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Californians Newly Eligible for Medi-Cal under Health Care Reform

Nadereh Pourat, Ana E. Martinez and Gerald F. Kominski

SUMMARY: About 2.13 million nonelderly Californians who were uninsured for all or part of 2009 are newly-eligible for Medi-Cal under the Patient Protection and Affordable Care Act (ACA) of 2010.¹ Analysis of the 2009 California Health Interview Survey indicates that this newly-eligible population is often single, working-age and employed. Their rates of most chronic conditions are similar to those currently

enrolled in Medi-Cal, but they have less access to care. The characteristics of the population of the newly-eligible for Medi-Cal under ACA are likely to change by 2014 when the major provisions of the law are fully implemented. However, coverage of this newly-eligible low-income population is likely to improve their access to health services.

“The expansion of Medi-Cal will provide coverage to those with the lowest income and least access.”

The Patient Protection and Affordable Care Act (ACA) of 2010 extends Medi-Cal benefits to a new group of Californians previously ineligible for the program. Those newly eligible earn less than 134% of the Federal Poverty Level (FPL), are citizens or legal permanent residents who have lived in the U.S. for at least five years, and do not have dependent children.^{2,3} However, the newly-eligible group will include parents with incomes between 100-133% FPL who are not currently eligible under Medi-Cal income eligibility rules. Similarly, individuals with annual incomes less than 134% FPL but with monthly incomes greater than 133% FPL are included in this brief, because they are highly likely to be eligible for Medi-Cal at any time during the year.

About 3.04 million nonelderly Californians were uninsured for all or part of 2009 and are estimated to be eligible for Medi-Cal.⁴ Of these, 2.13 million are estimated to be newly eligible for Medi-Cal under ACA. An additional 910,000 are eligible under

current Medi-Cal rules but did not enroll in the program. These individuals are not examined in this brief.

This policy brief does not predict who will participate in the expanded Medi-Cal program. Instead, it uses the latest data from the 2009 California Health Interview Survey (CHIS 2009) to estimate the size and characteristics of the uninsured populations who are *newly eligible* and can participate in Medi-Cal under the new ACA rules. The number of those eligible could change, given changes in market dynamics by 2014. The number who will eventually participate in Medi-Cal is also likely to be lower given enrollment rates of currently-eligible individuals.

The 2.13 million uninsured newly-eligible population consists of 1.5 million who were uninsured for all of the past year and another 622,000 who were uninsured intermittently. The latter group represents individuals who gain and lose insurance coverage (including Medi-Cal) throughout the year, while the

