



# Impact of Health Reform Bills on California Families and Employers

*Charts and Tables from Recent Briefs*

December 2009



# Recent Briefs

Californians' Access to Coverage Under the Health Reform Proposals

Ken Jacobs and Dave Graham-Squire

December 2009

How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan?

Ken Jacobs, Laurel Tan, Roland McDevitt, Jon Gabel and Ryan Lore

December 2009

Both briefs available at <http://laborcenter.berkeley.edu/>

## Californians' Access to Coverage Under the Health Reform Proposals

# Coverage eligibility for Californians uninsured all or part of the year (ages 0–64)

	House		Senate	
	Count	Percentage	Count	Percentage
Medicaid eligible	1,970,000	30.8%	1,680,000	26.3%
Eligible for premium or cost-sharing subsidies in exchange	1,670,000	26.1%	1,720,000	26.9%
Below 400% FPL with no subsidies in exchange	130,000	2.0%	340,000	5.3%
Over 400% FPL	810,000	12.7%	810,000	12.7%
Offered affordable ESI through employer or spouse's employer	620,000	9.7%	640,000	10.0%
Not eligible for Medicaid or exchange subsidies due to citizenship	1,210,000	18.9%	1,210,000	18.9%
<b>Total</b>	<b>6,400,000</b>	<b>100%</b>	<b>6,400,000</b>	<b>100%</b>

Source: California Health Interview Survey 2007. Rows may not sum to totals due to rounding.

## Californians' Access to Coverage Under the Health Reform Proposals

# Californians purchasing coverage in the individual market (ages 0–64)

	House		Senate	
Medicaid eligible	200,000	10.4%	160,000	8.3%
Eligible for premium or cost-sharing subsidies in exchange	470,000	24.5%	460,000	24.0%
Below 400% FPL with no subsidies in exchange	50,000	2.6%	100,000	5.2%
Over 400% FPL	910,000	47.4%	910,000	47.4%
Offered affordable ESI through employer or spouse's employer	280,000	14.6%	290,000	15.1%
<b>Total</b>	<b>1,920,000</b>	<b>100%</b>	<b>1,920,000</b>	<b>100%</b>

Source: California Health Interview Survey 2007. Rows may not sum to totals due to rounding.

# Californians' Access to Coverage Under the Health Reform Proposals

## Californians with employer-sponsored coverage (ages 0–64)

	House		Senate	
Medicaid eligible	300,000	1.5%	300,000	1.5%
Eligible for premium or cost-sharing subsidies in exchange	270,000	1.4%	500,000	2.6%
Below 400% FPL with no subsidies in exchange	10,000	0.1%	10,000	0.1%
Over 400% FPL	50,000	0.3%	110,000	0.6%
Offered affordable ESI through employer or spouse's employer	18,970,000	96.8%	18,670,000	95.3%
<b>Total</b>	<b>19,600,000</b>	<b>100%</b>	<b>19,600,000</b>	<b>100%</b>

Source: California Health Interview Survey 2007. Rows may not sum to totals due to rounding.

Californians' Access to Coverage Under the Health Reform Proposals

**Eligibility for benefits of Californians: Combined uninsured, individual market and unaffordable employer-sponsored insurance (ages 0–64)**

	House	Senate
Medicaid eligible	1,980,000	1,740,000
Eligible for premium or cost-sharing subsidies in exchange	1,930,000	2,190,000
Eligible for exchange with no subsidies	2,790,000	1,930,000
<b>Total</b>	<b>6,700,000</b>	<b>5,860,000</b>

Source: California Health Interview Survey 2007. Rows may not sum to totals due to rounding.

