

Individual Market Affordability: Progress under ACA and Remaining Challenges

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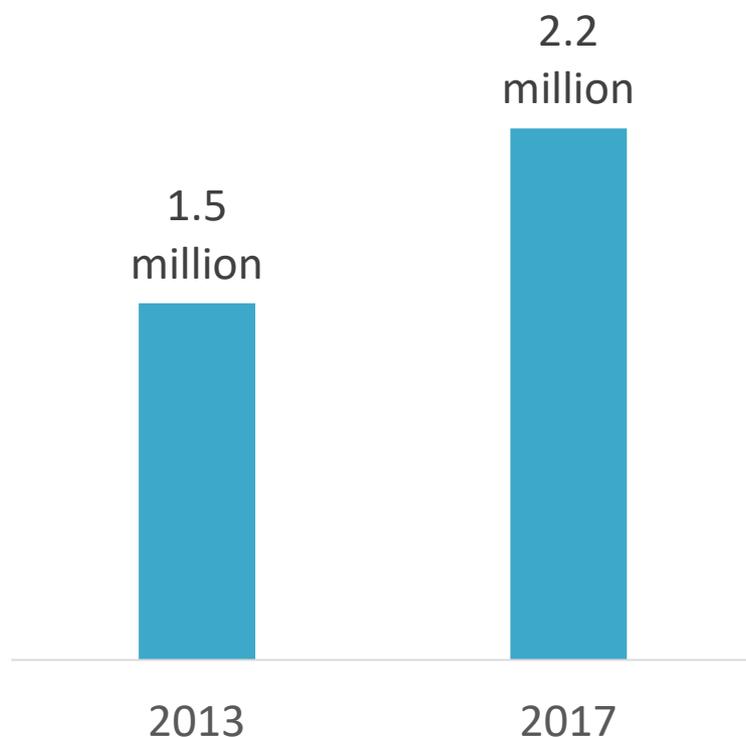
UC Berkeley Labor Center

California Senate and Assembly Informational Hearing

February 12, 2019

Substantial gains in individual market enrollment and affordability under ACA

California individual market enrollment



- ❖ Subsidies were a very or extremely important enrollment decision factor for 70% of subsidized Covered California enrollees (2015)
- ❖ Other contributing factors: individual mandate, guaranteed issue, strong outreach & enrollment, etc.

1.2 million enrolled in Covered California with subsidies

	Income eligibility	Average subsidy per member per month, 2018
Premium subsidies (Advance Premium Tax Credits or APTCs) 1.2 million enrollees	At or below 400% of the Federal Poverty Level (FPL), or \$48,240 single/ \$98,400 for a family of 4	\$444
Financial assistance with deductibles, copayments, etc. (Cost Sharing Reductions or CSRs) 600,000 enrollees	At or below 250% FPL, or \$30,150 single/ \$61,500 family of 4	\$131