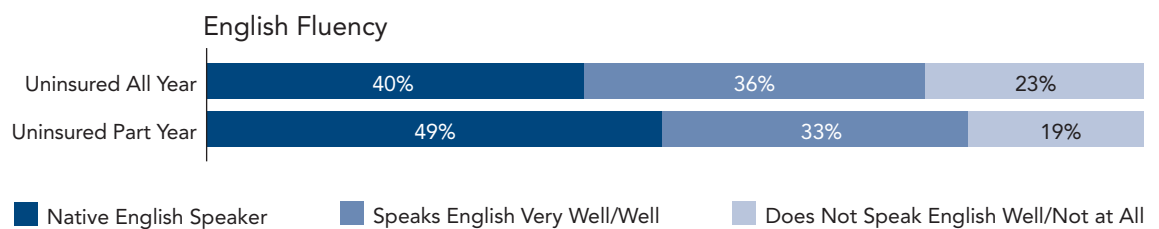
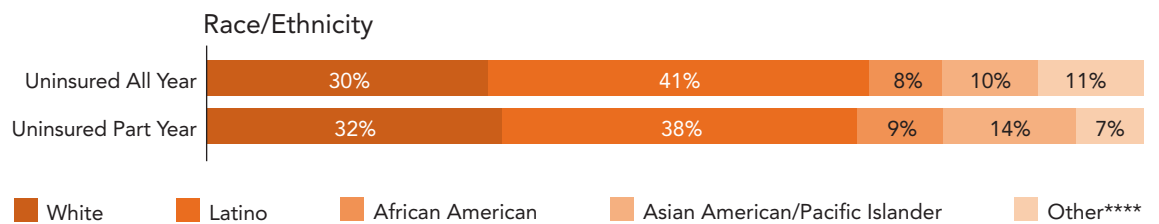
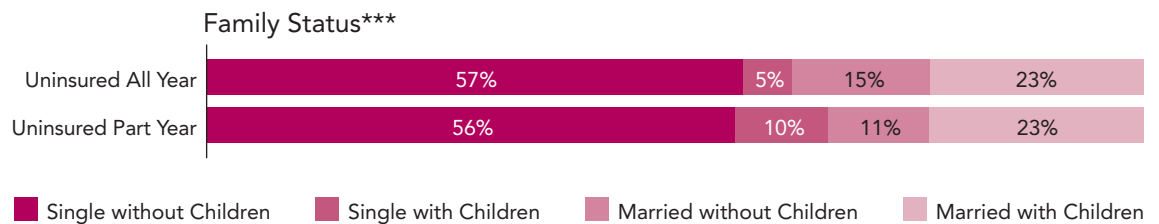
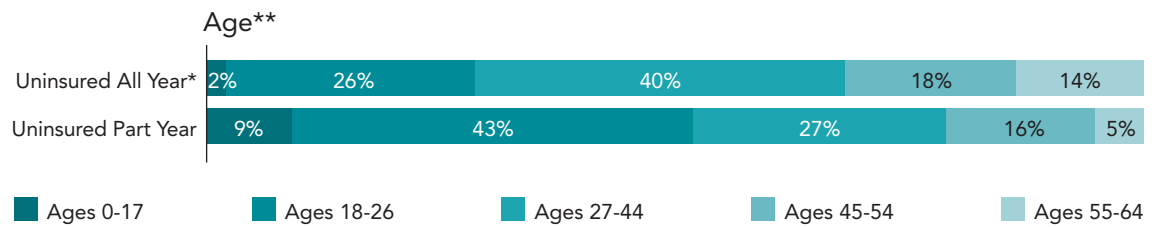


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Exhibit 1

Sociodemographic Characteristics of the Population Newly Eligible for Medi-Cal under ACA, California, 2009



* The distribution is statistically different between uninsured all year and uninsured part year.

** Children ages 0-5 with monthly family incomes greater than 133% FPL and annual family incomes of 133% FPL or lower are included.

*** Married couples with children only include those with incomes of 100-133% FPL who are not currently eligible for Medi-Cal but will be newly eligible under ACA.

**** Other includes American Indian and Alaska Native and mixed/multiracial individuals.

Note: Totals may not add to 100% due to rounding error.

Source: 2009 California Health Interview Survey

former have been uninsured consistently. The two groups differ significantly in a number of characteristics, which may impact their eventual participation rates, and are reported separately in this brief.

In addition, the health and utilization status of those with Medi-Cal coverage during the past year are provided as a point of comparison, as these individuals represent the profile of Medi-Cal enrollees under current Medi-Cal eligibility rules. The significant differences between the current Medi-Cal enrollees and the newly-eligible population can be used to identify programmatic changes in Medi-Cal to respond to the needs of the newly-eligible population.

Most Are Young, Male, Single and Working

The newly-eligible population is dominated by young working-age males and single adults. The largest proportion of those uninsured all or part of the year were young adults ages 18-26, though the age distribution differed significantly between the two groups (Exhibit 1). More of those uninsured all year (59%) were male than those uninsured part year (52%).

The two groups did not differ in their family status, race/ethnicity, English fluency and languages spoken at home. The largest proportion of both groups was single, followed by married couples with children. Latinos constituted the largest racial/ethnic group in both populations, and the majority were either native English speakers or fluent in English. Of those uninsured all year or part year, 13% and 11%, respectively, spoke Spanish only at home. About 4% of those uninsured all year and 2% of those uninsured part year spoke only Asian languages at home.

Insurance Status

Uninsured All Year

Individuals uninsured for the past 12 months.

Uninsured Part Year

Individuals uninsured for any number of months in the past year.

