



Resource

Sources of Health Insurance in California for 2024

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Prepared by
California Health Benefits Review Program

www.chbrp.org

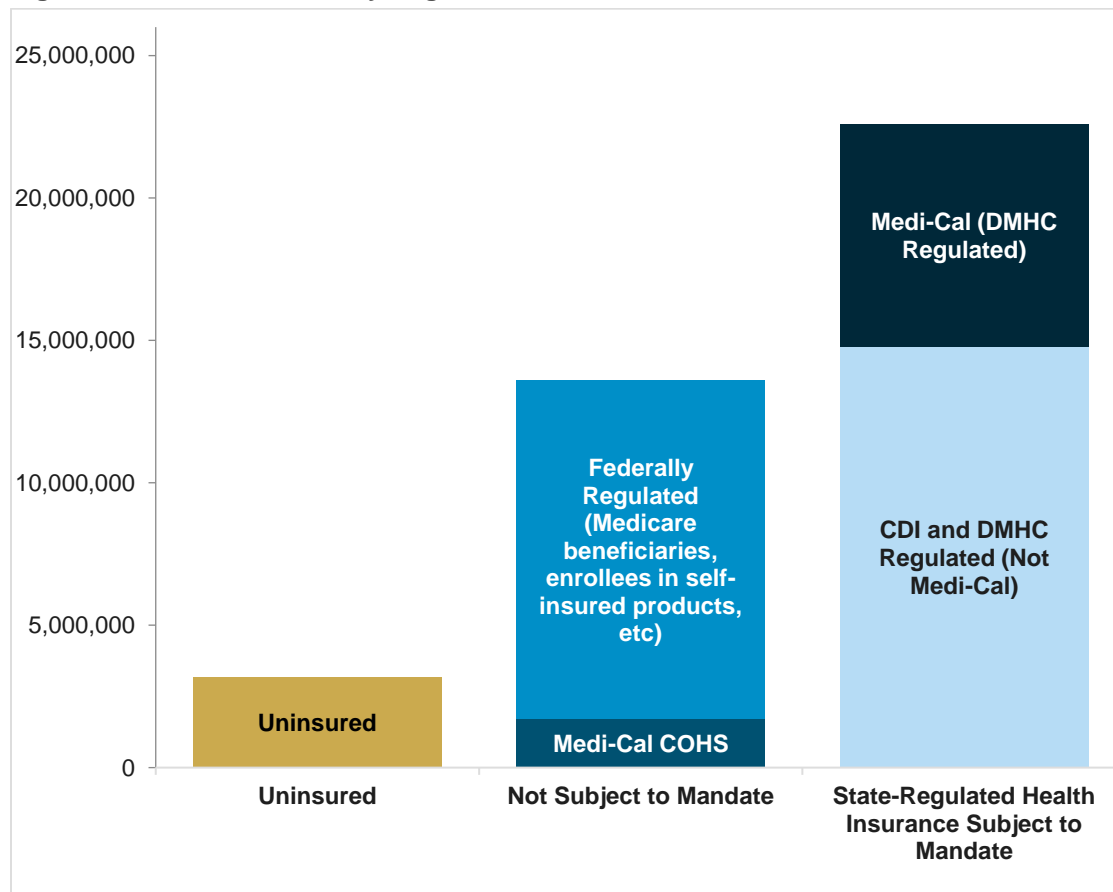
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OVERVIEW

At the request of the California State Legislature, the California Health Benefits Review Program (CHBRP) provides prompt, independent, and rigorous evidence-based analyses of proposed health insurance benefit¹ laws that would impact Californians enrolled in health plans regulated by the California Department of Managed Care (DMHC) and health policies regulated by the California Department of Insurance (CDI). These are enrollees whose benefits are subject to state regulation and can be influenced by the proposed state-level legislation.

As shown in Figure 1, most Californians will be enrolled in health insurance regulated by either the California Department of Managed Health Care (DMHC) or the California Department of Insurance (CDI). Other Californians will have other types of health insurance or will remain uninsured.