Subsidy-eligible individuals' monthly premium contributions

Per member per month premium, second lowest cost Silver plan, 2018

Unsubsidized premium range
for ages 21-64 across regions

\$254 - \$1,357

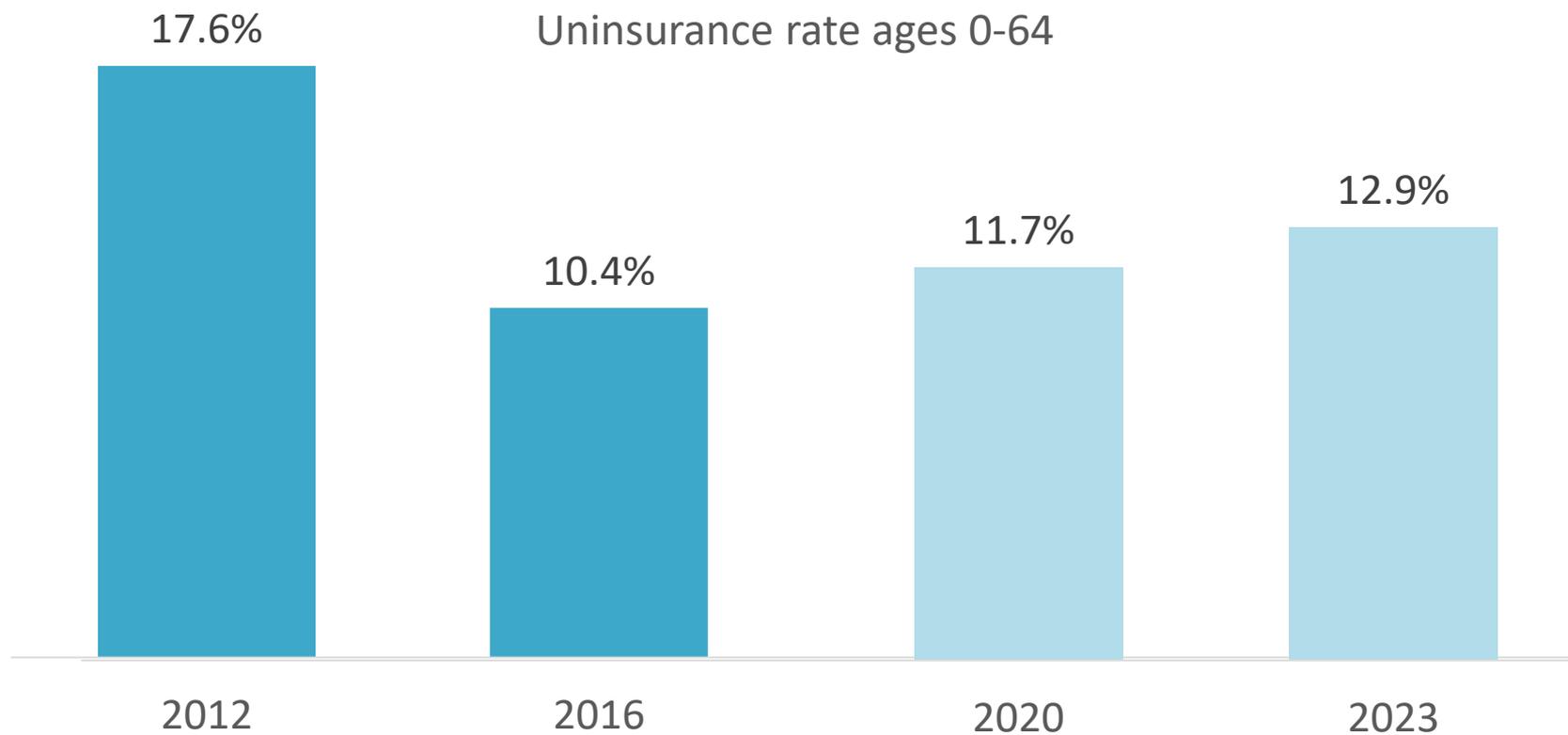


