



CALIFORNIA
HEALTHCARE
FOUNDATION

SNAPSHOT

California's Individual and Small Group Markets on the Eve of Reform

2011

Introduction

California's individual and small group health insurance markets currently serve just under 15 percent of the state's population—about 5 million people altogether. But under health reform, these market segments will assume importance beyond their numbers. In 2014 new requirements to obtain coverage and financial assistance available through the California Health Benefit Exchange will increase the size of the individual market and offer new purchasing opportunities for many small businesses and their workers. New market rules will change the types of products sold and the way coverage is priced.

This snapshot, a compilation of data from many sources, provides baseline demographics and features of California's individual and small group markets. It also examines the size and attributes of groups, including the uninsured, that may be prompted to seek or shift coverage as health reform is implemented. The snapshot is intended to provide background for the policy and program administration decisions that California will face as it moves to implement federal health reform, including the start-up of the Exchange.

SOME HIGHLIGHTS:

- Based on poverty levels, many of today's insured and uninsured Californians are likely to be eligible for subsidies in 2014.
 - Of the 2 million who already purchase individual coverage, about 40 percent would qualify for subsidies and another 18 percent would be eligible for Medi-Cal if 2014 rules were in effect today.
 - Among the uninsured, 2.8 million (39 percent) may be newly eligible for Medi-Cal in 2014 based on their income. Of these, 56 percent have at least one full-time worker in the family.
 - Another 3.4 million (almost half of the uninsured) may be eligible for subsidies to purchase individual coverage in 2014.
- The remaining 15 percent of the uninsured are in families whose incomes are above 400 percent of the federal poverty level, making them ineligible for subsidies.
- More than 1 million of the uninsured are undocumented immigrants, who would not qualify for subsidies and would be excluded from the Exchange.

Individual/Small Group Markets

CONTENTS

Coverage	4
Market Environment	9
Rates and Premiums	13
Economic and Employment Status	16
Demographics	19
Looking Ahead	23
Author	25
Appendices	26

Introduction, *continued*

- Individual premiums vary by age as much as five-fold. In 2014, health reform rules will limit these differences to a 3:1 ratio, increasing premiums for younger enrollees and reducing them for older ones in many instances.
- Insurance currently purchased in the individual market provides less comprehensive coverage, paying an average of 55 percent of medical expenses, compared to 80-90 percent of expenses for group coverage.

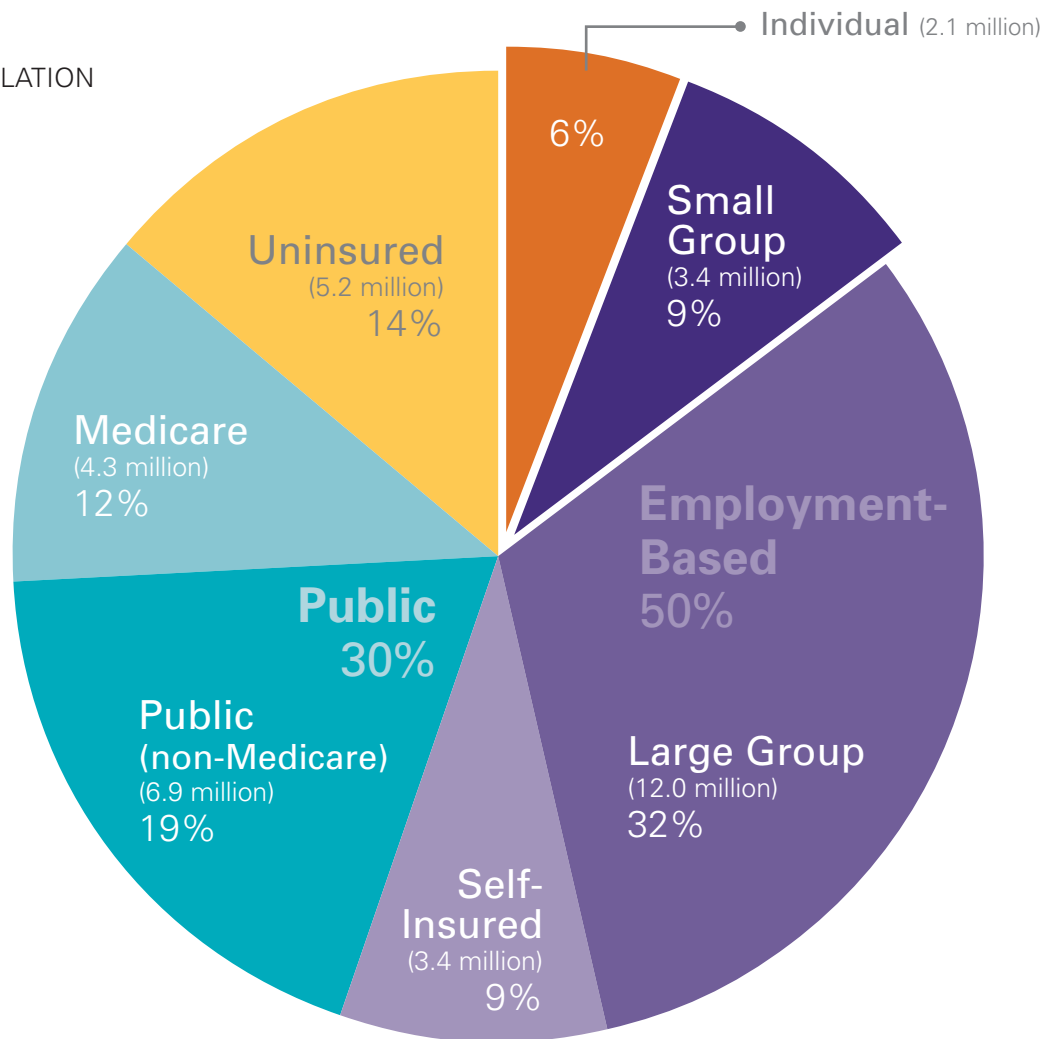
Although the individual and small group markets may share more features in the future, today they are quite different. The individual health insurance market, in which enrollees pay for 100 percent of their coverage, is characterized by the sensitivity of its purchasers to premium price, as well as carrier concerns (offset by medical screening) that only sick people will buy and keep coverage.

