

Medi-Cal Eligibility Expansion

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LOMA LINDA UNIVERSITY
HEALTH

Institute for Health Policy and Leadership

Introduction

- On January 10, 2022, Governor Newsom introduced his proposed state budget for FY 2022-23 to the California Legislature, calling it the California Blueprint
- Proposed expenditure of \$286.4 billion in total state funds
 - \$213.1 billion from the General Fund
 - \$65.3 billion from special funds
 - \$8 billion from bond funds

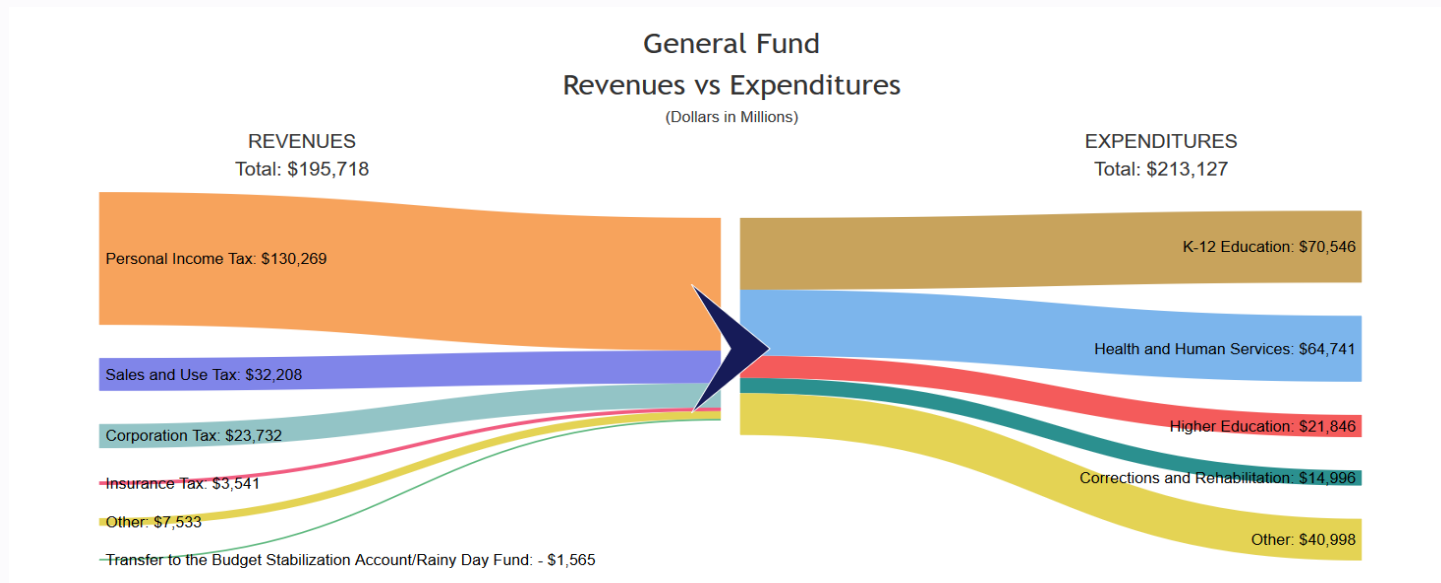


Image source: <https://www.ebudget.ca.gov/budget/2022-23/#/Home>

Introduction

- The Governor's budget proposal includes proposals to improve health care access and/or affordability
 - Expand full-scope Medi-Cal Coverage to all remaining income-eligible undocumented Californians
 - Reduce Medi-Cal premiums to zero
 - Establish the Office of Health Care Affordability
 - Reduce the cost of insulin through state partnerships