Medi-Cal Insured

Individuals enrolled in Medi-Cal during the past year.

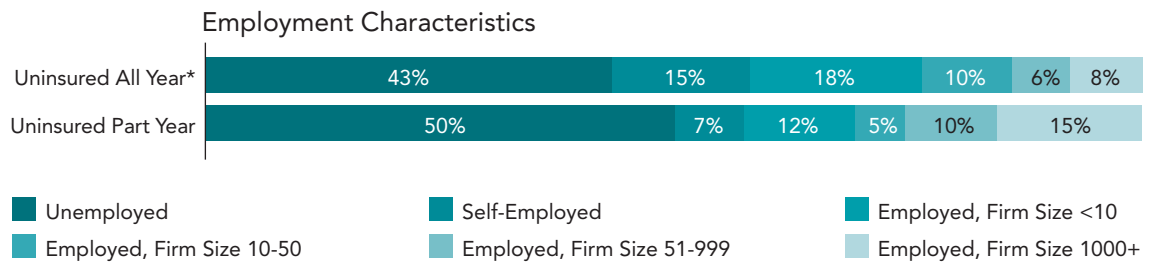
Uninsured All or Part Year

Cumulative count of uninsured during past year. The concept of *uninsured all or part year* – which is the cumulative count of uninsured during the past year – yields a larger number of uninsured than *currently uninsured* – which is a point-in-time estimate.

“Working age Californians make up a large percentage of the newly eligible.”

Exhibit 2

Employment Characteristics of the Population Newly Eligible for Medi-Cal under ACA, California, 2009



* The distribution is statistically different between uninsured all year and uninsured part year.

Note: Totals may not add to 100% due to rounding error.

Source: 2009 California Health Interview Survey

Many uninsured all or part of the year were working (Exhibit 2). Among those employed, the distribution of employer size differed among uninsured all or part of the year. Those uninsured all year were more often employed by firms with less than 10 employees or 10-50 employees than those uninsured part year.

Current eligibility for Medi-Cal is determined based on monthly income. The majority of the newly-eligible population had incomes of 0-133% FPL based on both monthly and annual incomes (65% of uninsured all year and 76% of uninsured part year; data not shown in Exhibits). However, the rest had fluctuating incomes throughout the year and may not be consistently eligible for Medi-Cal.