Figure 1. Health Insurance by Regulator in California, 2024



Source: California Health Benefits Review Program, 2023.

Key: COHS = County-Organized Health System; CDI = California Department of Insurance; DMHC = California Department of Managed Health Care

In 2024, CHBRP estimates that California’s population will be 39 million. Figure 1 presents several key elements regarding the sources of health insurance in California:

- 41.2% will be enrolled in DMHC-regulated health care service plans or CDI-regulated health insurance policies. This figure includes the majority of beneficiaries of Medi-Cal (California’s Medicaid program).

¹ Established in 2002, CHBRP’s authorizing statute is available at: <http://www.chbrp.org/faqs.php>.

- 30.0% will have health insurance associated with some other regulator. These are primarily Californians who are Medicare beneficiaries or who are enrolled in self-insured products. This figure also includes a minority of Medi-Cal beneficiaries, those enrolled in County-Organized Health System (COHS) managed care plans. These Californians will have health insurance that is not subject to state-level health insurance laws.
- Approximately 6.3% of Californians will be uninsured in 2024.

CHBRP most frequently analyzes state-level health insurance laws to which only DMHC-regulated plans or CDI-regulated policies may be subject.

ESTIMATES OF SOURCES

Annually, CHBRP updates its Cost and Coverage Model to estimate baseline health insurance enrollment and to project marginal, incremental impacts on benefit coverage, utilization, and cost of proposed health insurance benefit legislation.² The California Legislature generally proposes laws that would take effect in the following calendar year or later (if enacted, bills proposed in 2023 would generally take effect in 2024). For this reason, CHBRP annually projects the state's future distribution of health insurance by market segment for the calendar in which analyzed legislation would go into effect (following January).

As noted, health insurance available through DMHC-regulated plans and CDI-regulated policies may be subject to state-level benefit-related legislation written into one or two sets of laws: the Health and Safety Code (enforced by DMHC) and/or the Insurance Code (enforced by CDI). However, such legislation may be written to exempt some health insurance market segments or to exempt health insurance associated with certain purchasers. To correctly determine the impact of proposed legislation, CHBRP determines estimates of Californians' sources of health insurance, as displayed in Table 1 (see Appendix A).³

Although some Californians have more than one type of health insurance either at the same time or throughout the year, for analytic purposes, CHBRP identifies (excepting those dually eligible for Medi-Cal and Medicare) enrollment in the person's primary form of health insurance and presents a snapshot in time. For this reason, some estimates of sources of insurance may be different than the numbers CHBRP estimates. For example, the Department of Health Care Services (DHCS) reports every person receiving benefits through Medi-Cal at any point during the year even if the person was only briefly associated with Medi-Cal. This measure is different from the type of estimate presented by CHBRP for the purposes of analyzing proposed health insurance benefit bills.

Enrollment by Regulator

Among Californians with health insurance coverage:

- 13.1 million Californians will be enrolled in non-CalPERS commercial DMHC-regulated plans or CDI-regulated policies.
- 9.67 million Californians will be Medi-Cal beneficiaries, the majority of whom are enrolled in DMHC-regulated plans.
- 1.2 million Californians will have health insurance associated with CalPERS, the majority of whom are enrolled in DMHC-regulated plans.

² Information on the Cost and Coverage Model is available at:
http://www.chbrp.org/analysis_methodology/cost_impact_analysis.php.