Background Context

Figure 1

Most Californians Have Health Insurance, Obtained From a Variety of Sources

2020 Estimated

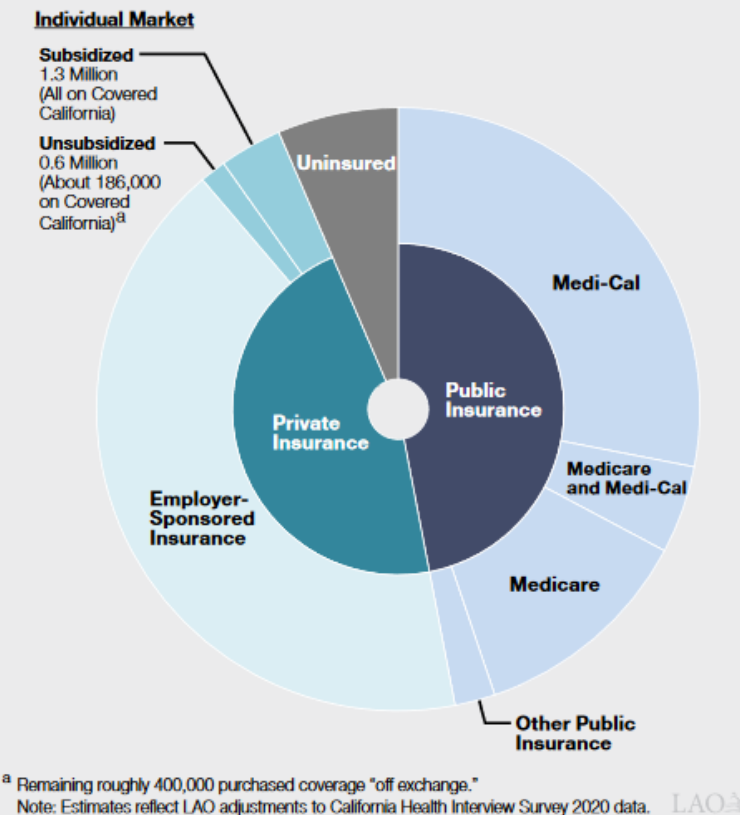
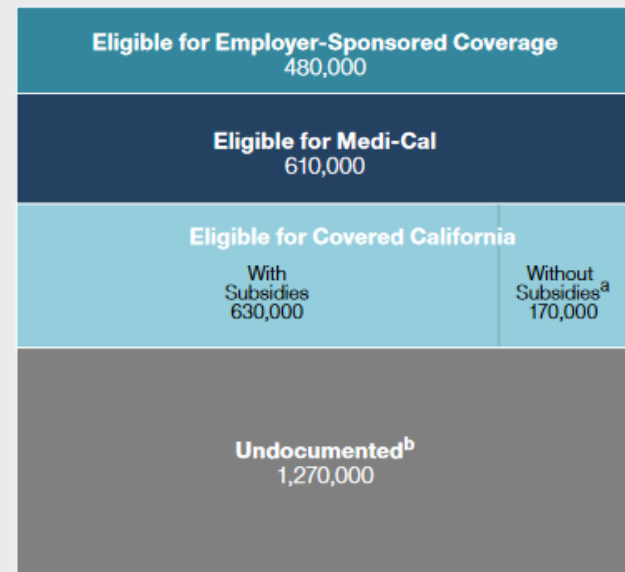


Figure 2

Roughly 3.2 Million Californians Lack Health Insurance in 2022



^a Documented residents who can purchase plans through Covered California but do not meet certain federal requirements to qualify for federal subsidies.

^b This number does not reflect a previously-authorized expansion of full-scope Medi-Cal benefits to undocumented residents who are 50 or older, which will be implemented in May 2022.

Source: UC Berkeley, UC Los Angeles; California Simulation of Insurance Markets, Version 3.0.

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Background Context

- Undocumented Californians make up the largest group of the uninsured:
 - Nearly 1.3 million undocumented individuals under the age of 65 are uninsured
 - About two out of three (65%) undocumented Californians age 0-64 are uninsured
- Cost of medical care in major California metro areas have increased in rates far greater than the cost of other goods and services → making health care accessible and affordable is an important goal for CA