## Californians' Access to Coverage Under the Health Reform Proposals

# California private sector workforce by business size

	<b>Insured Workers</b>	<b>Workers with job based coverage through employer</b>	<b>Uninsured Workers</b>	<b>Total Workers</b>	<b>Number of CA Private employers (with more than 2 employees)</b>	<b>Percent of CA Private employers (with more than 2 employees)</b>
Fewer than 50	5,310,000	2,140,000	2,030,000	7,340,000	352,635	91%
50-99	590,000	410,000	130,000	720,000	14,358	3.7%
100 or more	9,220,000	7,140,000	890,000	10,110,000	20,547	5.3%
<b>Total</b>	<b>15,120,000</b>	<b>9,690,000</b>	<b>3,040,000</b>	<b>18,160,000</b>	<b>387,540</b>	<b>100%</b>

Source: Worker information from 2007 California Health Interview Survey, employer information from 2007 California Employer Health Benefit Survey

Californians' Access to Coverage Under the Health Reform Proposals

## **Employer eligibility for tax subsidies under HR 3962 for firms in California employing more than 2 employees**

	<b>Fraction of employers</b>	<b>Fraction of workers</b>
10 or fewer employees, average wage less \$20,000	13.6%	2.0%
25 or fewer employees, average wage less \$40,000	6.8%	2.1%
More than 25 employees or wage more than \$40,000	79.6%	95.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: 2007 California Employer Health Benefit Survey, 2007 March Current Population Survey

How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan?

## Expected spending after subsidies for Californians with single coverage purchased in exchange after health reform (2009 dollars)

Bill	FPL	Family Income	Actuarial Value of Plan	Member Premium after Subsidy	Out-of-pocket Spending (\$)		Total Member Spending (\$)		Total Member Spending (% income)		Percent of Single Adults Reaching OOP Max
					Median	Max	Median	Max	Median	Max	
Senate	175%	18,953	80%	1,028	523	1,933	1,551	2,962	8.2	15.6	11.9
House	175%	18,953	93%	805	168	789	973	1,595	5.1	8.4	10.1
Senate	225%	24,368	70%	1,748	1,202	2,900	2,951	4,648	12.1	19.1	11.9
House	225%	24,368	85%	1,645	392	1,578	2,036	3,223	8.4	13.2	10.8
Senate	275%	29,783	70%	2,658	1,202	2,900	3,860	5,558	13.0	18.7	11.9
House	275%	29,783	78%	2,680	664	3,156	3,344	5,837	11.2	19.6	7.5
Senate	375%	40,613	70%	3,502	1,202	3,867	4,704	7,368	11.6	18.1	8.6
House	375%	40,613	70%	3,502	1,202	3,946	4,704	7,447	11.6	18.3	8.3

Source: Authors' calculations from MarketScan 2006 Commercial Claims database from Thomson Reuters and California HealthCare Foundation Employer Health Benefits Survey 2006; CBO analysis of premiums under HR 3962

How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan?

