RESOURCE

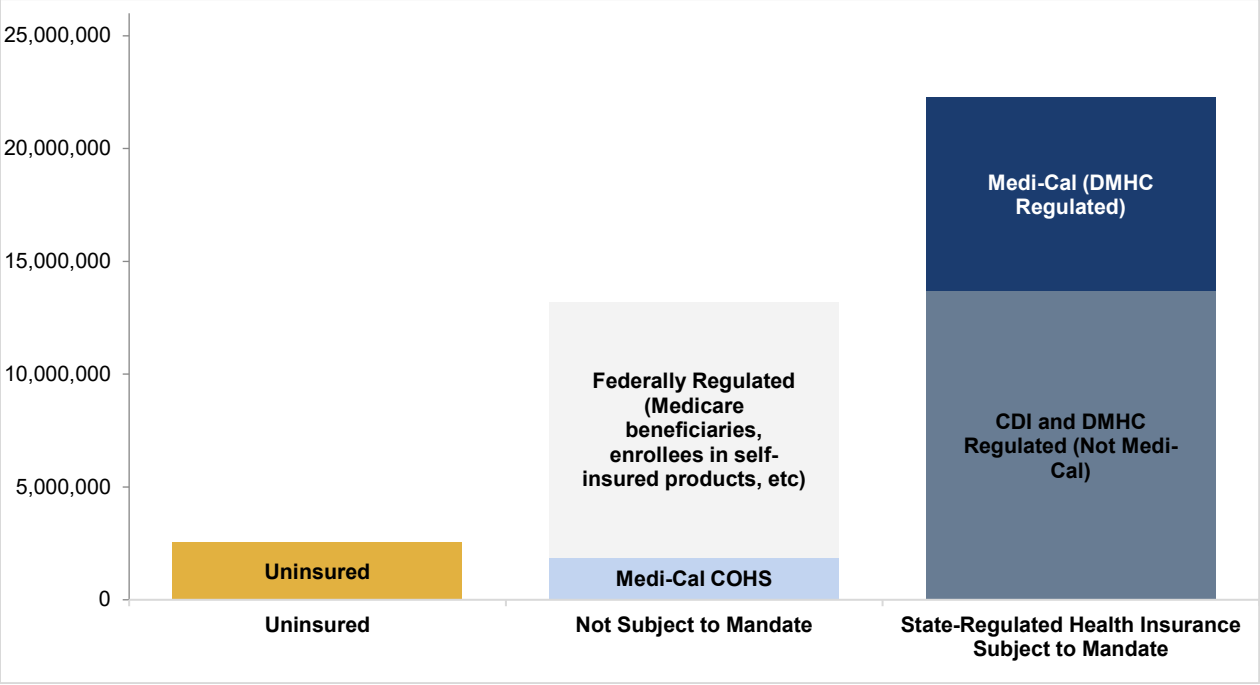
Sources of Health Insurance in California for 2025

FEBRUARY 12, 2024

California Health Benefits Review Program (CHBRP)
University of California, Berkeley

At the request of the California State Legislature, the California Health Benefits Review Program (CHBRP)[1] provides prompt, independent, and rigorous evidence-based analyses of proposed health insurance benefit laws that would impact Californians enrolled in health plans regulated by the California Department of Managed Care (DMHC) or 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.

Figure 1. Enrollment in Health Insurance by Regulator in California, 2025



***Source*: California Health Benefits Review Program, 2024.**
Key: CDI = California Department of Insurance; COHS = County-Organized Health System; DMHC = California Department of Managed Health Care

[1]Established in 2002, CHBRP's authorizing statute is available at: https://www.chbrp.org/about/reports-implementing-chbrps-authorizing-statute.

In 2025, CHBRP estimates that California's population will be 38 million. 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 presents several key elements regarding the sources of health insurance in California for 2025:

- 58.6% 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).
- 34.7% 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.
- 6.7% of Californians will be uninsured.