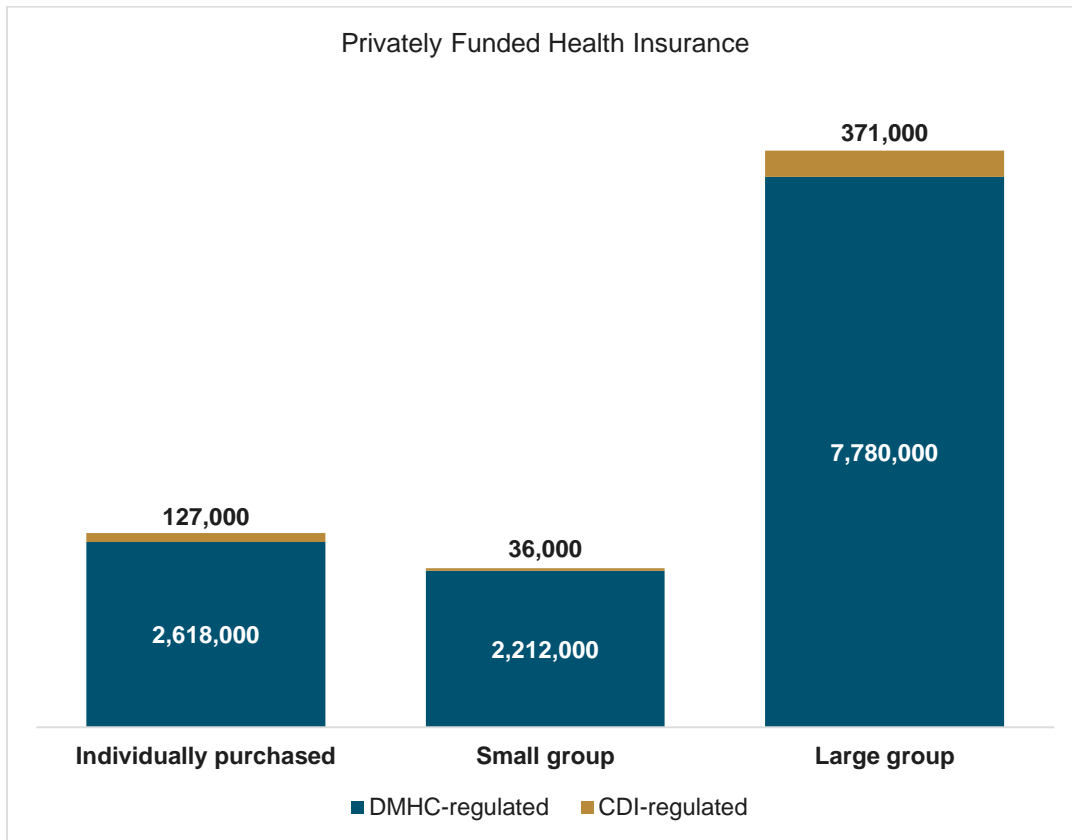
³ Technically, some sources of what are commonly referred to as "health insurance," such as Medicare, are actually "entitlements." For ease of communication CHBRP has grouped all sources together.

- As will 316,000 enrollees associated with CalPERS, 5.6 million more Californians will be enrolled in self-insured products, which are not subject to state-level health insurance legislation. Almost 6 million Californians will be enrolled in Medicare (non-Duals) or other public coverage such as TRICARE or Veterans Affairs health care.

Enrollment by State-Regulated Market Segment

As shown in Figure 2, a majority of enrollees in privately funded commercial DMHC-regulated plans or CDI-regulated policies will be associated with the large group market (101+ enrollees). A majority of these enrollees will be in DMHC-regulated plans.

Figure 2. Enrollment in Privately Funded Commercial DMHC-Regulated Plans or CDI-Regulated Policies, 2024

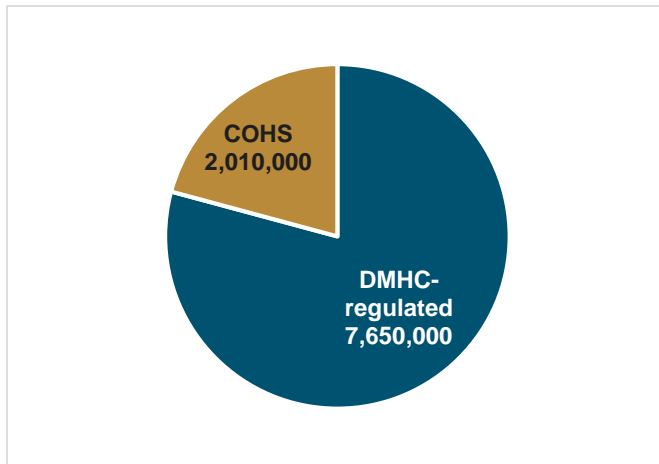


Source: California Health Benefits Review Program, 2023.