California's small group market, which covers employer groups with two to 50 workers, has been shaped by guaranteed issue and other protections in 1992 state law. In this market, carriers may impose participation (e.g., 70 percent of eligible employees must enroll) and contribution requirements (e.g., the employer must pay at least 50 percent of the premium). As a result, enrollees in small group coverage typically pay a fraction of their premium.

In 2014, individuals will benefit from many of the protections now seen in the group market. In addition, some of them may receive government help paying for their premiums. These factors, combined with the federal requirements to obtain coverage, will alter the health insurance landscape.

Sources of Health Insurance Coverage, California, 2011

TOTAL POPULATION
37.9 million



Notes: Small group is defined as employers with 2 to 50 workers. Coverage categories do not overlap. Public (non-Medicare) is computed as a remainder to eliminate double counting among public programs. The Medicare count includes dual-eligibles, those enrolled in both Medi-Cal and Medicare. CalPERS enrollment is included with large group. CHBRP's estimate of the uninsured is based upon the California Health Interview Survey and represents the number of uninsured at a single point in time. Multiple estimates of coverage and the uninsured exist. For a comparison of estimates, see [Appendix A](#).

Source: California Health Benefits Review Program, "Estimates of Sources of Health Insurance in California, 2011," www.chbrp.org.

Individual/Small Group Markets Coverage

Nearly 15 percent of Californians—about 5.5 million people—have health coverage through individual and small group insurance plans. These markets are a focal point for coverage expansion under health reform.

Sources of Coverage, Estimated Ranges, California, 2009 to 2011

IN MILLIONS	
Individual	1.9–2.2
Uninsured	5.2–7.3
Public (non-Medicare)	5.3–6.9
Medicare	4.3–4.4
Small Group (2 to 50 workers)	2.8–3.4
Large Group (>50 workers)	14.2–15.5

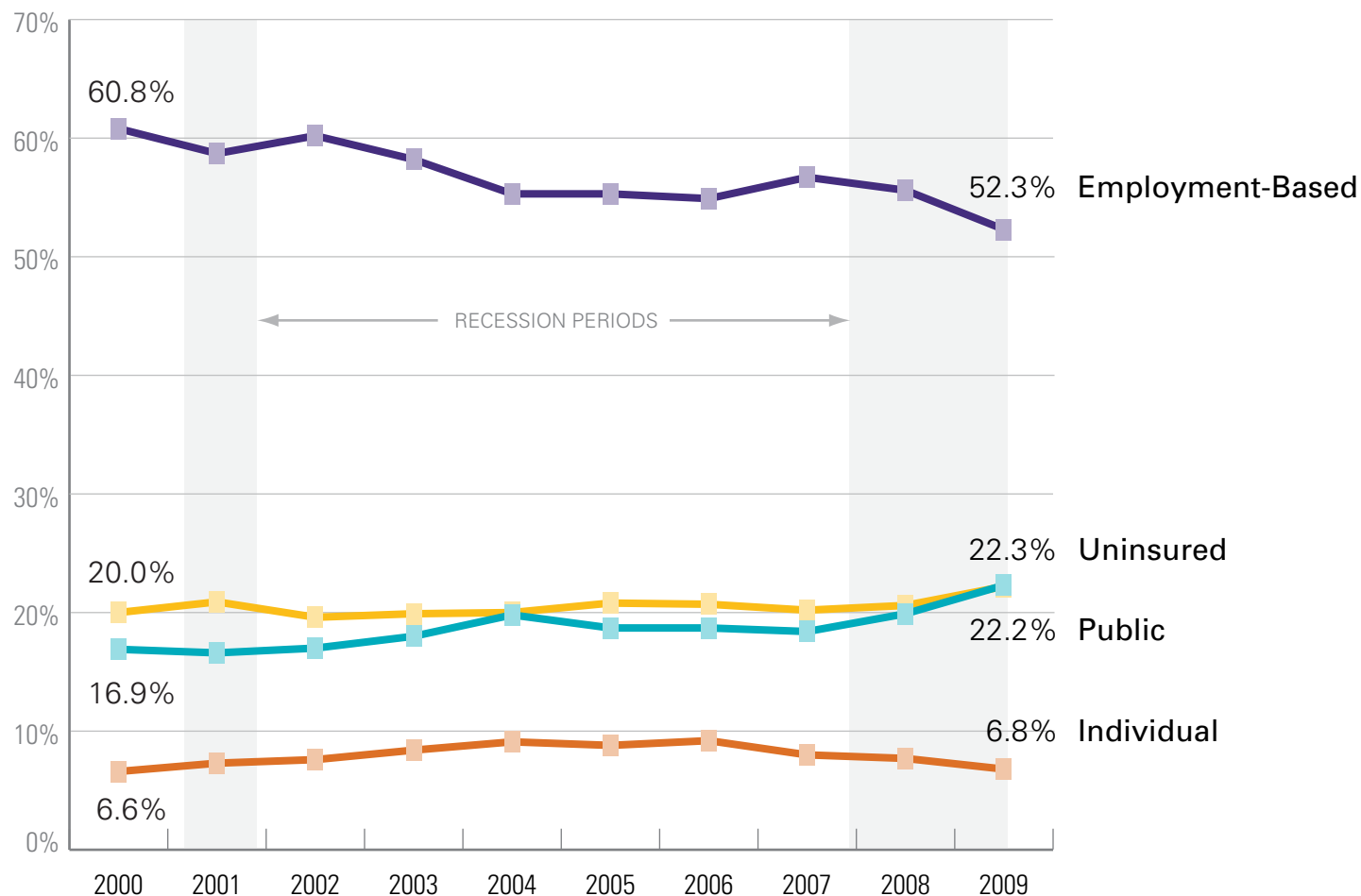
Notes: Medicare estimates include approximately 1 million dual-eligibles (i.e., also enrolled in Medi-Cal). Public (non-Medicare) is computed as a remainder to eliminate double counting among public programs. Total Medi-Cal enrollment in 2010 ranged from 7.2 to 7.4 million (including dual-eligibles). Large group figures include approximately 3.4 million enrollees in employment-based self-insured plans. See [Appendix A](#) for details and comparisons of coverage estimates.