Most Are Healthy, But Have Limited Access to Care

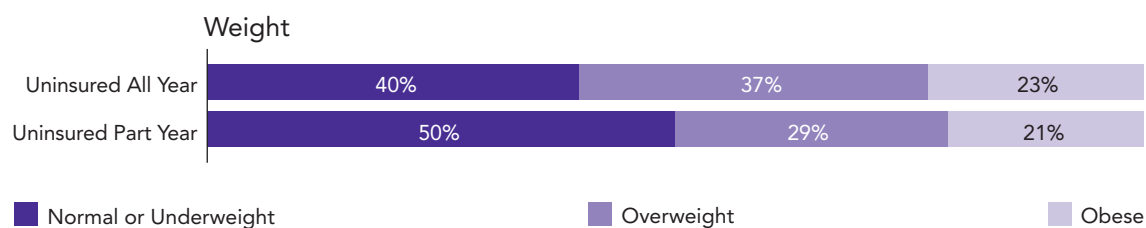
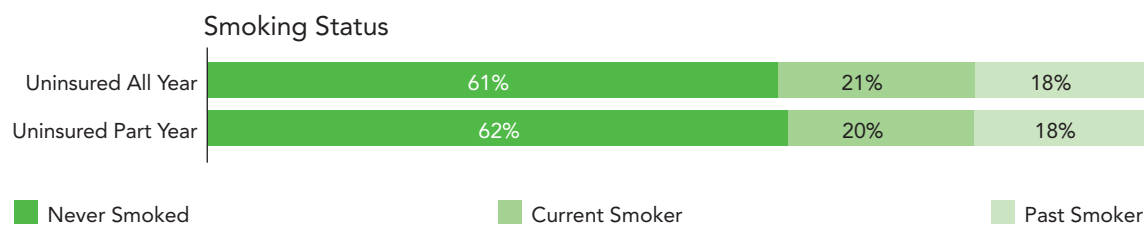
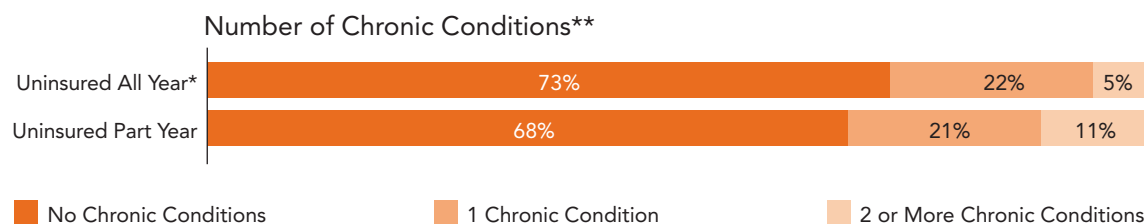
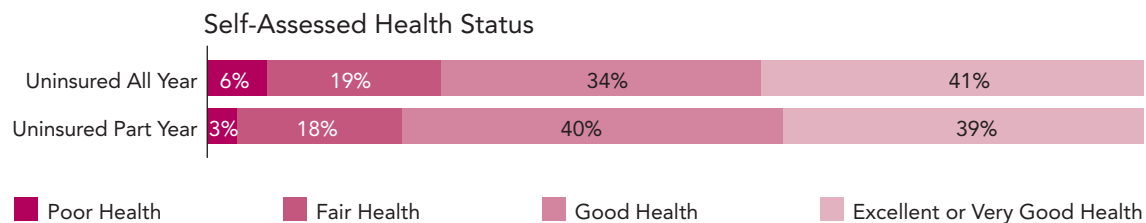
The newly-eligible population was similar to the current Medi-Cal enrolled population in most aspects of health examined in this brief, with the following exceptions (Exhibit 3): high blood pressure was more prevalent among uninsured all year (15%) and part year (18%) than current Medi-Cal enrollees (9%); also, fewer uninsured had never smoked in the past and more were overweight than current Medi-Cal enrollees (69% and 26%, respectively).

Apart from these differences, other indicators of health were similar among Medi-Cal and the newly-eligible population. Particularly, diabetes (5% of uninsured all year and 11% of uninsured part year), asthma (11% of uninsured all year and 16% of part year), and heart disease rates (3% of uninsured all or part year) were similar to Medi-Cal rates (data not shown in exhibits). The rates of one or more chronic conditions were higher among uninsured part year compared to uninsured all year.

“The newly eligible are not sicker than the current Medi-Cal population.”

Health Status of the Population Newly Eligible for Medi-Cal under ACA, California, 2009

Exhibit 3



* The distribution is statistically different between uninsured all year and uninsured part year.

