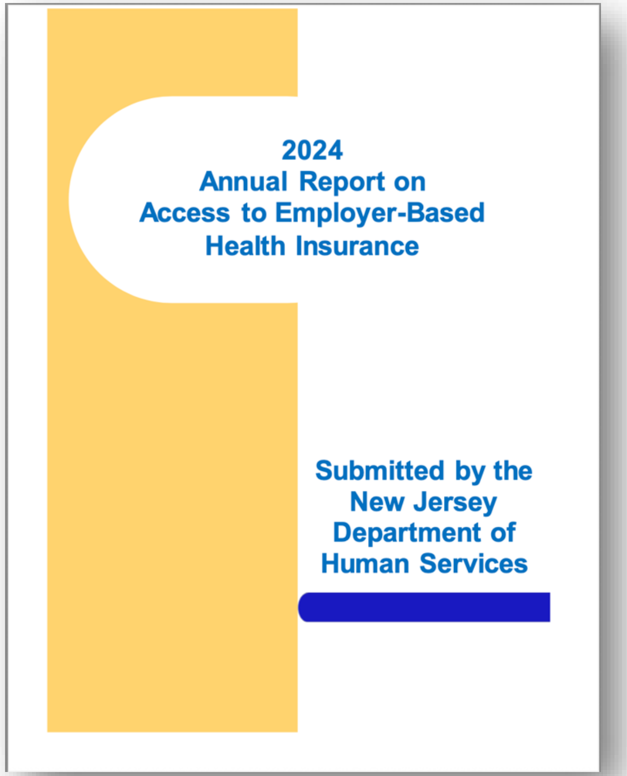
Note: Excludes self-employed workers. Numbers may not add due to rounding
Source: UCLA California Health Interview Survey 2023-24

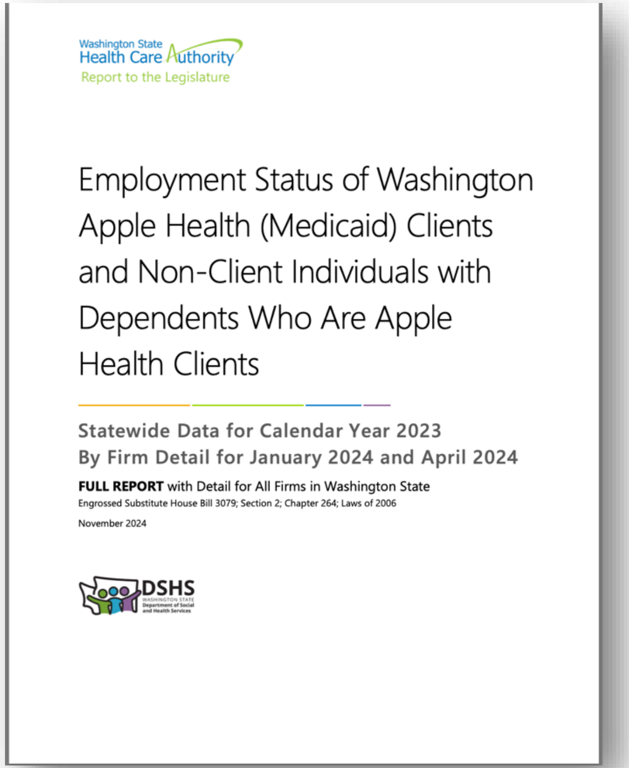
Other states collect and report employer-specific data on Medicaid enrollment

Examples:

- New Jersey
- Washington


2024
Annual Report on
Access to Employer-Based
Health Insurance

Submitted by the
New Jersey
Department of
Human Services


Washington State
Health Care Authority
Report to the Legislature

Employment Status of Washington Apple Health (Medicaid) Clients and Non-Client Individuals with Dependents Who Are Apple Health Clients

Statewide Data for Calendar Year 2023
By Firm Detail for January 2024 and April 2024

FULL REPORT with Detail for All Firms in Washington State
Engrossed Substitute House Bill 3079; Section 2; Chapter 264; Laws of 2006

November 2024

DSHS
WASHINGTON STATE
Department of Social and Health Services

Sources: NJ: Annual Report on Access to Employer-Based Health Insurance, 2024.
WA: Employment Status of Washington Apple Health (Medicaid) Clients and Non-Client Individuals with Dependents Who Are Apple Health Clients, 2024.

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- https://laborcenter.berkeley.edu/health-care/
- https://laborcenter.berkeley.edu/low-wage-work/public-cost-of-low-wage-work/

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