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 2024 would generally take effect in 2025). 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:

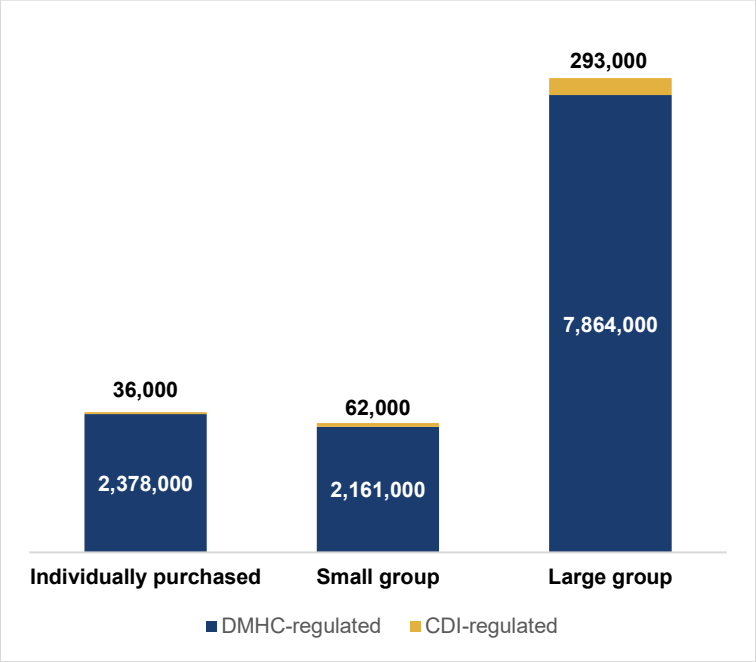
- 12.8 million Californians will be enrolled in non-CalPERS commercial DMHC-regulated plans or CDI-regulated policies.
- 7.4 million Californians will be Medi-Cal beneficiaries, the majority of whom are enrolled in DMHC-regulated plans.

[2] Information on the Cost and Coverage Model is available at: https://www.chbrp.org/about/analysis-methodology .
[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.

- 1.2 million Californians will have health insurance associated with CalPERS, the majority of whom are enrolled in DMHC-regulated plans. As will 314,000 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. Approximately 5 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

Figure 2. Enrollment in Privately Funded Commercial DMHC-Regulated Plans or CDI-Regulated Policies, 2025

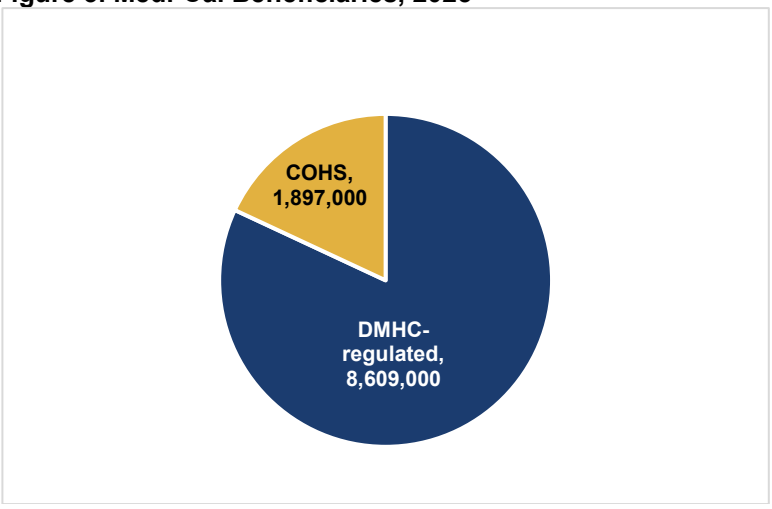


As shown in Figure 2, a majority of enrollees in privately funded commercial DMHC-regulated plans or CDI-regulated policies will be associated with the large group market (101+ enrollees). A majority of these enrollees will be in DMHC-regulated plans.

