**Agenda**

**Welcome and Introductions:**

10:00 AM

**Welcome:** Gil Ojeda, Director, California Program on Access to Care, UC Berkeley School of Public Health  
**Event Moderator:** David Chase, California Director, Small Business Majority (Sacramento)

**The Demographics: Projections, Hard-to-Reach Populations, and Immigrants**

10:10 AM

**Laurel Lucia,** Policy Analyst, Center for Labor Research and Education, UC Berkeley  
**State Government Perspectives:**  
**Kirk Whelan,** Director, Individual and Small Business Division, Covered California  
**Rene Mollor,** Deputy Director, Health Care Benefits and Eligibility, Department of Health Care Services

**Panel 1:** California Thought Leaders: Challenges for Low-Income Workers

10:40 AM

**Panel Moderator/Presenter:** David Chase, Small Business Majority  
**Michael Lujan,** Chief Strategy Officer, Limelight Health; President, California Association of Health Underwriters  
**John Newman,** Director, Exchanges and Performance Reporting, Kaiser Permanente (Oakland)  
**Roger Salazar,** President, ALZA Media Strategies; former White House and Gubernatorial Spokesman (Sacramento)

**Panel 2:** Accessing Low-Income Workers through Small Business

11:10 AM

**Panel Moderator/Presenter:** Roy M. Perez, President, RMP Strategies; Advocate & Small Business Advisor  
**Julian Canete,** Director, Public Policy and Strategic Partnerships, Cal-Asian Chamber of Commerce  
**Frank Montes,** Vice Chair, California Hispanic Chamber of Commerce (Riverside)  
**Erick Verduzco Vega,** President/CEO, South Bay Latino Chamber of Commerce

11:40 AM

**Concluding Remarks:** Assemblyman Roger Hernandez (West Covina); Chair, Assembly Labor & Employment Committee  

**Comments, Questions & Answers:** Gil Ojeda, Director, CPAC, UC Berkeley

12:00 PM  
Adjourn

(Special thanks to the Office of Senator Bill Monning and Roy Perez, RMP Strategies; briefing will be covered by Cal Channel)
May 6, 2015

Laurel Lucia
UC Berkeley Labor Center

California Low-Income Workers Projected to Lack Insurance
Up to 42% of CA’s projected uninsured in 2019 eligible for no-cost or subsidized coverage

Californians under age 65 projected to remain uninsured, 2019

- Moderate Sign-Up Scenario

- 3,380,000
  - 950,000: 28% Eligible for Medi-Cal
  - 460,000: 14% Eligible for subsidies through Covered CA
  - 480,000: 14% Non-subsidy eligible citizens and legal immigrants
  - 1,490,000: 44% Not eligible due to immigration status*

Source: UC Berkeley–UCLA CalSIM model, Version 1.91
* This category includes Californians with deferred action who are eligible for Medi-Cal if they meet the income criteria. Several hundred thousand fewer Californians could be uninsured after the President’s Executive Actions are fully implemented.
Fewer projected to be uninsured with more extensive outreach & enrollment efforts

Californians under age 65 projected to remain uninsured, 2019
*High Sign-Up Scenario*

- 2,730,000
  - 550,000 Eligible for Medi-Cal
  - 380,000 Eligible for subsidies through Covered CA
  - 440,000 Non-subsidy eligible citizens and legal immigrants
  - 1,350,000 Not eligible due to immigration status*

Source: UC Berkeley–UCLA CalSIM model, Version 1.91
* This category includes Californians with deferred action who are eligible for Medi-Cal if they meet the income criteria. Several hundred thousand fewer Californians could be uninsured after the President’s Executive Actions are fully implemented.
Roughly half of uninsured eligible for coverage will be workers

Percentage working, California adults (ages 19-64) predicted to remain uninsured in 2019

- Eligible for Medi-Cal: 46%
- Eligible for subsidies through Covered CA: 60%

Source: UC Berkeley–UCLA CalSIM model, Version 1.91, High Sign-Up Scenario
Majority of uninsured eligible for coverage will be self-employed or work for small firms

California adult workers (ages 19-64) predicted to remain uninsured in 2019, by employer firm size

<table>
<thead>
<tr>
<th>Eligible for Medi-Cal</th>
<th>Self-employed</th>
<th>Firm size &lt; 100 employees</th>
<th>Firm size 100+ employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23%</td>
<td>35%</td>
<td>42%</td>
</tr>
</tbody>
</table>

| Eligible for subsidies through Covered CA | 40% | 35% | 25% |

Source: UC Berkeley–UCLA CalSIM model, Version 1.91, High Sign-Up Scenario
Latinos will be majority of remaining uninsured eligible for coverage

