Just the FACTS

# The Medi-Cal Program

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## Medi-Cal provides comprehensive health coverage to low-income Californians.

Medi-Cal—California's Medicaid program—is a state-federal program that offers free or low-cost health coverage to Californians with low family incomes. Prior to the Affordable Care Act (ACA), Medi-Cal served low-income families and children, the elderly, and people with disabilities. Under the ACA, California lawmakers expanded the program to include low-income adults without children or a qualifying disability starting in 2014. Total program costs are slated to be $102 billion in fiscal year 2016–17, with the federal government providing $66.8 billion, the state General Fund $19.6 billion, and other state sources—including funds generated by provider fees and transfers from local governments—another $13.7 billion.

## A third of Californians receive health care through Medi-Cal.

Medi-Cal enrollment has increased rapidly in recent years, growing from about 8.6 million at the end of 2013 to more than 13.5 million—about one-third of the state population—in October 2016. In some counties, more than half of residents are covered by Medi-Cal. To qualify for full benefits, most adults must have an annual income of below about $16,600 for a single adult (138% of the federal poverty level or FPL) and satisfactory immigration status. Undocumented adults who meet income requirements are eligible only for emergency services. Children and pregnant women qualify at higher income levels and do not have to be legal residents. Children under age 19 are eligible if their annual family income is below about $54,000 for a family of three (266% FPL) and pregnant women are eligible below about $43,000 for a family of three (213% FPL).

## Low-income families make up half of the Medi-Cal caseload but have lower costs.

Children and parents are the largest group of Medi-Cal enrollees, making up half of the total caseload. Non-elderly adults who gained eligibility under the ACA are the second largest group (28% of enrollees), followed by seniors and persons with disabilities (15%). The remainder of the caseload mostly includes undocumented immigrants eligible for limited benefits. The caseload mix is a main driver of costs. The most recent data for California from 2011 indicate annual average costs per enrollee were lowest for children ($2,475) and parents ($2,855), compared to significantly higher costs for seniors ($12,019) and individuals with disabilities ($20,080). Comparable average costs for adults who gained coverage under the ACA are not yet available.

## Medicaid expansion lowered uninsured rates statewide and is linked to improved outcomes.

Among the nearly 8 million California adults age 19–64 with annual incomes below 138% of the federal poverty level, uninsured rates have been cut in half since the Medi-Cal expansion, from 39% in 2013 to 19% in 2015. Over the same time period, Medi-Cal coverage for this group increased from 27% to 45%. In other states, previous expansions in Medicaid coverage have been linked to lower mortality rates, improved access to care, and decreased financial strain.

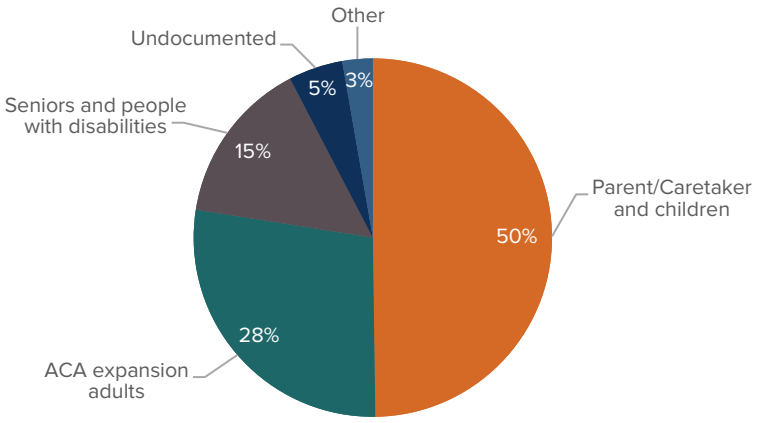
## Compared to other states, a higher share of Californians are covered by Medicaid.

Nationwide, about 23% of the population was covered by a state Medicaid program at the end of 2016. Compared to other large states that chose to expand Medicaid under the ACA, California and New York have the highest share of enrolled residents at about 32%, followed by Ohio (26%), Illinois (24%), and Pennsylvania (22%). Large states that did not expand Medicaid (Florida, Georgia, North Carolina, and Texas) cover about 17% to 20% of residents under their Medicaid programs.