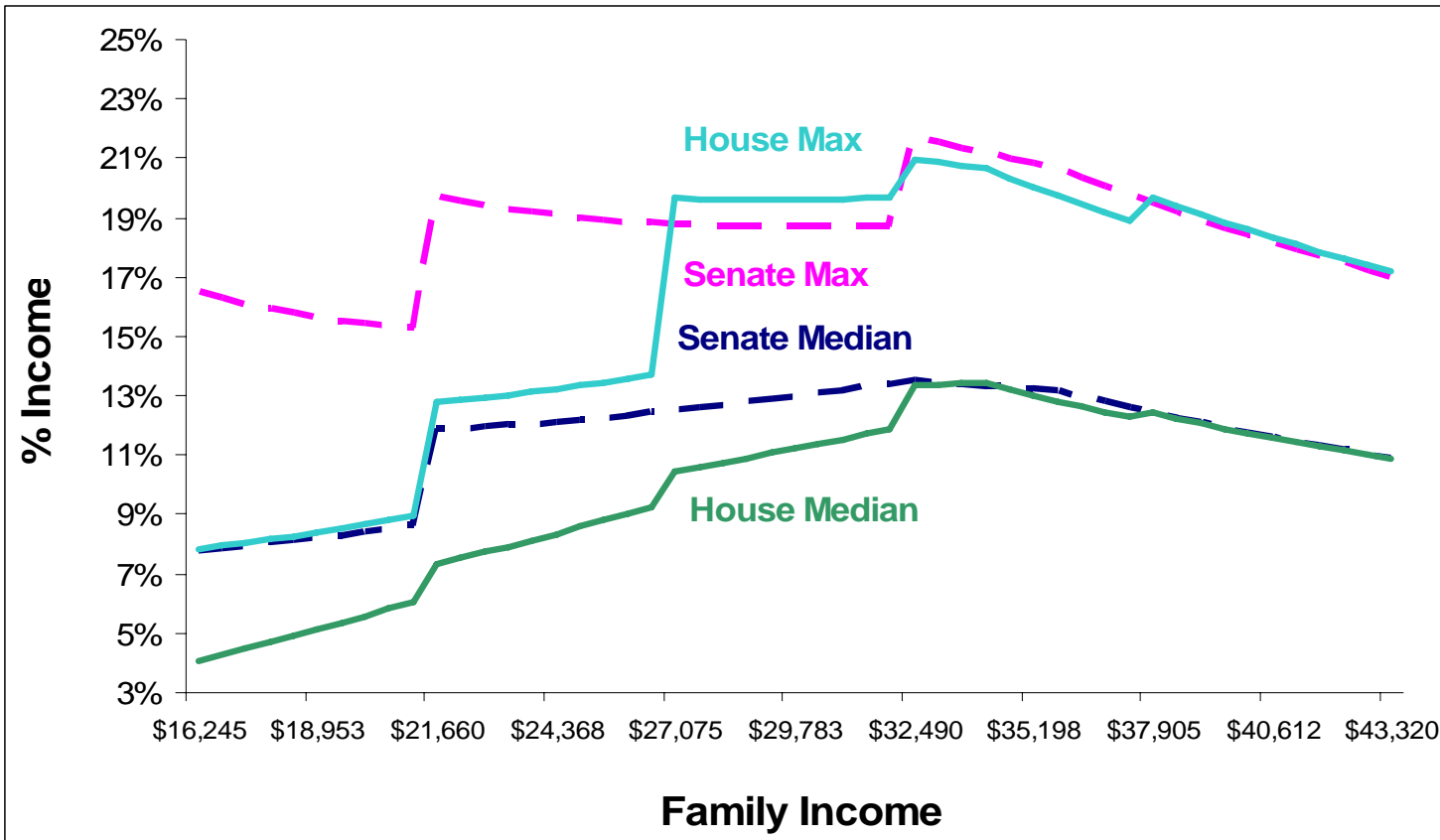
## Expected spending after subsidies for California families of three who purchase coverage in exchange after health reform (2009 dollars)

Bill	FPL	Family Income	Actuarial Value of Plan	Member Premium after Subsidy	Out-of-pocket Spending (\$)		Total Member Spending (\$)		Total Member Spending (% income)		Percent of Families Reaching OOP Max*
					Median	Max	Median	Max	Median	Max	
Senate	175%	32,043	80%	1,738	1,873	3,867	3,612	5,605	11.3	17.5	15.5
House	175%	32,043	93%	1,362	640	1,578	2,001	2,940	6.2	9.2	12.6
Senate	225%	41,198	70%	2,956	3,674	5,800	6,630	8,756	16.1	21.3	15.5
House	225%	41,198	85%	2,781	1,506	3,156	4,287	5,937	10.4	14.4	13.8
Senate	275%	50,353	70%	4,494	3,674	5,800	8,168	10,294	16.2	20.4	15.5
House	275%	50,353	78%	4,532	2,029	6,313	6,561	10,845	13.0	21.5	8.6
Senate	375%	68,663	70%	6,729	3,674	7,733	10,403	14,462	15.2	21.1	10.0
House	375%	68,663	70%	7,896	3,674	7,891	11,570	15,787	16.9	23.0	9.7

\*Includes all families with two or more covered lives.