Californians under age 65 projected to remain uninsured, 2019

Eligible for Medi-Cal

- Latino: 65%
- Asian: 9%
- African American: 4%
- Other, multi-racial: 2%

Eligible for subsidies through Covered CA

- Latino: 55%
- Asian: 9%
- African American: 5%
- White: 26%

Source: UC Berkeley–UCLA CalSIM model, Version 1.91, High Sign-Up Scenario
Four in ten remaining uninsured eligible for coverage have limited English proficiency

Californians ages 18-64 projected to remain uninsured, eligible for Medi-Cal or subsidies through Covered California, 2019

Limited English proficiency 41%

Speaks English at least very well 59%

Source: UC Berkeley–UCLA CalSIM model, Version 1.91, High Sign-Up Scenario
Some eligible for Medi-Cal under state policy due to executive actions

- 1.25 million Californians potentially eligible for DACA or DAPA under President’s Executive Actions, once fully implemented (Pew Hispanic Center)

- Under state policy, immigrants with deferred action are eligible for comprehensive Medi-Cal if otherwise eligible based on income
Most DACA- and DAPA-eligible Californians are low income & lack health insurance

Income and Health Insurance Status of Californians Eligible for Deferred Action, 2013

66% low income

57% low income and lack private health insurance

Note: Under state policy, the Medi-Cal income eligibility threshold for children under age 19 is below 267% FPL, or approximately $64,750 for a family of four in 2015. The threshold for adults is below 139% FPL, or approximately $16,360 for a single individual in 2015.
If significant numbers of DACA/DAPA sign-up, many could be eligible for Medi-Cal

Future sign-up rate for DACA/DAPA is uncertain

If 50% - 70% of Californians eligible for DACA or DAPA sign up

As many as 360,000 - 500,000 who lack health insurance could become eligible for full-scope Medi-Cal

64% of income-eligible might enroll in full-scope Medi-Cal

Source: UCLA-UC Berkeley estimates
For More Information

CalSIM
http://www.calsim.org

Which Californians will Lack Health Insurance under the Affordable Care Act?

Health Insurance and Demographics of California Immigrants Eligible for Deferred Action

Laurel Lucia
Laurel.lucia@berkeley.edu
ACCESS TO COVERAGE FOR LOW-INCOME WORKERS: CHALLENGES UNDER HEALTH REFORM

*Wednesday, May 6, 2015*
### SHOP Results
(through March 2015)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groups</td>
<td>2,289</td>
</tr>
<tr>
<td>Members</td>
<td>15,644</td>
</tr>
<tr>
<td>Average group size</td>
<td>6.8</td>
</tr>
<tr>
<td>Percent of groups enrolled in &lt; 3 days</td>
<td>98%</td>
</tr>
<tr>
<td>Percent of groups renewing</td>
<td>90%</td>
</tr>
<tr>
<td>Percentage of membership in NCAL</td>
<td>48%</td>
</tr>
<tr>
<td>Percentage of membership in SCAL</td>
<td>52%</td>
</tr>
</tbody>
</table>
Conditions Impacting Growth

**California Marketplace**

- Small business market – slow ACA adoption impacted by:
  - 2014 AB 1446 Grandparent legislation
  - Resistance to new member-level rating methodology
- Small groups not required to offer coverage
- Established Private Exchange
  - Larger selection of plans, benefit options & ancillary and voluntary benefits

**SHOP Program – Start up phase**

- SHOP Online Enrollment System challenges
- Commission and Operational Issues:
  - agents disenfranchised and cautious
  - Early operational issues
## What’s changed for Small Business

<table>
<thead>
<tr>
<th>Small Group Market</th>
<th>Pre-ACA</th>
<th>ACA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee Issue in Small Group</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Guarantee Issue in Individual Mkt</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Small Business Exchange</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Employee Choice, Multiple Tiers</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rate Parity on/off exchange</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Underwriting (rate adjustment factor)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Tax Credit (Covered California only)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Sole Proprietors with no employees access to small business market</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
# Solving the Agent Commission Problem