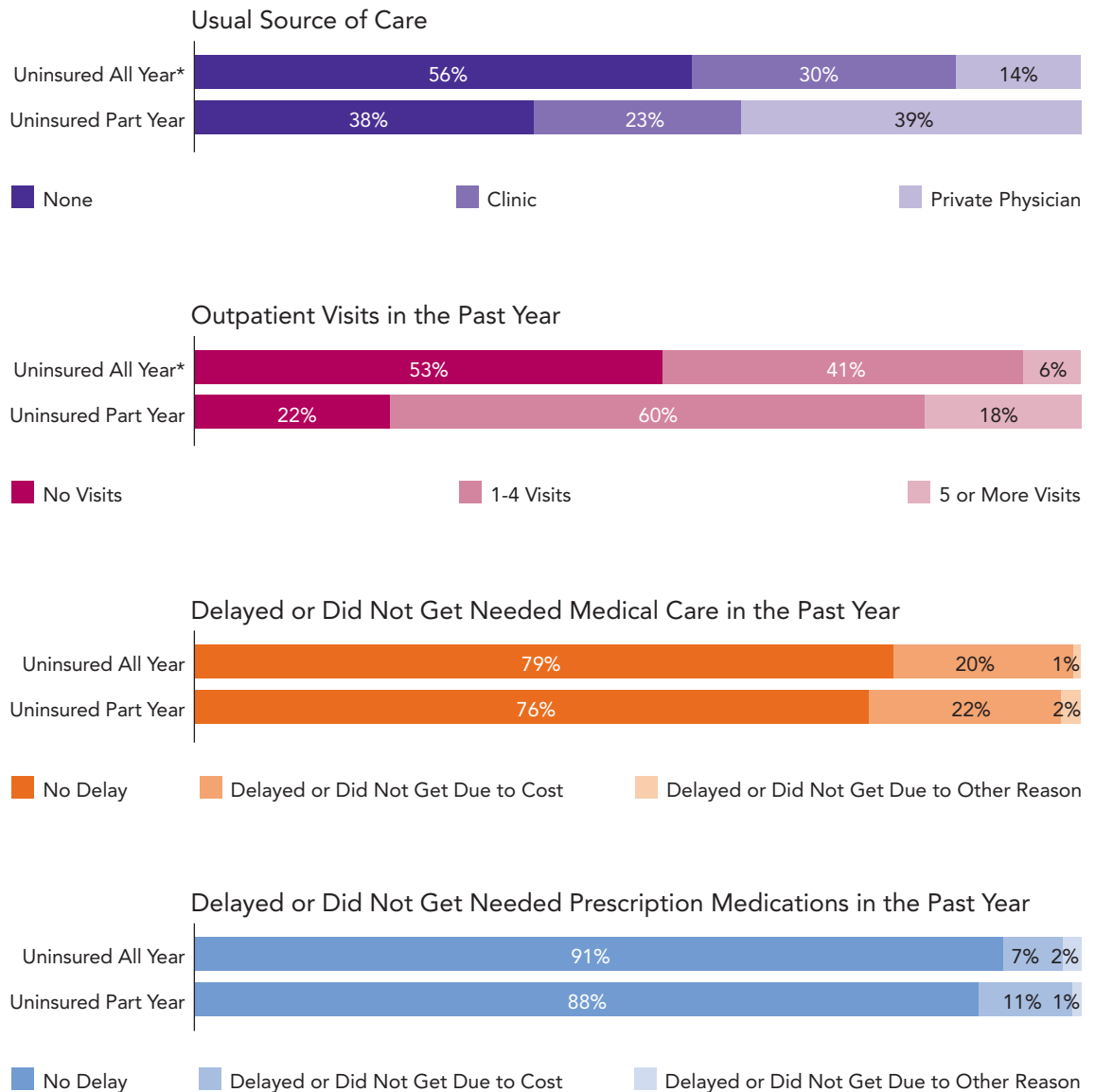
** Chronic conditions examined include asthma, diabetes, high blood pressure and heart disease.

Note: Totals may not add to 100% due to rounding error.

Source: 2009 California Health Interview Survey

Exhibit 4

Access to Care of the Population Newly Eligible for Medi-Cal under ACA, California, 2009



* The distribution is statistically different between uninsured all year and uninsured part year.

Note: Totals may not add to 100% due to rounding error.
Source: 2009 California Health Interview Survey

“Access to care was a significant problem for the uninsured.”

The uninsured had limited access to care (Exhibit 4). Medi-Cal insured had better access to care than the uninsured all or part year. The Medi-Cal insured were less likely to report no usual source of care (15%), no outpatient visits in the past year (14%), or delays in receiving medical care due to cost than uninsured all or part year. Also, Medi-Cal insured were less likely to report delays in receiving prescription medications due to cost (5%) than uninsured part year. However,

Medi-Cal insured were more likely to have had an emergency room visit (25%) than uninsured all year (16%), but did not differ from uninsured part year (26%).

The rates of usual source of care and office visits differed among uninsured all or part of past year, indicating that those with intermittent coverage had better access to care than those uninsured all year.

Conclusions and Implications

The data in this brief are essential to the Medi-Cal program. These data inform the current discussions on enrollment caps, provider reimbursement methods and rates, and selecting participating providers and plans among other considerations in anticipation of ACA implementation in 2014.