Average net premium with
subsidies

\$115

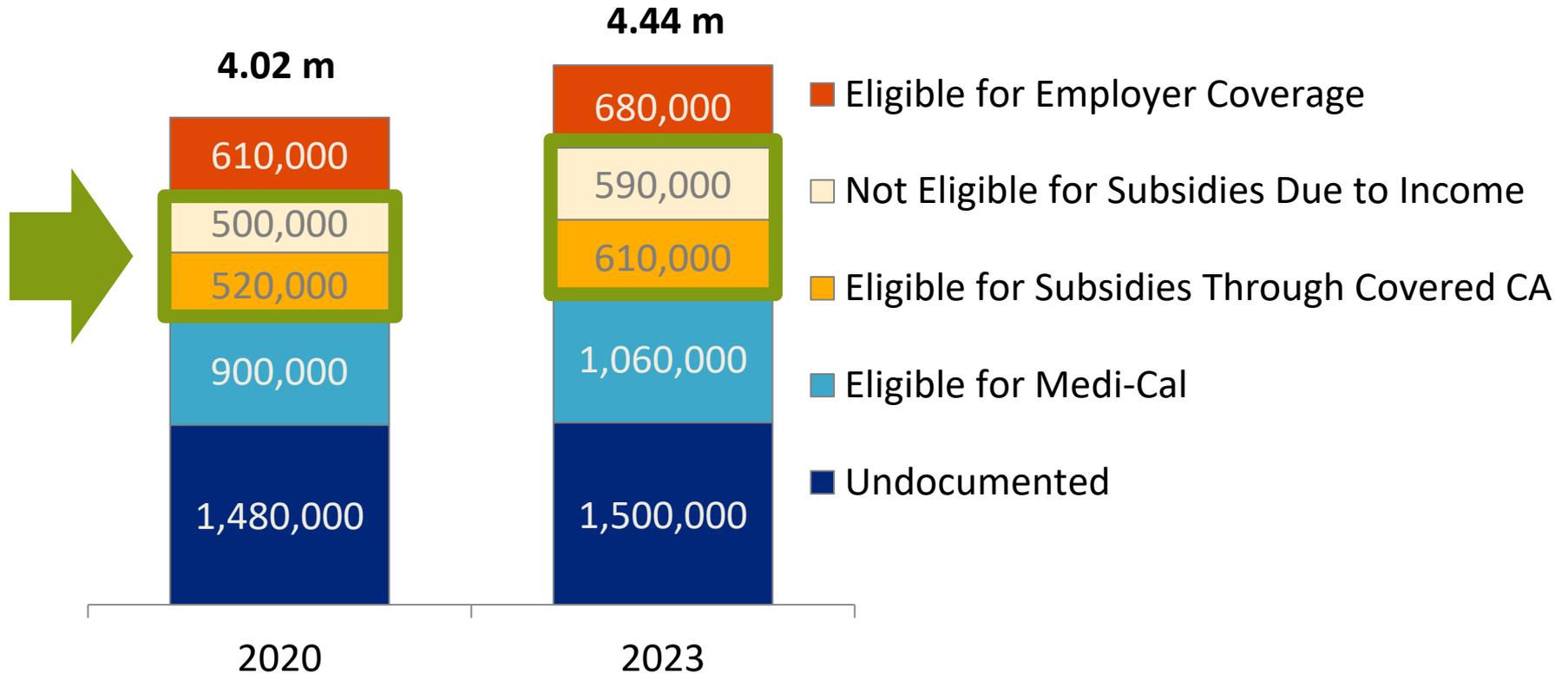


Without further state action, the uninsurance rate will rise



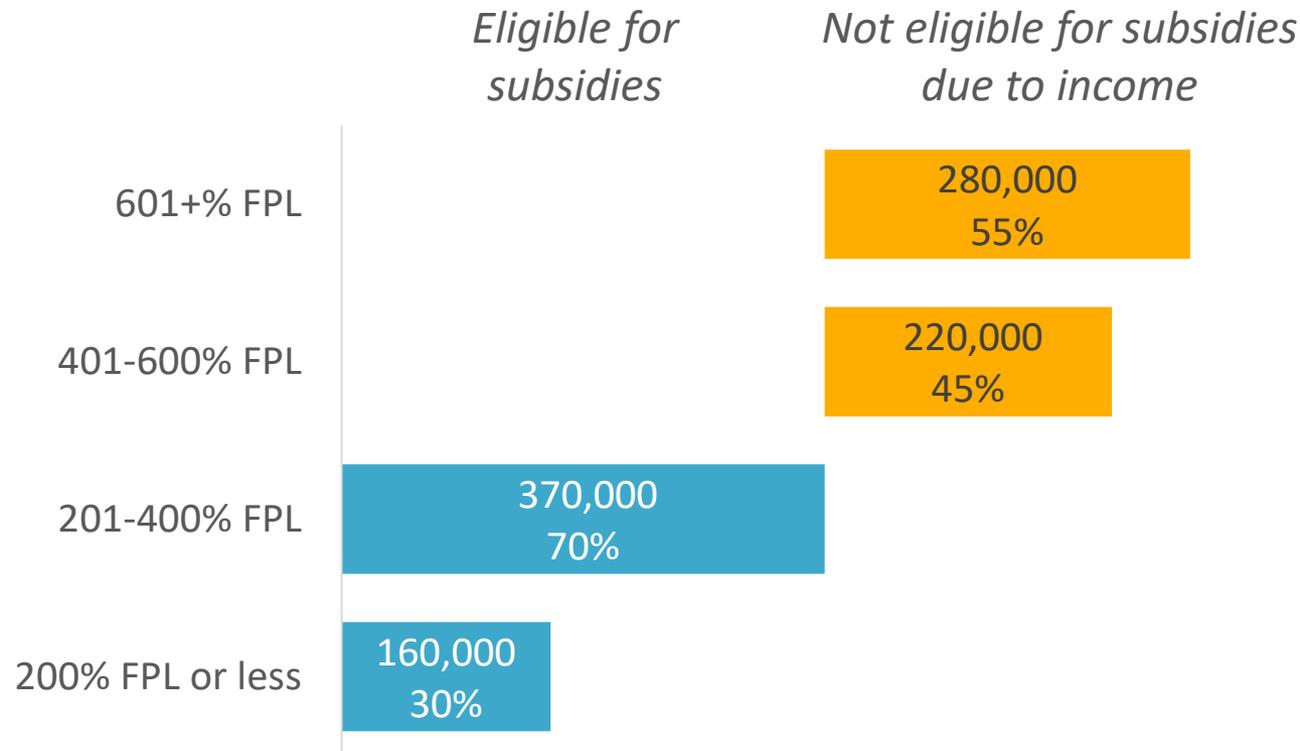
Over 1 million uninsured projected to be eligible for Covered California