Key: DMHC = California Department of Managed Health Care; CDI = California Department of Insurance

As shown in Figure 3, the majority of Medi-Cal beneficiaries will be enrolled in DMHC-regulated plans. The rest will be enrolled in County-Organized Health System (COHS) managed care.⁴

Figure 3. Medi-Cal Beneficiaries, 2024

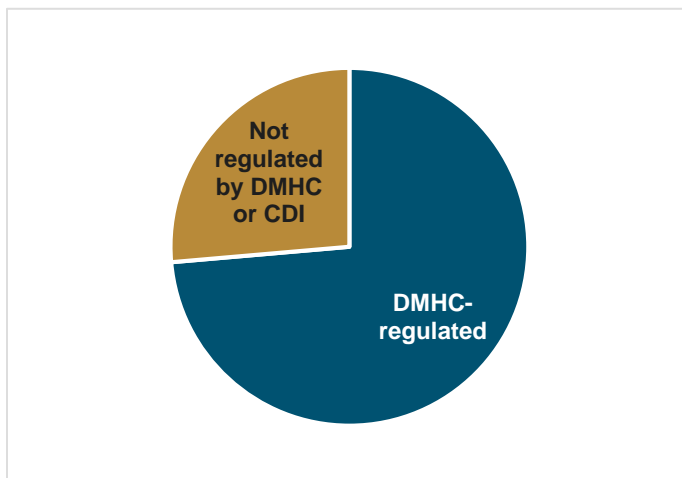


Source: California Health Benefits Review Program, 2023.

Key: DMHC = California Department of Managed Health Care; COHS = County-Organized Health System

As shown in Figure 4, a majority of CalPERS enrollees will be enrolled in DMHC-regulated plans. The remaining CalPERS enrollees are associated with CalPERS' self-insured health insurance products, which are not subject to state-level health insurance legislation.

Figure 4. CalPERS Enrollees, 2024



Source: California Health Benefits Review Program, 2023.

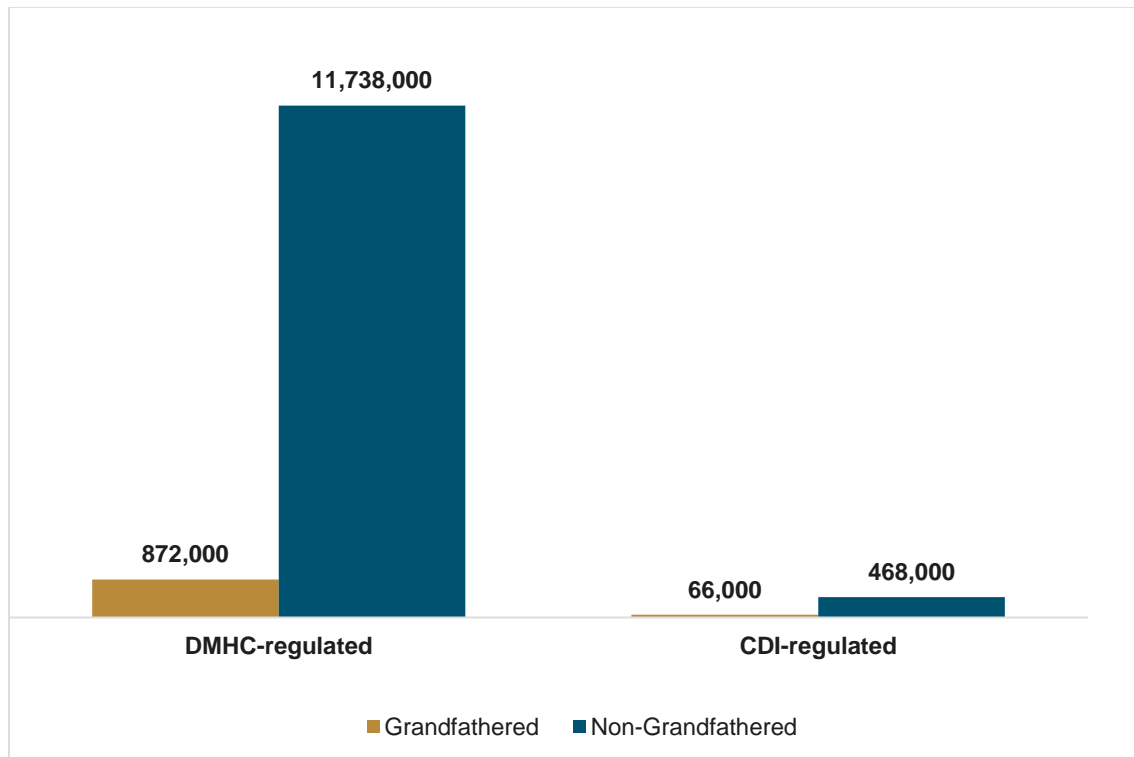
Key: DMHC = California Department of Managed Health Care; CDI = California Department of Insurance