Sources: California Health Benefits Review Program, “Estimates of Sources of Health Insurance in California, 2011,” www.chbrp.org. U.S. Census, Current Population Survey (CPS), analyzed and reported in California’s Uninsured, 2010, www.chcf.org. CPS reporting by State Health Access Data Assistance Center (SHADAC). California Health Interview Survey (CHIS), 2009, www.healthpolicy.ucla.edu. California Department of Health Care Services, Research and Analytical Studies Section, www.dhcs.ca.gov.

Individual/Small Group Markets Coverage

Some 2 million Californians are covered through individually purchased health insurance and about 3 million are covered through small groups. Because coverage estimates vary, they are best viewed as ranges.

Sources of Coverage, California Nonelderly, 2000 to 2009



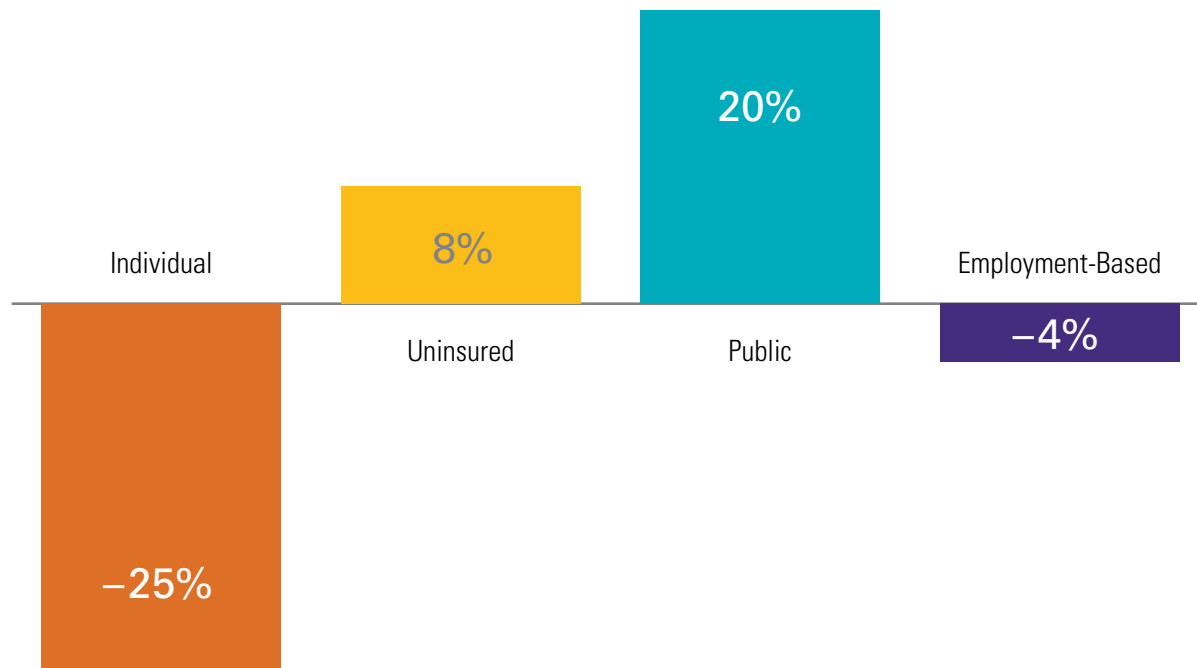
Individual/Small Group Markets Coverage

Both employment-based and individual coverage have fallen during the recent recession, while the share of Californians with public coverage or no coverage has risen.