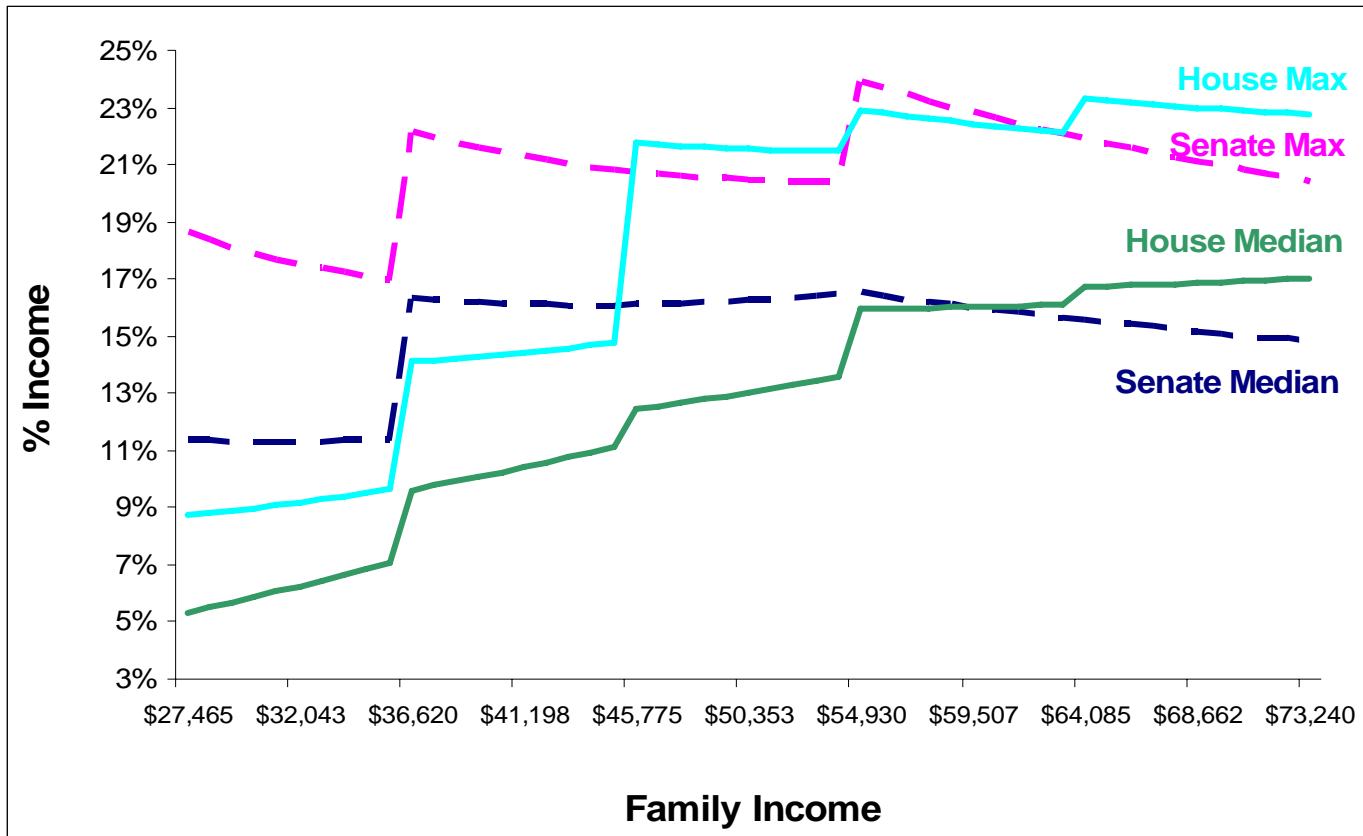
Source: Authors' calculations from MarketScan 2006 Commercial Claims database from Thomson Reuters and California HealthCare Foundation Employer Health Benefits Survey 2006; CBO analysis of premiums under HR 3962

How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan?  
**Percent of income spent out-of-pocket on premiums and medical services, after subsidies in the House and Senate bills: Californians with single coverage, 150–400 percent FPL**



Source: Authors' calculations from MarketScan 2006 Commercial Claims database from Thomson Reuters and California HealthCare Foundation Employer Health Benefits Survey 2006; CBO analysis of premiums under HR 3962

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How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan?