⁴ Beginning in 2022, the Department of Health Care Services (DHCS) began implementing the California Advancing and Innovating Medi-Cal (CalAIM) initiative, which shifted most beneficiaries from fee-for-service to managed care plans. Of those who remain in fee-for-service, the benefits are not equivalent to full-scope Medi-Cal and, for CHBRP's purposes, beneficiaries are therefore classified as uninsured or with other insurance sources, if present.

Grandfathered Plans and Policies

The continued presence of grandfathered plans and policies [plans and policies in existence before the Affordable Care Act (ACA) was signed] is relevant to CHBRP's analyses of health insurance bills because these plans and policies are not subject to the same requirements as are others (and so could be differently affected by a new health insurance law).⁵ For example, grandfathered plans and policies are not required by the ACA to: (1) cover specific preventive services without cost sharing; (2) restrict cost sharing for emergency services; or (3) cover essential health benefits (EHBs).^{6,7} As shown in Figure 5, the majority of enrollees are in non-grandfathered plans or policies.

Figure 5. Enrollment in Privately Funded Grandfathered vs. Non-Grandfathered DMHC-Regulated Plans and CDI-Regulated Policies



Source: California Health Benefits Review Program, 2023.

Key: DMHC = California Department of Managed Health Care; CDI = California Department of Insurance

Essential Health Benefits

The Affordable Care Act requires each state to create a set of essential health benefits (EHBs) that some state-regulated health insurance must cover.⁸ In California, individual and small-group health insurance regulated by DMHC or CDI is generally required to cover EHBs. As noted in Figure 6, below, a limited number of Californians have health insurance required to cover EHBs. These Californians purchase

⁵ See <http://www.healthcare.gov/glossary/grandfathered-health-plan>.