Sources: U.S. Census, Current Population Survey, EBRI/CHCF prepared companion data to *California's Uninsured, 2010*, www.chcf.org.

Change in Enrollment, by Source of Coverage, California Nonelderly, 2006 to 2009

CHANGE SINCE 2006

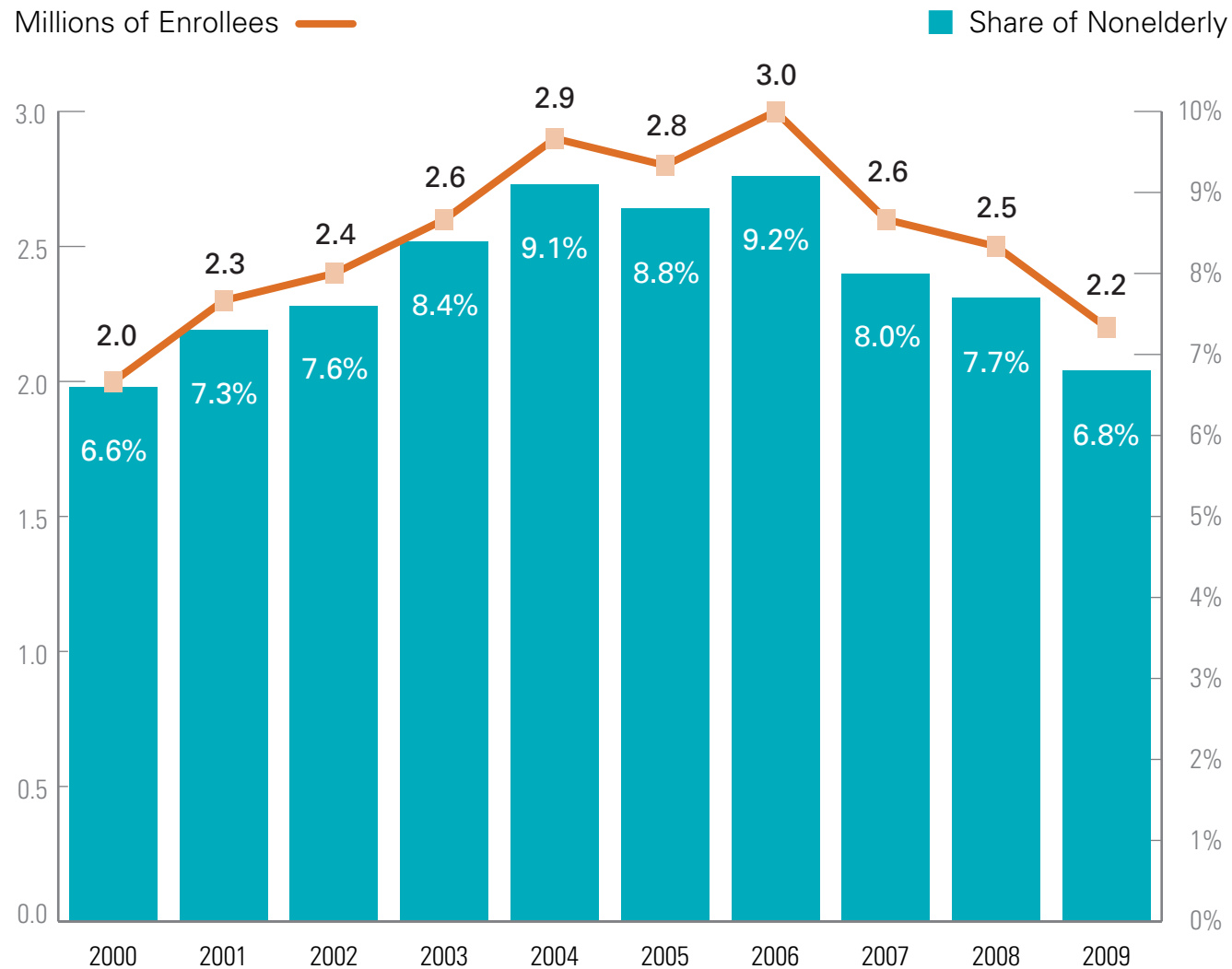


Individual/Small Group Markets Coverage

While individual and employment-based coverage declined from 2006 to 2009, public coverage and the share of uninsured Californians rose.

Sources: U.S. Census, Current Population Survey, EBRI/CHCF prepared companion data to *California's Uninsured, 2010*, www.chcf.org.