***Source*: California Health Benefits Review Program, 2024.**

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

Figure 3. Medi-Cal Beneficiaries, 2025

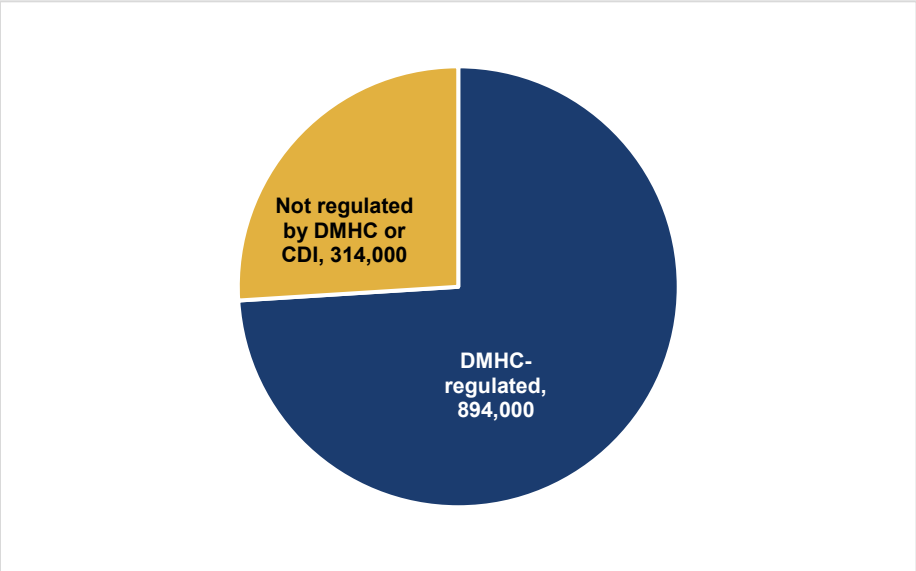


As shown in Figure 3, the majority of Medi-Cal beneficiaries will be enrolled in DMHC-regulated plans. The rest will be enrolled in County-Organized Health System (COHS) managed care.[1]

***Source*: California Health Benefits Review Program, 2024.**

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

Figure 4. CalPERS Enrollees, 2025



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.

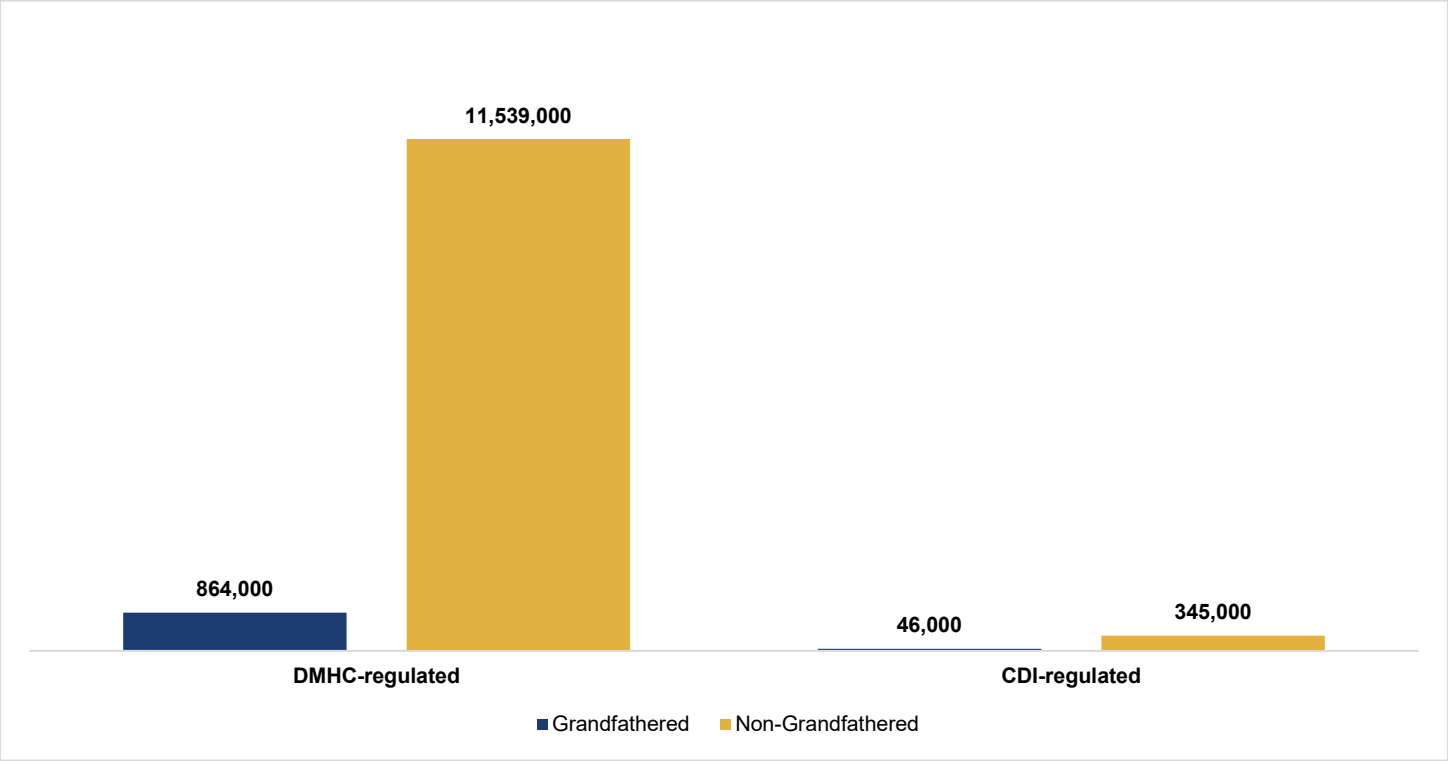
***Source*: California Health Benefits Review Program, 2024.**