Uninsured by eligibility category, age 0-64



Those eligible for Covered CA but uninsured have a range of income levels

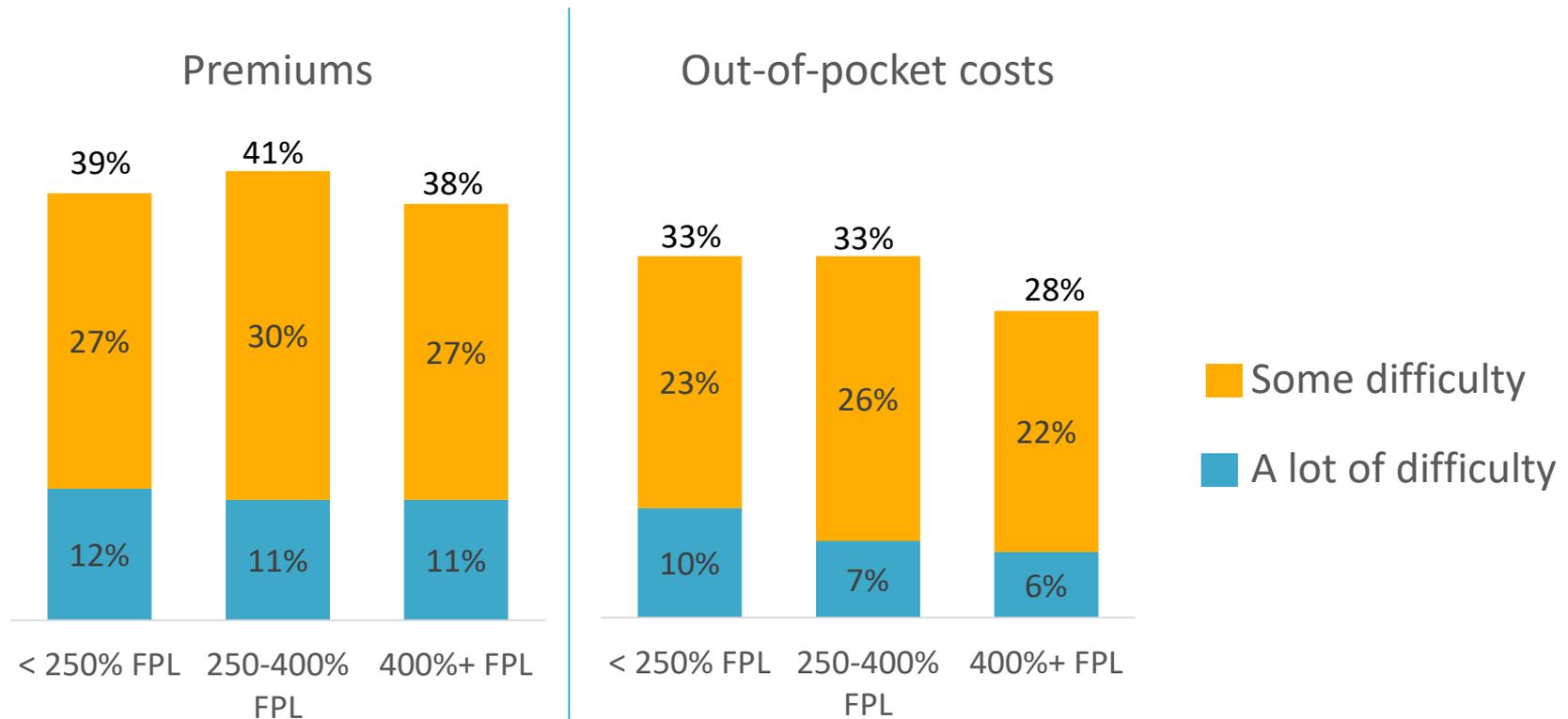
California non-elderly uninsured by eligibility category and income, 2020



Notes: Uninsured estimates rounded to the nearest 10,000 individuals. Excludes undocumented immigrants who are not eligible for subsidies or to purchase coverage through Covered California, and uninsured individuals eligible for Medi-Cal.