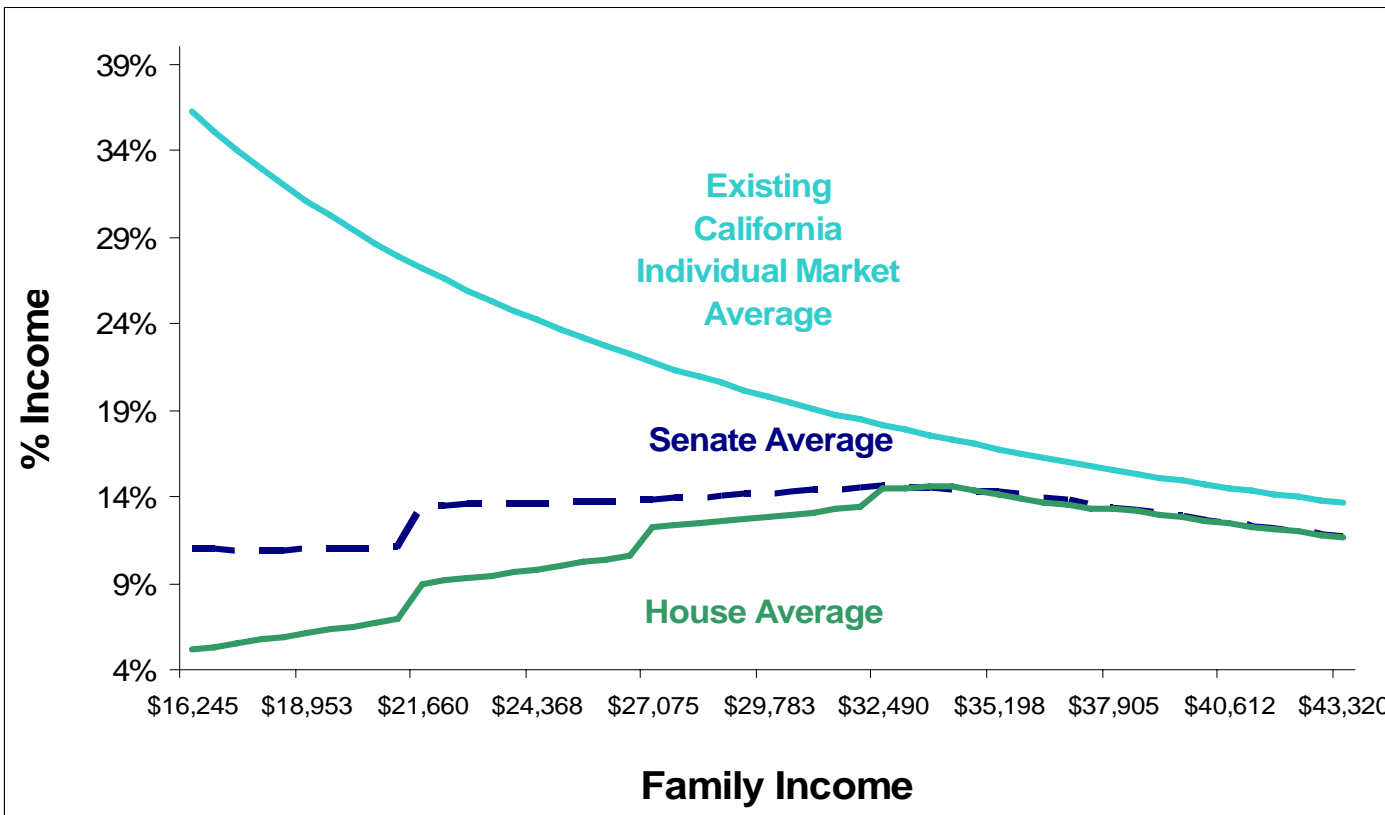
## **Cost to individuals with average health use for premiums and out-of-pocket expenses in existing California individual market compared to House and Senate bills after subsidies (2009 dollars)**

	FPL	Family Income	Average Actuarial Value of Plan	Member Premium after Subsidy	Average Annual Out-of-pocket Spending	Average Member Total Spending (\$)	Average Member Total Spending (% of Income)
Existing Individual Market	150%	16,245	55%	3,712	2,180	5,892	36.3%
Existing Individual Market	400%	43,320	55%	3,712	2,180	5,892	13.6%
Senate	150%	16,245	80%	739	1,036	1,775	10.9%
Senate	400%	43,320	70%	3,502	1,553	5,054	11.7%
House	150%	16,245	93%	487	351	839	5.2%
House	400%	43,320	70%	3,502	1,553	5,054	11.7%

Source: Authors' calculations from MarketScan 2006 Commercial Claims database from Thomson Reuters, California HealthCare Foundation Employer Health Benefits Survey 2006, California Market Tracking Survey 2006, and eHealthInsurance.com; CBO analysis of premiums under HR 3962

How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan?

**Cost to individuals with average health use for premiums and out-of-pocket medical expenses in existing California individual market compared to House and Senate bills after subsidies: Californians with single coverage, 150–400 percent FPL**



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