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

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).[4] 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).[5,6] 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, 2025



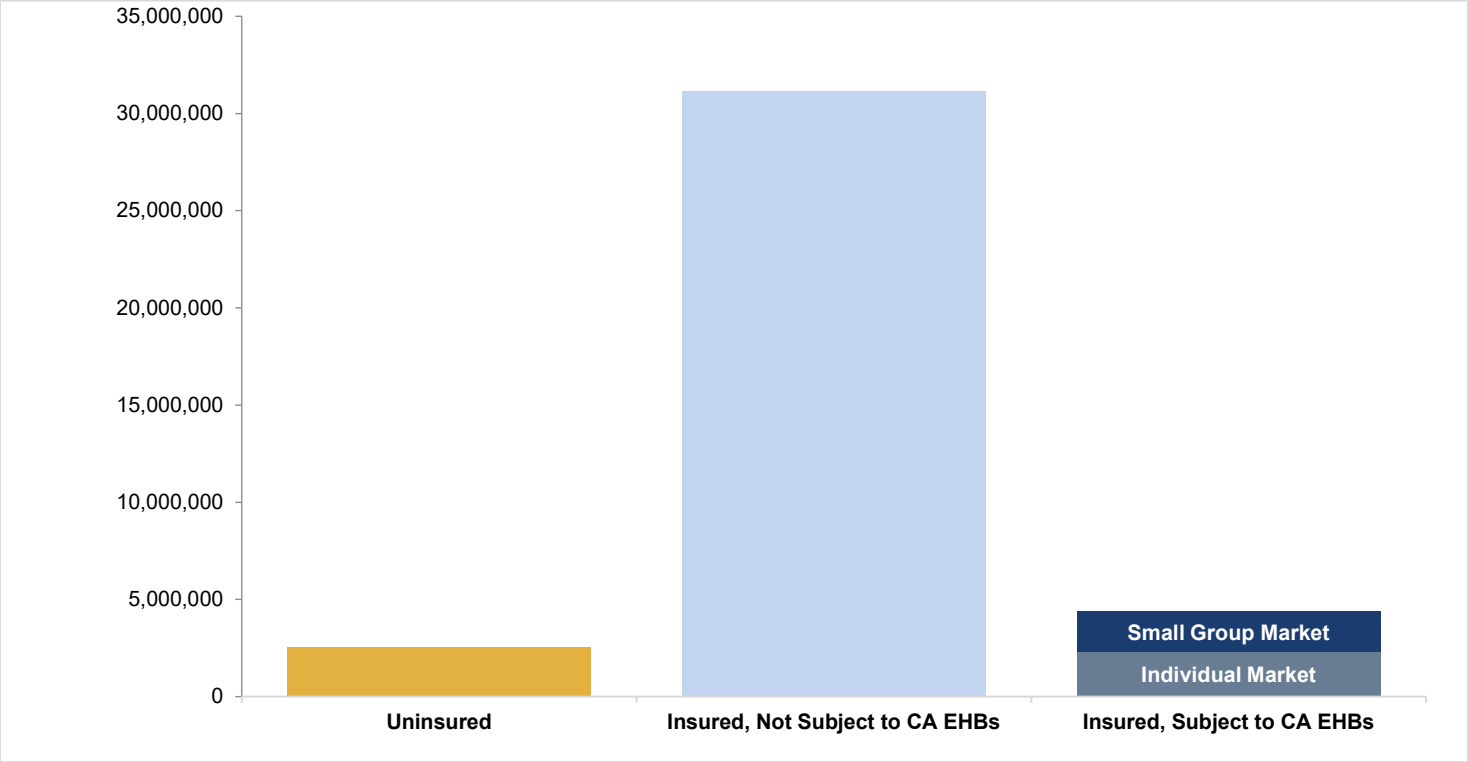
***Source*: California Health Benefits Review Program, 2024.**
Key: DMHC = California Department of Managed Health Care; CDI = California Department of Insurance