Medi-Cal Eligibility

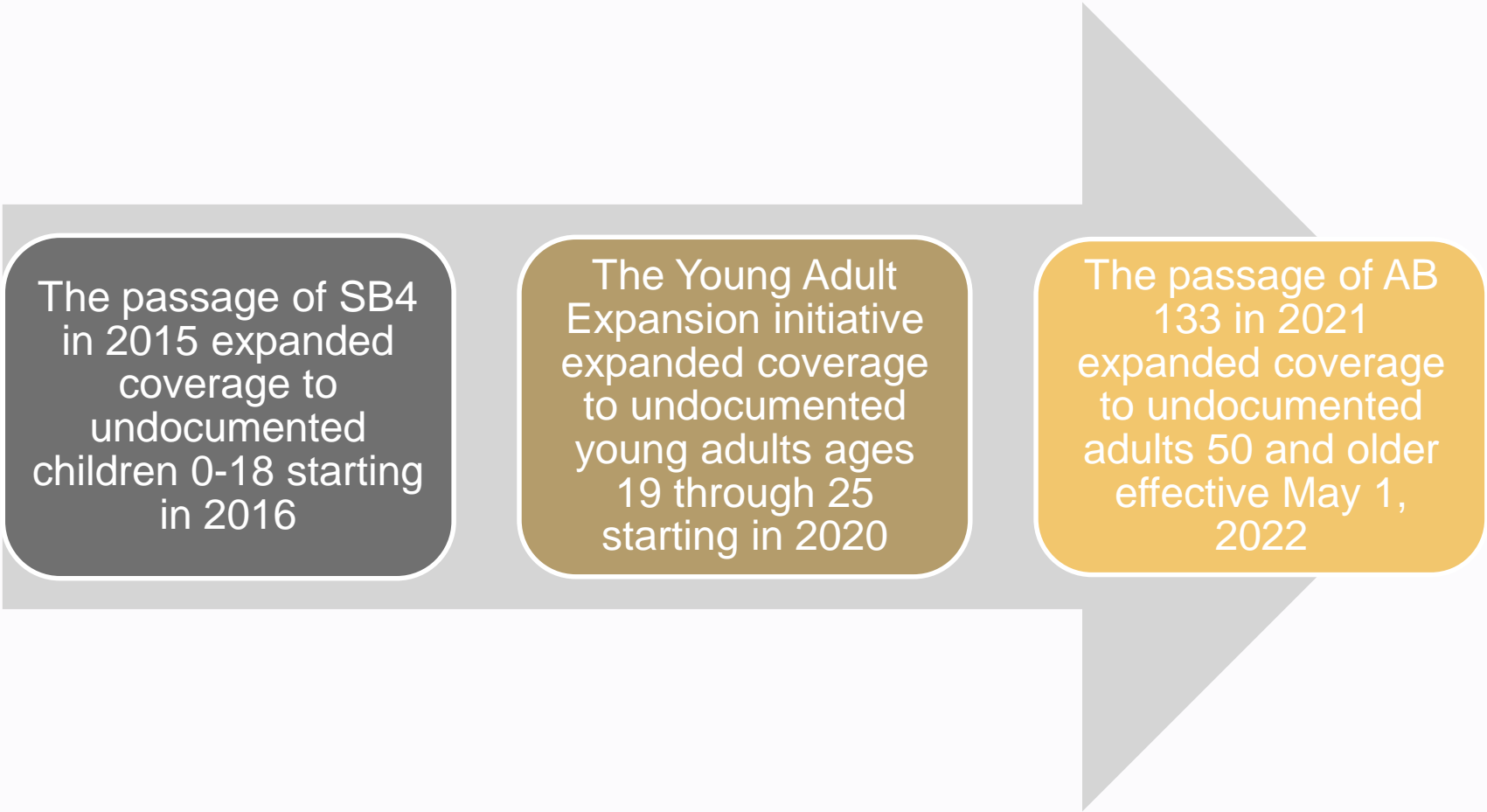
- CA resident with income less than 138% of the federal poverty level (FPL) → \$18,755 for an individual & \$38,295 for a 4-person household
- Other factors that grant eligibility:
 - Over the age of 65 or under the age of 21
 - Blind or disabled
 - Pregnant
 - In a nursing or intermediate care home
 - A refugee living in the U.S. temporarily
 - A parent or caretaker relative of an age eligible child
- Can also qualify if enrolled in the following need-based programs:
 - CalFresh
 - Supplemental Security Income (SSI) and State Supplementary Payment (SSP)
 - CalWorks (AFDC)
 - Refugee Assistance
 - Foster Care or Adoption Assistance Program

Medi-Cal Eligibility

- Historically, applicants also had to be US citizens, permanent residents or legal aliens
- Undocumented CA residents who otherwise met the eligibility criteria were eligible only for restricted-scope Medi-Cal, which only covers emergency- and pregnancy-related health care services
 - The federal government reimburses a portion of undocumented immigrant's restricted-scope Medi-Cal services according to standard federal-state cost-sharing rules
- Over the past few years, CA has expanded full-scope Medi-Cal coverage to undocumented residents



Medi-Cal Eligibility Expansion Timeline



The passage of SB4 in 2015 expanded coverage to undocumented children 0-18 starting in 2016

The Young Adult Expansion initiative expanded coverage to undocumented young adults ages 19 through 25 starting in 2020

The passage of AB 133 in 2021 expanded coverage to undocumented adults 50 and older effective May 1, 2022

Latest Proposal to Expand Eligibility

- The Governor's FY 2022-23 budget proposes to expand full-scope Medi-Cal coverage to income-eligible undocumented residents aged 26 through 49 beginning no earlier than January 1, 2024
- If enacted, it would close the coverage gap for undocumented residents such that undocumented residents of ALL AGES who otherwise meet eligibility criteria would qualify
- Enrollment estimates:
 - About 714,000 in FY 2023-24
 - About 764,000 at full implementation
- Cost estimates:
 - \$819.3 million in FY 2023-24
 - \$2.7 billion annually at full implementation



Factors for Consideration

- If enacted, CA would be the first state to provide Medicaid coverage to all low-income undocumented immigrants → step towards universal health care
- Proponents point out that undocumented immigrants pay taxes and often do essential work but are excluded from coverage from the Affordable Care Act and are ineligible for subsidized coverage through Covered CA
- Opponents are concerned about the cost and increased caseload
- Hospitals may benefit from less uncompensated care as more people are covered
- If the proposal goes into effect in 2024, about 40,000 undocumented young adults could lose full-scope coverage between the end of the public health emergency until they become eligible again under the new proposal

Next Steps

- Details may change over time as it goes through the budget committees and subcommittees of the Assembly & the Senate
 - They will consider the published reviews and recommendations by the Legislative Analyst's Office (LAO), the Legislature's nonpartisan fiscal advisor (reports available at <https://lao.ca.gov/Publications>)
 - The process is open to public comments/input
- The CA Legislature has until June 15 to pass the budget
- Stay tuned!



Thank You!



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