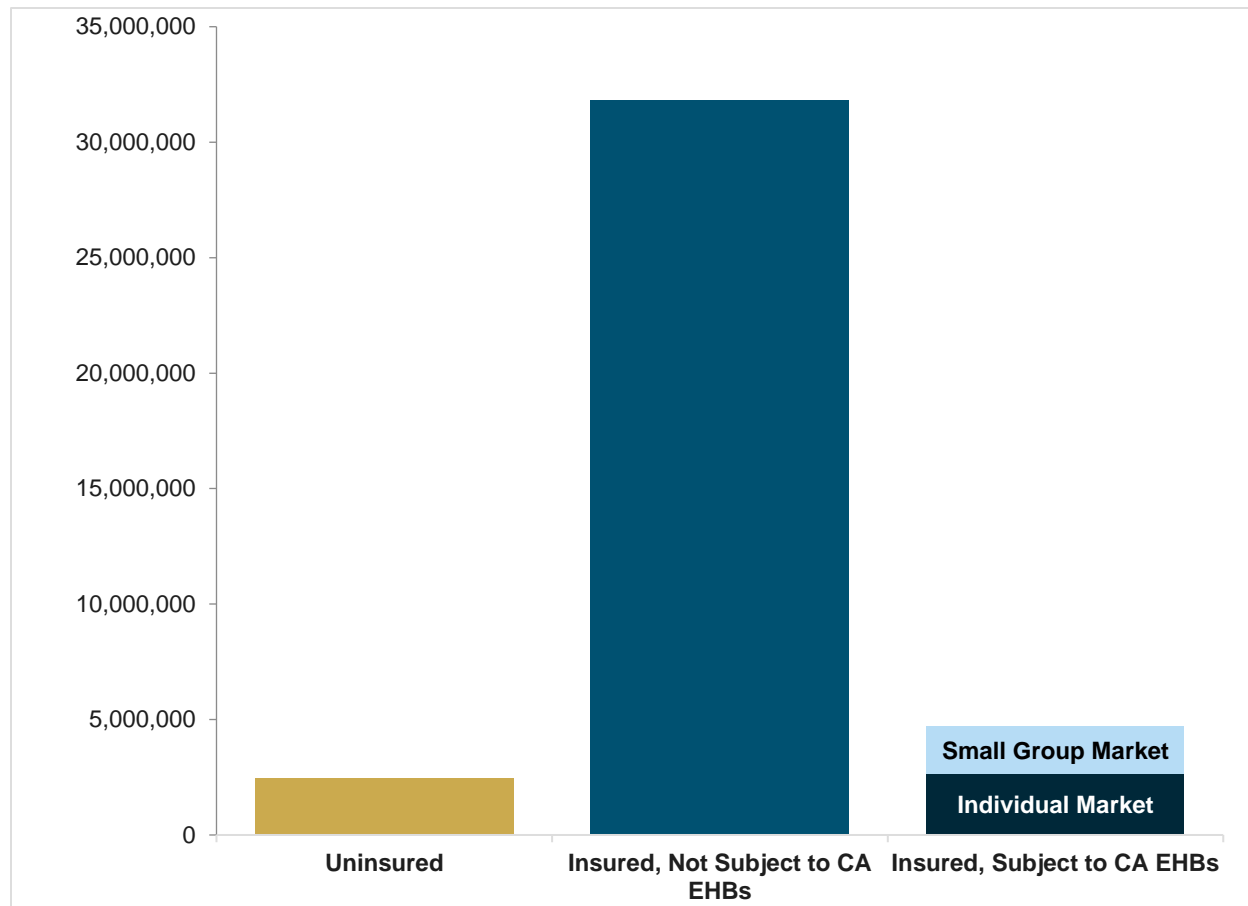
⁶ See CHBRP's resource, *Federal Preventive Services Mandate and California Benefit Mandates*, available at: http://chbrp.org/other_publications/index.php.

⁷ See CHBRP's issue brief, *California's State Benefit Mandates and the Affordable Care Act's "Essential Health Benefits"*, available at: http://chbrp.org/other_publications/index.php.

⁸ Essential Health Benefits requirements and parameters are discussed in Section 1302 of the Affordable Care Act. More information is available at: <https://www.healthcare.gov/glossary/essential-health-benefits/>.

individual or small group coverage directly through Covered California or purchase off-exchange mirror plans.

Figure 6. Enrollees in California Health Insurance Subject to Essential Health Benefits, 2024



Source: California Health Benefit Review Program, 2023.

Notes: **Insured, Not Subject to CA EHBs** includes Medicare beneficiaries, enrollees in self-insured or large group plans/policies, and enrollees in grandfathered individual and small group plans/policies

Key: CA = California; EHBs = Essential Health Benefits

CONCLUSION

To estimate potential impacts of health insurance benefits legislation, CHBRP develops forward-looking estimates of health insurance enrollment in California. Annual updates to CHBRP’s Cost and Coverage Model are necessary to project insurance enrollments by market segment and associated with certain purchasers.