Enrollment in Individual Coverage, Total and as Share of Nonelderly, California, 2000 to 2009

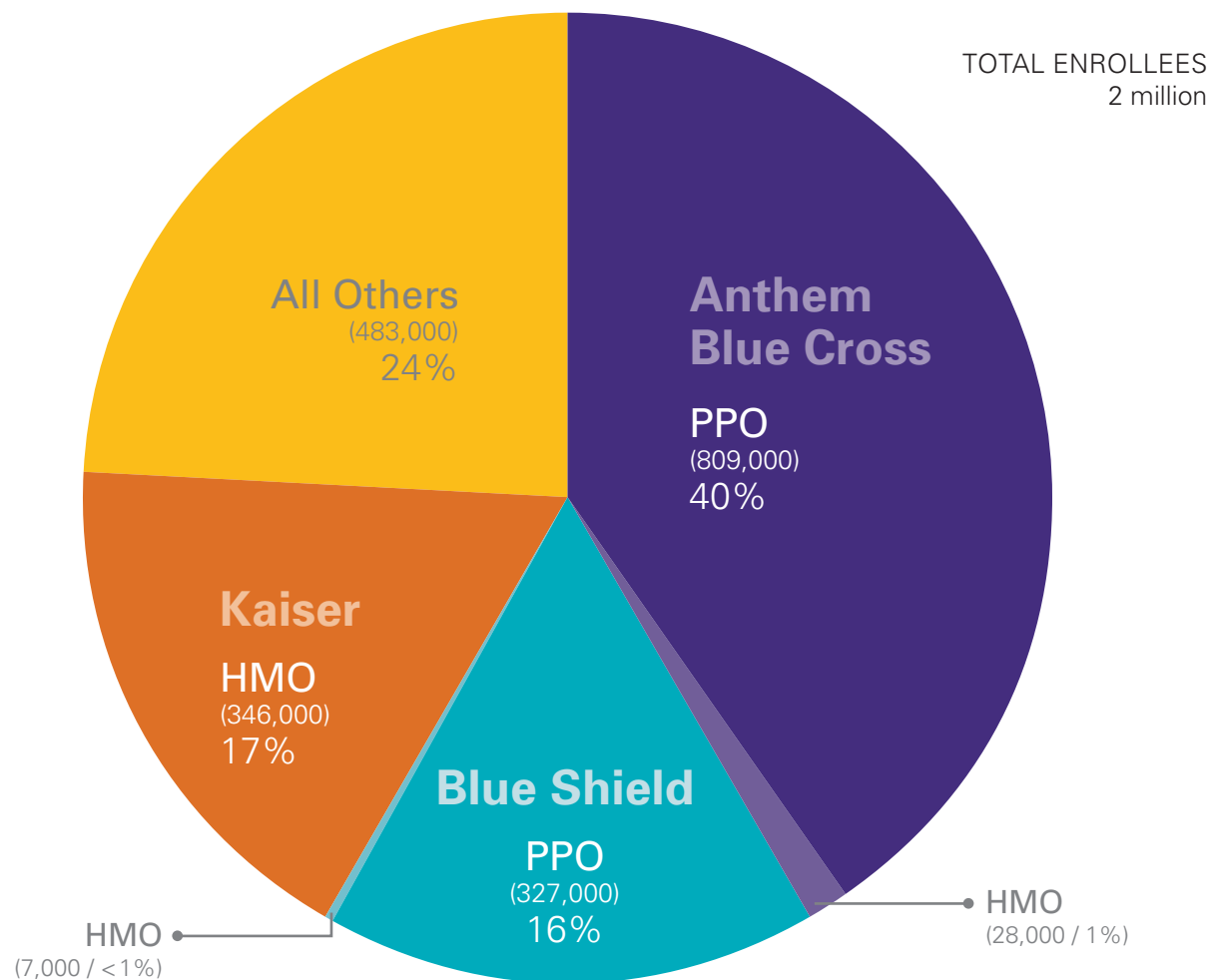


Sources: U.S. Census, Current Population Survey, EBRI/CHCF prepared companion data to *California's Uninsured, 2010*, www.chcf.org.

Individual/Small Group Markets Coverage

Following its peak in 2006, individual coverage enrollment declined 25 percent. This represents a loss of three-quarters of a million enrollees.