## Federal reforms could drastically reshape Medi-Cal.

Under current federal law, Medicaid is an open-ended entitlement: anyone who meets eligibility criteria can receive benefits, with the federal government paying for at least half the cost. Current federal proposals seek to cap federal funding and provide states with more flexibility to determine eligibility and benefits. It is too soon to know what impact this could have on California. But federal funds currently cover two-thirds of Medi-Cal costs; cuts would require state lawmakers to consider major changes to program structure and funding.

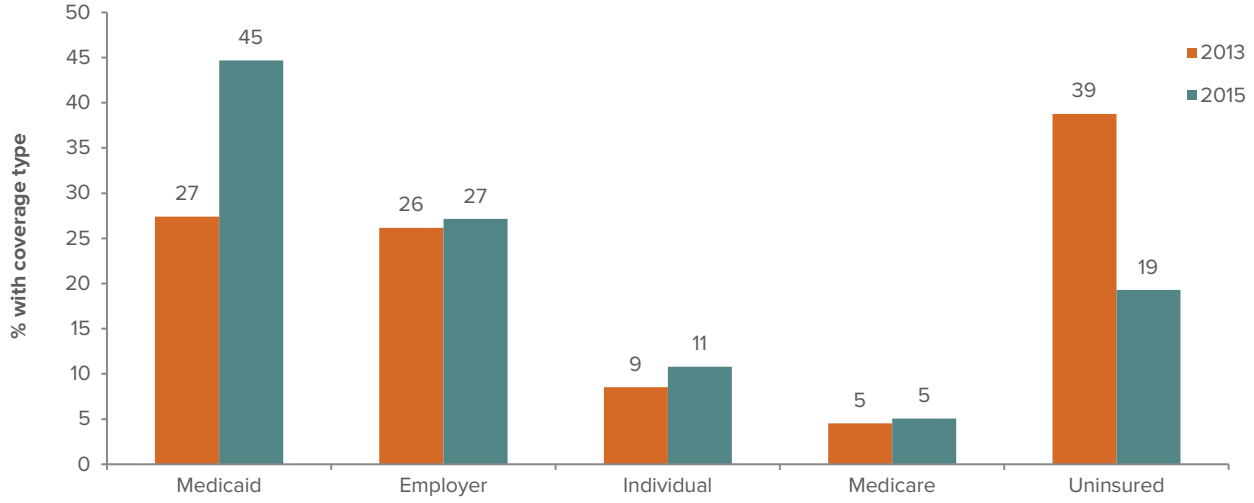
## Nearly 30% of Medi-Cal enrollees are adults who gained coverage under the ACA




**Source:** California Department of Health Care Services, Research and Analytic Studies Division, Medi-Cal Monthly Enrollment Fast Facts, October 2016.

**Note:** Children receiving Medi-Cal benefits under eligibility categories associated with the Children's Health Insurance Program (CHIP) are included in the share of parents and children; about 10% of children are enrolled under this category. Undocumented immigrant adults who meet income requirements are eligible for limited coverage of emergency services under Medi-Cal. The 'Other' category is comprised of people in the following eligibility categories: adoption/foster care, individuals residing in long-term care facilities, and other unspecified groups.

## Low-income Californians saw major declines in uninsured rates after Medi-Cal expansion




**Source:** American Community Survey, one-year Public Use Microdata Samples downloaded from the State Health Access Data Assistance Center (SHADAC).

**Note:** Figure shows the share of California residents age 19–64 with annual incomes below 138% of the federal poverty level by types of insurance coverage sources, including those that are uninsured. Family income is calculated based on the health insurance unit constructed by SHADAC to represent family relationships that are related to health insurance eligibility.

**Sources**: Average costs per enrollee group are for full-benefit enrollees, see Young et al., *Medicaid per Enrollee Spending: Variation across States* (Kaiser Family Foundation, 2015). For research on the effects of Medicaid expansions, see Baicker et al., "The Oregon Experiment—Effects of Medicaid on Clinical Outcomes" (*New England Journal of Medicine,* 2013), and Sommers, Baicker, and Epstein, "Morality and Access to Care among Adults after State Medicaid Expansions" (*New England Journal of Medicine,* 2012). State shares of residents with Medicaid coverage based on author calculations using total monthly Medicaid and CHIP enrollment and state population estimates for July 2016 from the Center for Medicaid and Medicare Statistics, monthly enrollment reports, and the US Census Bureau population estimates, respectively.

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