The data confirm that ACA will achieve its stated goal of providing coverage to the most disadvantaged segment of California's population: those with the lowest income and least access to health care. Despite lack of access or inconsistent access, the newly-eligible population is not sicker than the current Medi-Cal insured population. The slightly elevated rates of being a current smoker, being overweight or having high blood pressure are amenable to low-cost medical intervention in this relatively young and working-age population. The major benefit of expanding Medi-Cal coverage will be in improving access to care, which is essential in preventing disease and morbidity.

The data highlight the new challenges and opportunities posed by the expansion of Medi-Cal. The discrepancy between the monthly and annual income indicates the continued cycling of eligibility under ACA unless enrollment processes and income eligibility criteria are streamlined and coordinated between Medi-Cal and the California Health Benefit Exchange program.

The potential increase in health care expenditures is likely to be significantly moderated by participation of the newly-eligible young, single and male population who are less likely to require extensive or costly care. Enrollment outreach to all newly-eligible populations is an optional strategy to reduce adverse self-selection or enrollment by only the sickest newly-eligible population.

California is preparing for implementation of health care reform by incorporating many of

Uninsured Part Year: A Snapshot

Among those with intermittent coverage during the year, 31% were currently insured at the time of the CHIS 2009 interview. These individuals were covered by employment-based insurance (52%), Medi-Cal (11%), individual insurance (8%), and other coverage (29%; data not shown in exhibits). The remaining 69% of the uninsured part year who were also currently uninsured at the time of the CHIS 2009 interview described their past coverage as employment-based (39%), Medi-Cal (24%), Healthy Families (3%), and other forms of coverage (34%). The average length of time without insurance was seven months.

the newly ACA eligible population in the county-based Low-Income Health Program (LIHP), under the state's recently approved Medi-Cal 1115 Waiver. This program allows the participating counties to receive federal funds prior to 2014 to provide essential access to primary care and chronic care management. Improved access to care of the newly-eligible population who will participate in LIHP is likely to improve the health status and reduce unmet need for care of this population prior to 2014.

Data Source and Methods

The findings in this brief are based on analysis of the 2009 California Health Interview Survey. CHIS 2009 provides the most up-to-date and comprehensive information on insurance coverage and eligibility for Medi-Cal expansions under the Patient Protection and Affordable Care Act in California (ACA). Medi-Cal eligibility under the ACA expansion was estimated by including citizens and legal residents of California who have lived in the U.S. for more than five years and satisfy all other known income criteria for Medi-Cal participation, specifically household incomes of 133% of the federal poverty level or lower. For more information on CHIS sample size, methods and data, please visit: www.askchis.com.

“The Medi-Cal and Exchange enrollment processes should be streamlined.”



This publication contains data from the California Health Interview Survey (CHIS), the nation's largest state health survey. Conducted by the UCLA Center for Health Policy Research, CHIS data give a detailed picture of the health and health care needs of California's large and diverse population. Learn more at: www.chis.ucla.edu

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Endnotes

- 1 The estimated size of the population who will be newly eligible for Medi-Cal under ACA varies depending on whether annual or monthly income is considered. Under current enrollment procedures, Medi-Cal eligibility is determined based on monthly income. The estimate of the newly-eligible population in this brief includes all individuals whose monthly or annual incomes fall below 134% of the Federal Poverty Level. Thus, populations with fluctuating income during the year are captured assuming they would seek Medi-Cal enrollment at some point during the year. These individuals are likely to transition between Medi-Cal and other forms of coverage including those provided in the California Health Benefit Exchange Program.
- 2 Under ACA, Medi-Cal eligibility can be determined by disregarding an amount equal to 5% of FPL from an individual's income, raising the effective eligibility level to 138% of FPL for some populations. The population income used in this analysis is adjusted for this 5% income disregard.
- 3 It has not been determined if the state of California will continue to cover legal residents with fewer than five years of residency using 100% state funding.
- 4 <http://www.healthpolicy.ucla.edu/pubs/files/twotbirdspb-2-2011.pdf>