Individual Enrollment, by Carrier, California Nonelderly, 2009



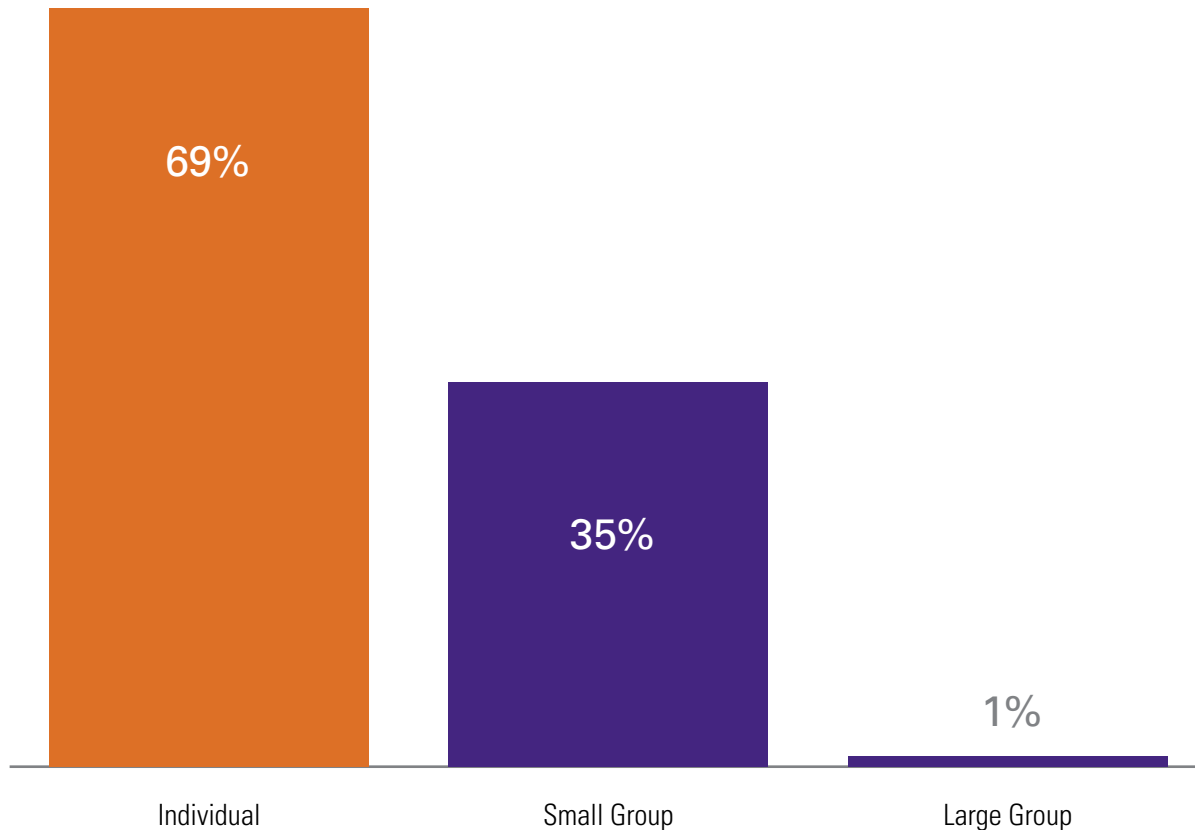
Notes: All Others is computed as a remainder based on the estimated size of the individual market. Other carriers participating in the individual market include Aetna, Celtic, CIGNA, and Health Net. Due to rounding, figures may not sum to total.

Source: Department of Managed Health Care, California Department of Insurance.

Individual/Small Group Markets Market Environment

Three carriers, with a total of about 1.5 million enrollees, serve over three-fourths of the individual market. PPO products cover the majority of individual enrollees.

Share of Enrollment in High-Deductible Plans, Individual vs. Group Coverage, California, 2011



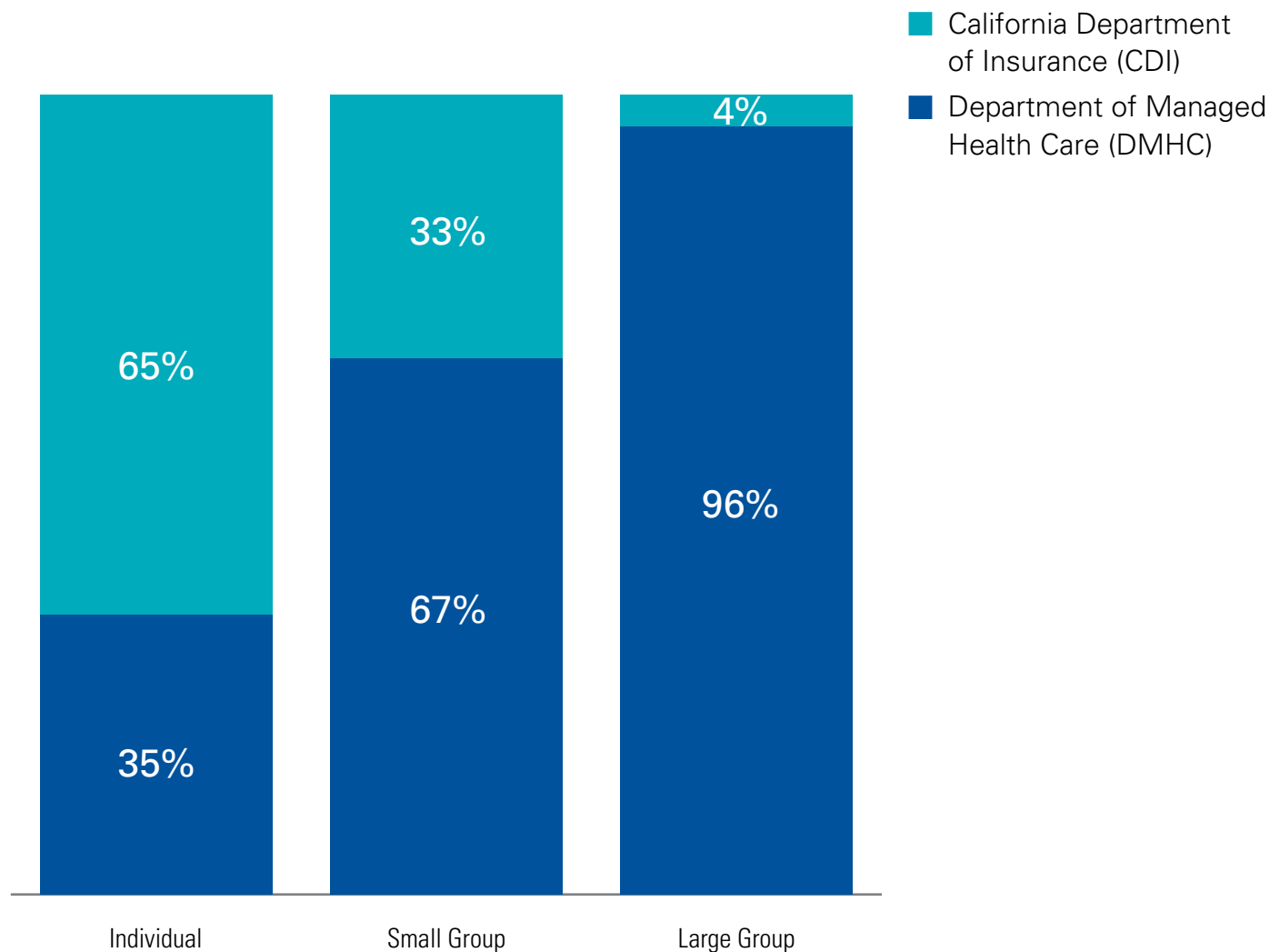
Notes: High-Deductible Health Plans, as set forth by the IRS, have a minimum annual deductible of \$1,200 (\$2,400 for families) and a maximum annual out-of-pocket and deductible amount of \$5,950 (\$11,900 for families) for in-network services. Group enrollment figures exclude: PERS enrollment of 1.1 million (of which 830,000 is regulated by DMHC) and enrollment of 3.4 million in employers' self-insured plans. See [Appendix B](#) for additional details.