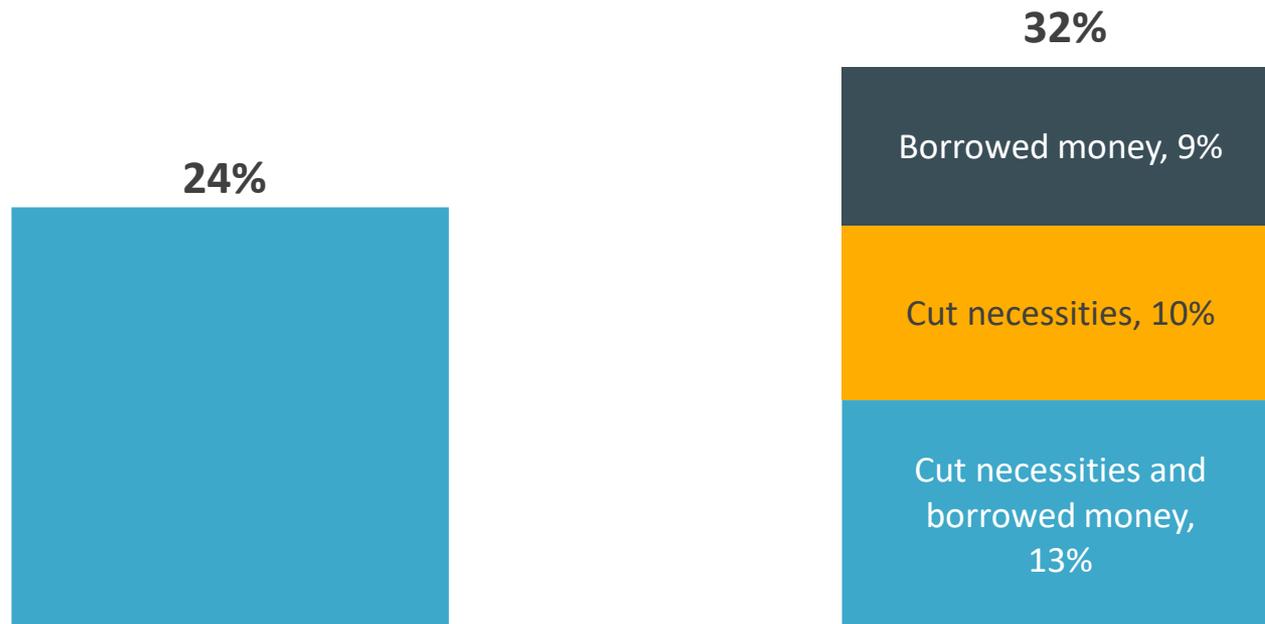
Many individual market enrollees report difficulty affording premium and out-of-pocket costs

California individual market enrollees reporting some or a lot of difficulty paying health care costs in 2017



Some individual market enrollee report delaying care and financial stress due to the cost of care