*Unique to Covered California – State Controller’s Office Paying Commissions*

<table>
<thead>
<tr>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Portal intended to support all administrative functions</td>
</tr>
<tr>
<td>Portal problems - move all administrative functions to Pinnacle</td>
</tr>
<tr>
<td>Agent Contract - issue impacting payments (2 forms)</td>
</tr>
<tr>
<td>Agent Contract Renewal – issue impacting payee and payments</td>
</tr>
<tr>
<td>Commission automation - build and testing</td>
</tr>
<tr>
<td>Process Gap Identified – major reconciliation effort, outreach</td>
</tr>
<tr>
<td>Goal: reconciliation finalized for all past due commissions</td>
</tr>
<tr>
<td>Goal: automated payment process starts</td>
</tr>
</tbody>
</table>
Challenges for Small Businesses

- Cost of coverage
- Offering multiple insurance carriers
- Strategies to cover employees
- Individual Exchange Subsidy “Glitch”
- Administration of employee benefit plan

Cost is the primary reason why small business owners don’t purchase group insurance.

Covered California NORC Survey. 2013
New Opportunities

- Covered California for both Individual and Small Business
- Historical amount of attention on getting insured
- More education about health insurance
- Focus on diversity and underserved communities
- SHOP – only exchange to provide a solution for the “Glitch”
- SHOP - tax credit for employers with <25 employees
- Sole proprietors with no employees – individual exchange
Outreach

- 14,000 Covered California Certified Agents
- 126 Certified Agent Storefronts Statewide
- Covered California Navigator Program
- Small Business Advocates, Chambers, Community Groups
- Trade Associations
- Covered California for Small Business – Health Plans
- Covered California Small Business Marketing

85% of small businesses work with an insurance agent*

**Census Data, NORC 2013 and Kaiser Family Foundation**
Support for Outreach Efforts

- **Small Business Online Toolkit**
  - Web banners
  - Ad templates and brochures
  - 90 second informational videos
  - Guest speakers

- **Storefronts – small business signage**

- **Agent and Navigator training**

- **Covered California “Find Local Help” website**
Print Advertisement

Your employees take control of their own health plan options.
You take control of your health care budget.
Feel's good when everyone's in control.

Through Covered California for Small Business, you could be eligible for a tax credit. You set the budget you can afford, your employees choose from a variety of health plans to find the one that's right for them. What a healthy approach to business. Contact Covered California or a certified agent today.

(844) 332-8384 | CoveredCA.com/small-business
Marketing

Spanish Print Advertisement

Tus empleados toman el control de sus propias opciones de planes de salud.

Tú tomas el control de tu presupuesto de cuidado médico.

Se siente bien cuando todos tienen control.

Contáctanos para Pymes Empresas. Tu decides el presupuesto que tu compañía puede pagar. Tus empleados eligen el plan de salud que más les conviene entre una amplia variedad de planes. Todo esto, y además podrás ahorrar más para un fondo fiable.

Contacta a Covered California o un agente certificado hoy.

(844) 332-8384 | CoveredCA.com/espanol/small-business
Priorities for 2015/16

- Preparing for the small business expansion to 100 employees
- Permanently resolving all compensation issues
- Enrollment: Education, outreach, marketing
- Plan portfolio
- Adding new insurance carriers
- Online Enrollment solution
The Affordable Care Act and California Small Business

David Chase
California Director
May 06, 2015
Small Business Majority
About Small Business Majority

- **Small business advocacy organization** – founded and run by small business owners


- **Research and advocacy** on issues of top importance to small businesses (<100 employees) and the self-employed, including healthcare, access to credit, immigration, workplace and clean energy

- Very focused on **outreach to and education** of small business owners across the country
Small businesses struggling with costs

- Soaring **cost** of health insurance – especially for small businesses – 54% of businesses <10 employees don’t offer (*Kaiser study*)

- 28% **self-employed**: 25% **small employers**: not covered

- Small firms pay **18% more** than large businesses

**Our national study**: Small business health costs would **more than double** by 2018 to **$2.4 trillion** without healthcare reform ($243 billion in CA)
Small businesses struggling with costs

**Our scientific opinion polling:** Small employers who don’t offer coverage say **lack of affordability** is the biggest reason (70%)

Which one or two of the following best describes the reasons you do not provide health benefits?

- My business cannot afford it 70%
- My employees get coverage elsewhere 32%
- I do not believe it is the responsibility of my business to provide health insurance 16%
- Waiting to see what happens with the federal health care reform law 9%
- Too much paperwork and administration 5%
- Choosing the right insurance plan is too complicated 2%
Small businesses struggling with costs

Another opinion poll of ours found: 72% of those who do offer say they are struggling to do so

My business is really struggling to afford the cost of health coverage. (Asked of those who do provide coverage)
Change is coming!