Source: California Health Benefits Review Program, "Estimates of Sources of Health Insurance in California, 2011," www.chbrp.org.

Individual/Small Group Markets Market Environment

Individual insurance purchasers, who pay 100 percent of their premium, are far more likely to be enrolled in high-deductible plans. Enrollees often trade higher out-of-pocket costs at the time of service for lower premiums.

Regulators of Individual and Group Insurance, California, 2011



Individual/Small Group Markets Market Environment

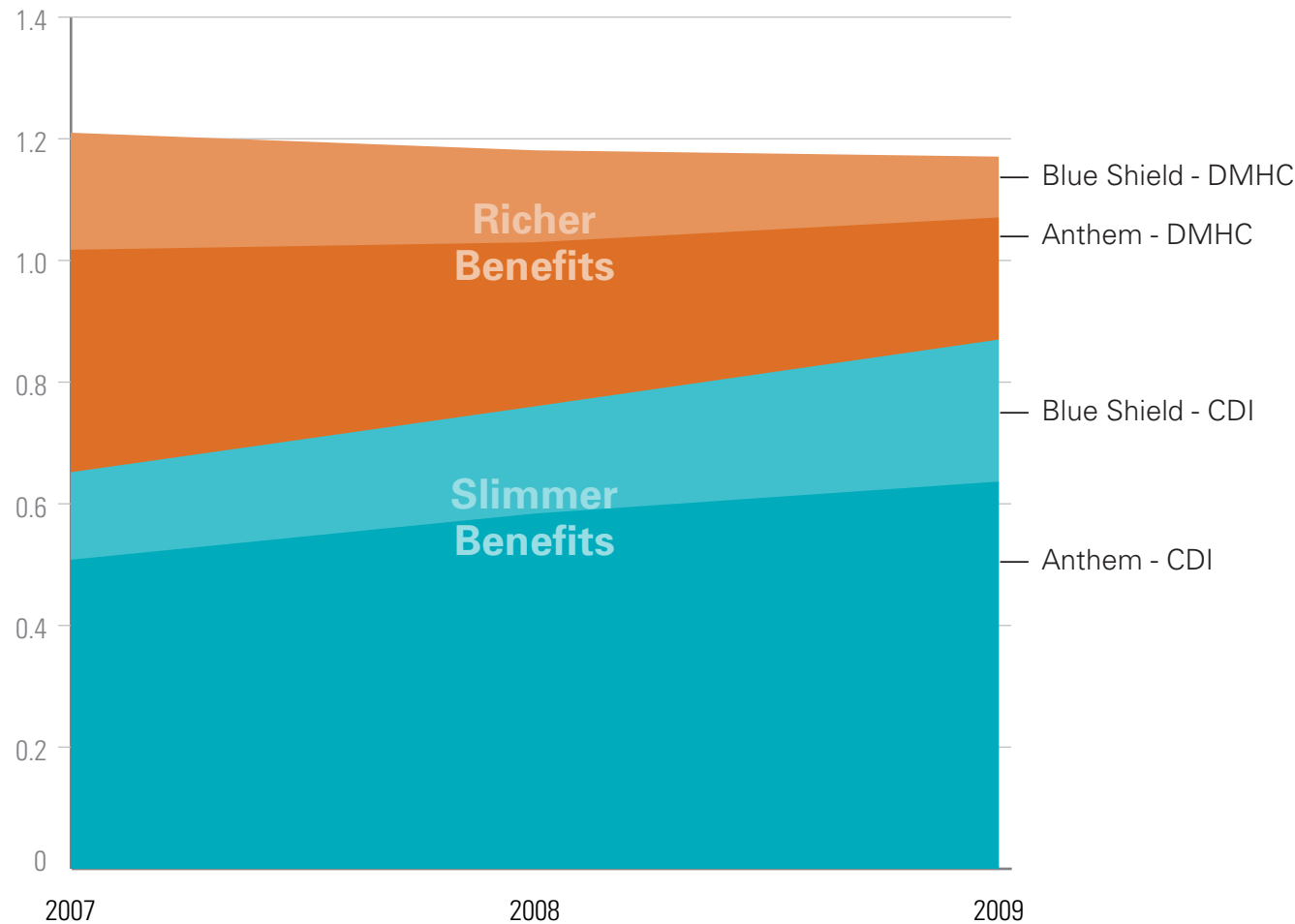
California's two regulators allow variation in product design. Plans under DMHC must provide a defined set of basic health care services, while plans under CDI have more flexibility and may offer slimmer benefits. CDI-regulated products are far more prevalent in the individual market than the group market.