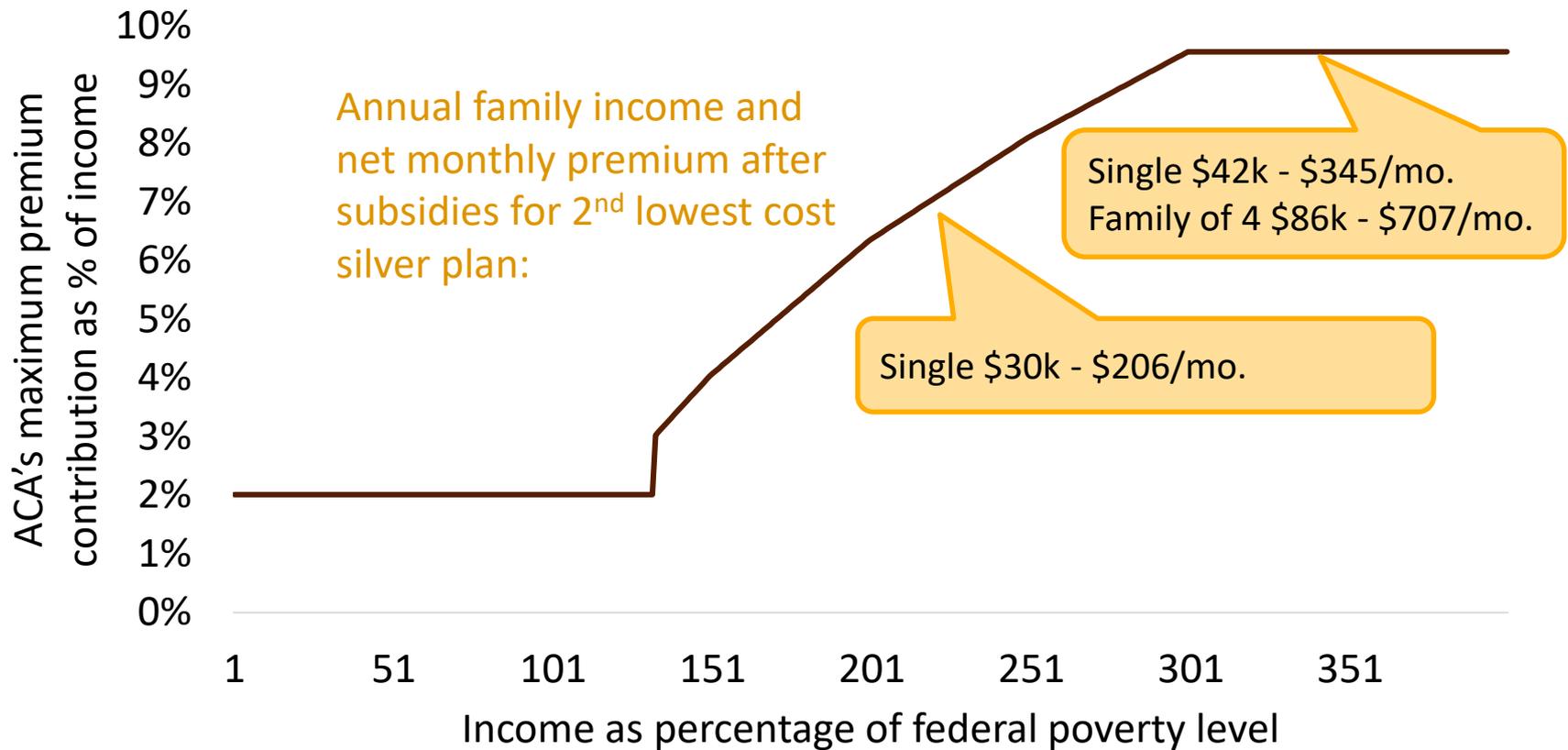
California individual market enrollees in 2017



Of enrollees who needed care, percentage who delayed or did not get care due to cost

Percentage who reported financial stress due to the amount they had to pay for care