- ACA **finally comes** to small businesses starting this Fall
- Small group market **expands** (50-100 FTEs) on **1/1/16**
- **Employer** mandate kicks in for 50-100 FTEs on **1/1/16**
- **Biggest issue:** “**Grandmothering**” plans expire **1/1/16**
  - Cancellation notices to go out this Summer and Fall – has potential to cause mass confusion
  - Will be winners and losers
  - Capacity issues this fall for carriers, agents, employers
What about SHOP?

- SHOP has a **role to play** in the market
- Nationally: SHOP rates 7% **lower** than outside market
- **Tax credit** is here to stay – not “going away” in 2016
- **Employee choice** expanded to 2 **contiguous tiers**
- Employee-only coverage – big deal for **low-income workers** (helps solve “family glitch”)
- More **bells and whistles** need
- **Admin issues** must be resolved
Discussion Questions

• What opportunities/challenges will arise with the end of "grandmothering" plans?

• What do you see ahead in the future for employer-based coverage at small businesses? Any impact from employer mandate and/or small group expansion?

• What can be done to boost enrollment in Covered California for Small Business (SHOP)?
May 6, 2015

Gilbert Ojeda
Director, California Program on Access to Care

Capitol Briefing Welcome

Access to Coverage for Low-Income Workers: Challenges Under Health Reform
Introduction to the California Program on Access to Care (CPAC)

- Supported by UC Office of the President since 1997
- Established by UC at the request of the Assembly Speaker and Assembly Budget Committee
- Provides technical assistance to Legislative Committees and Executive Branch agencies
- Provides grant funds to California based researchers to help develop evidenced based policies
  - over $8 million since 1998
- Convenes topical policy forums largely in Sacramento, Washington DC and in Mexico
  - over 100 since 1998 in association with standing and select committees, Executive Branch agencies and interested stakeholders.
- Current priorities include:
  - Implementation of ACA in California
  - Medi-Cal rates
  - Health care for immigrants, including those legally and lawfully present
  - Immigration Reform
<table>
<thead>
<tr>
<th></th>
<th>Insured Workers</th>
<th>Workers with Coverage through own Employer</th>
<th>Uninsured Workers</th>
<th>Total Workers</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>2,122,000</td>
<td>585,000</td>
<td>689,000</td>
<td>2,811,000</td>
<td>N/A</td>
</tr>
<tr>
<td>50 or fewer</td>
<td>3,272,000</td>
<td>1,603,000</td>
<td>1,350,000</td>
<td>4,622,000</td>
<td>583,000</td>
</tr>
<tr>
<td>51 to 99</td>
<td>577,000</td>
<td>397,000</td>
<td>125,000</td>
<td>702,000</td>
<td>27,000</td>
</tr>
<tr>
<td>100 or more</td>
<td>9,151,000</td>
<td>7,103,000</td>
<td>879,000</td>
<td>10,030,000</td>
<td>145,000</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>15,122,000</strong></td>
<td><strong>9,689,000</strong></td>
<td><strong>3,043,000</strong></td>
<td><strong>18,165,000</strong></td>
<td><strong>755,000</strong></td>
</tr>
</tbody>
</table>

Source: Worker Information from 2007 California Health Interview Survey, employer information from 2008 Medical Expenditure Panel Survey-Insurance Component. Rows may not sum to totals due to rounding.
## Distribution of California Businesses
By Number of Workers in Business, Third Quarter 2013

<table>
<thead>
<tr>
<th># of Full Time Employees</th>
<th>0-4</th>
<th>5-9</th>
<th>10-19</th>
<th>20-49</th>
<th>50-99</th>
<th>100-249</th>
<th>250-499</th>
<th>500-999</th>
<th>Over 1000</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td># of businesses</td>
<td>931,806</td>
<td>158,816</td>
<td>111,786</td>
<td>83,734</td>
<td>32,147</td>
<td>16,473</td>
<td>3,896</td>
<td>1,517</td>
<td>948</td>
<td>1,341,123</td>
</tr>
<tr>
<td>Percent (%)</td>
<td>69.5%</td>
<td>11.8%</td>
<td>8.3%</td>
<td>6.2%</td>
<td>2.4%</td>
<td>1.2%</td>
<td>0.3%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: State of California Employer Development Department