The resulting projections of sources of health insurance in California are key to CHBRP’s analytic work, and may be of use to the Legislature and to others interested in California health policy.

APPENDIX A

Table 1. Sources of Health Insurance in California, 2024

Publicly Funded Health Insurance						
	Age	DMHC-regulated		Not regulated by DMHC or CDI		Total
Medi-Cal	0-17	3,206,000		**		3,206,000
	18-64	4,375,000		**		4,375,000
	65+	69,000		**		69,000
Medi-Cal COHS	All	-		2,010,000		2,010,000
Other Public	All	-		-		376,000
Dually eligible Medicare & Medi-Cal	All	1,167,000		130,000		1,297,000
Medicare (non Medi-Cal)	All	-		-		5,208,000
CalPERS	All	882,000		316,000		1,198,000
Privately Funded Commercial Health Insurance						
	Age	DMHC-regulated		CDI-regulated		Total
		Grand-fathered	Non-Grand-fathered	Grand-fathered	Non-Grand-fathered	
Self-insured	All	-	-	-	-	5,644,000
Individually purchased, Subsidized CovCa	0-17	-	146,000	-	4,000	150,000
	18-64	-	1,715,000	-	46,000	1,761,000
	65+	-	-	-	-	-
Individually purchased, Non-Subsidized CovCA and outside CovCA	0-17	11,000	135,000	11,000	4,000	161,000
	18-64	45,000	553,000	44,000	17,000	659,000
	65+	1,000	12,000	1,000	0*	14,000
Small group	0-17	38,000	468,000	0*	8,000	514,000
	18-64	124,000	1,537,000	0*	27,000	1,688,000
	65+	3,000	42,000	0*	1,000	46,000
Large group	0-17	178,000	1,953,000	3,000	99,000	2,233,000
	18-64	459,000	5,039,000	7,000	255,000	5,760,000
	65+	13,000	138,000	0*	7,000	158,000
Uninsured						
	Age					Total
	0-17					252,000
	18-64					2,166,000
	65+					24,000
California's Total Population						38,969,000

Source: California Health Benefits Review Program, 2023.

Notes: *Less than 500 enrollees.

**The implementation of CalAIM has resulted in most fee-for-service Medi-Cal beneficiaries migrating to managed care. Of those who remain in fee-for-service, the benefits are not equivalent to full-scope Medi-Cal and, for CHBRP's purposes, beneficiaries are therefore classified as uninsured or with other insurance sources, if present.

Key: CDI = California Department of Insurance; CalPERS = California Public Employees' Retirement System; COHS = County-Organized Health System; CovCA = Covered California (the state's health insurance marketplace); DMHC = California Department of Managed Health Care

Table 1 includes CHBRP's estimates of Californians' sources of health insurance. Table 1 is organized by column (regulation) and row (market segment) and divided in two (publicly and privately funded health insurance).

This table indicates: (1) the number of Californians enrolled in health insurance market segments and (2) the number of Californians associated with a purchaser that might be of interest to the California Legislature - including enrollees associated with Medi-Cal, California Public Employees' Retirement System (CalPERS), and Covered California.

ABOUT CHBRP

The California Health Benefits Review Program (CHBRP) was established in 2002. As per its authorizing statute, CHBRP provides the California Legislature with independent analysis of the medical, financial, and public health impacts of proposed health insurance benefit-related legislation. The state funds CHBRP through an annual assessment on health plans and insurers in California.

Detailed information on CHBRP's analysis methodology, authorizing statute, as well as all CHBRP analyses and other publications are available at <http://www.chbrp.org/>.

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* an Independent Contractor who work with CHBRP to support legislative analyses and other special projects on a contractual basis.

CHBRP is an independent program administered and housed by the University of California, Berkeley, in the Office of the Vice Chancellor for Research.

CHBRP assumes full responsibility for the resource and the accuracy of its contents.