Affordability examples: eligible for ACA subsidies



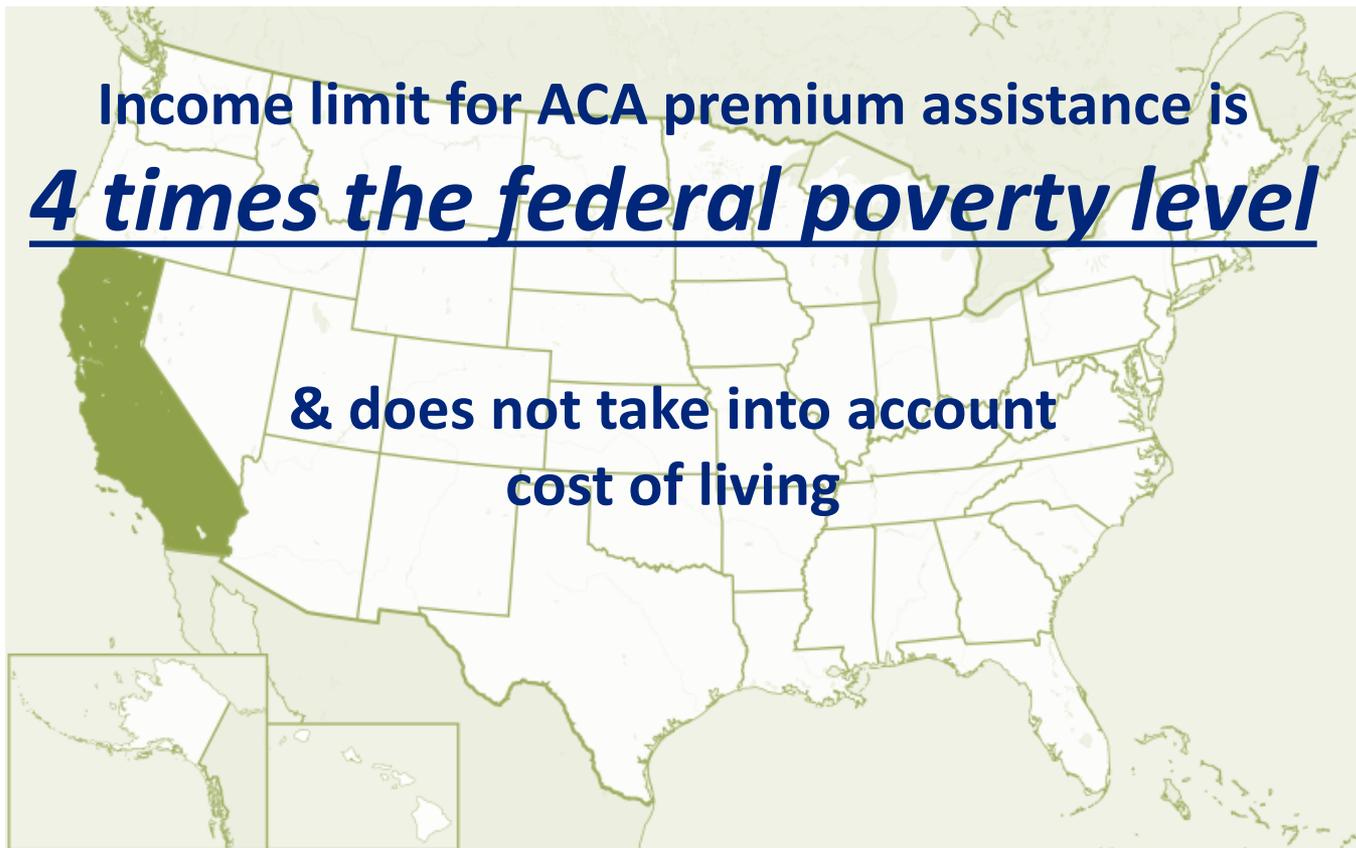
Affordability example: married couple with income equivalent to 450% FPL

- Married couple, both age 55 and self-employed, living in San Mateo, and earning \$74,070 annually
- \$1,362 per month total for the lowest cost Bronze plan offered, or 22% of income
- Plus pay full cost for any health care costs beyond first three outpatient visits under the plan's \$6,300 deductible



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California's high cost of living adds to affordability challenges



Factoring in local costs, that is equivalent to **5 times** the federal poverty level in CA & **6 times** in San Francisco

Summary

- Substantial gains in individual market enrollment and affordability under ACA in California
- But affordability challenges remain for:

Uninsured	Insured in individual market
Individuals already eligible for ACA subsidies	Middle-class consumers not eligible due to income, especially older individuals
Premium affordability	Out-of-pocket affordability

UC Berkeley Labor Center research

- **Towards Universal Health Coverage: California Policy Options for Improving Individual Market Affordability and Enrollment**
<http://laborcenter.berkeley.edu/ca-policy-options-individual-market-affordability/>
- **California's Health Coverage Gains to Erode Without Further State Action (with UCLA Center for Health Policy Research)**
<http://laborcenter.berkeley.edu/ca-coverage-gains-to-erode-without-further-state-action/>
- **Balancing the Books: How Affordable Is Health Insurance Through Covered California When Local Cost of Living Is Taken Into Account?**
<https://www.chcf.org/publication/balancing-the-books-how-affordable-is-health-insurance-through-covered-california-when-local-cost-of-living-is-taken-into-account/>
- **Older Californians Struggle to Afford Lowest-Cost Plans on Covered California**
<https://www.chcf.org/publication/lowest-cost-plans-covered-california/>

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