[4] See http://www.healthcare.gov/glossary/grandfathered-health-plan.
[5] See CHBRP's resource, *Federal Recommendations and the California and Federal Preventative Services Benefit Mandates*, available at: https://www.chbrp.org/other-publications/resources.
[6] See CHBRP's issue brief, *Essential Health Benefits: An Overview of Benefits, Benchmark Plan Options, and EHBs in California,* available at: https://www.chbrp.org/other-publications/issue-briefs.

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.[7] In California, individual and small-group health insurance regulated by DMHC or CDI is generally required to cover EHBs.[8] However, as noted in Figure 6, below, a limited number of Californians have health insurance required to cover EHBs.

Figure 6. Enrollees in California Health Insurance Subject to Essential Health Benefits, 2025



***Source*: California Health Benefit Review Program, 2024.**
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.

[7] 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/.
[8] See CHBRP's issue brief, *Essential Health Benefits: An Overview of Benefits, Benchmark Plan Options, and EHBs in California,* available at: https://www.chbrp.org/other-publications/issue-briefs.

Appendix A.

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). The 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.

Table 1. Sources of Health Insurance in California, 2025

Publicly Funded Health Insurance				
	Age	**DMHC-regulated**	**Not regulated by DMHC or CDI**	**Total**
Medi-Cal	0-17	3,290,000	**	3,290,000
	18-64	4,004,000	**	4,004,000
	65+	61,000	**	61,000
Medi-Cal COHS	All	-	1,897,000	1,897,000
Other Public	All	-	-	257,000
Dually eligible Medicare & Medi-Cal	All	1,254,000	48,000	1,302,000
Medicare (non Medi-Cal)	All	-	-	5,075,000
CalPERS	All	894,000	314,000	1,208,000

Privately Funded Health Insurance						
		DMHC-regulated		**CDI-regulated**		
	Age	*Grand-fathered*	*Non-Grand-fathered*	*Grand-fathered*	*Non-Grand-fathered*	**Total**
Self-insured	All	-	-	-	-	5,603,000
Individually purchased, Subsidized CovCa	0-17	-	124,000	-	0*	124,000
	18-64	-	1,510,000	-	0*	1,510,000
	65+	-	-	-	-	-
Individually purchased, Non-Subsidized CovCA and outside CovCA	0-17	25,000	163,000	9,000	0*	197,000
	18-64	72,000	473,000	26,000	0*	571,000
	65+	1,000	10,000	1,000	0*	12,000
Small group	0-17	33,000	464,000	0*	14,000	511,000
	18-64	109,000	1,523,000	0*	47,000	1,679,000
	65+	2,000	30,000	0*	1,000	33,000
Large group	0-17	171,000	1,993,000	3,000	78,000	2,245,000

	18-64	442,000	5,141,000	7,000	201,000	5,791,000
	65+	9,000	108,000	0*	4,000	121,000

Uninsured	
Age	**Total**
0-17	258,000
18-64	2,267,000
65+	24,000
California's Total Population	**38,040,000**

Source: **California Health Benefits Review Program, 2024.**
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: CalPERS = California Public Employees' Retirement System; CDI = California Department of Insurance; COHS = County-Organized Health System; DMHC = California Department of Managed Health Care

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.

An analytic staff based at the University of California, Berkeley, supports a task force of faculty and research staff from multiple University of California campuses to complete each CHBRP analysis. A strict conflict-of-interest policy ensures that the analyses are undertaken without bias. A certified, independent actuary helps to estimate the financial impact. Content experts with comprehensive subject-matter expertise are consulted to provide essential background and input on the analytic approach for each report. Detailed information on CHBRP's analysis methodology, authorizing statute, as well as all CHBRP reports and other publications are available at http://www.chbrp.org/.

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