Note: See [Appendix B](#) for additional details.

Source: California Health Benefits Review Program, "Estimates of Sources of Health Insurance in California, 2011," www.chbrp.org.

Individual Enrollment, Selected Carriers, by Regulator, California, 2007 to 2009

MILLIONS OF ENROLLEES



Sources: Department of Managed Health Care (DMHC), Health Plan Financial Summary Data and Report #4. California Department of Insurance (CDI), Insurers' Annual Statements.

In recent years, individual enrollment has shifted to products regulated by CDI, reflecting purchaser preferences for lower premiums and less comprehensive benefits.

Actuarial Value and Out-of-Pocket Expense, Individual vs. Group Products, Self-Only, California, 2009

	ACTUARIAL VALUE*	EXPECTED OUT-OF-POCKET
Individual	55%	\$2,180
All Group ¹	85%	748
Small Group ²	81%	975
HMO	90%	498
PPO	80%	1,036
High-Deductible Health Plans (without savings options)	70%	1,553

*Actuarial value is an estimate of the average share of health care costs covered by a policy for a standard population (i.e., the share of annual health expenses that would be paid for by an insurance policy).

Notes: In 2014, the Health Exchange will create four benefit categories plus a separate catastrophic plan (available only to individuals). Coverage will be categorized according to their actuarial value (or “benefit coverage”). Each will cover Essential Health Benefits as defined by HHS and have an actuarial value of bronze (60%), silver (70%), gold (80%), or platinum (90%). Plans would be limited to out-of-pocket maximums of Health Savings Accounts (\$5,950 for individuals and \$11,900 for families in 2010 and 2011). Out-of-pocket limits would be reduced for those with incomes below 400% of the FPL.

Sources: 1. Jon Gabel, Roland McDevitt, et al., *Issue Brief: Financial Protection of Employer-based Insurance in California, 2009*. UC Berkeley Center for Labor Research and Education, January 2010.

2. Ken Jacobs, Laurel Tan, et al., *How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan?* UC Berkeley Center for Labor Research and Education, Research Brief, December 2009.

Individual/Small Group Markets Rates and Premiums

Actuarial values confirm that the coverage obtained through the individual market is substantially less comprehensive than that provided by employers. A typical individual plan pays an estimated 55 percent of expenses incurred, compared to 80 to 90 percent for employer plans.

Monthly Premiums, by Age, Selected Individual Products, Self-Only, Alameda County, California, EFFECTIVE APRIL 2011

	AGE 26	AGE 32	AGE 42	AGE 52	AGE 64
Anthem SmartSense 2500 Full Rx ¹	\$147	\$161	\$222	\$361	\$777
Anthem 3500 Deductible Plan ²	139	153	217	358	796
Blue Shield Balance Plan 2500 ³	131	132	218	357	595
Blue Shield Savings 1800/3600 ⁴	113	116	199	343	578
Kaiser Deductible 40/2000 ⁵	205	238	279	376	492
Kaiser Deductible 40/3000 NM ⁶	130	156	200	311	410

1. Annual deductible \$2,500 (waived for the first three office visits, which have \$30 copay). Coinsurance of 30% after deductible up to annual out-of-pocket maximum of \$5,000. Maternity not covered. Prescription drugs: \$500 brand-name deductible; copay \$40 brand-name/\$15 generic.

2. Annual deductible \$3,500. Office visits and other services covered in full after deductible met. Maximum out-of-pocket \$3,500. Maternity not covered. Prescription drugs: \$500 brand-name deductible; copay \$35 brand-name/\$15 generic.

3. Annual deductible \$2,500 (waived for office visits). Office visits \$30. Coinsurance of 30% after deductible up to maximum out-of-pocket of \$7,500. Maternity not covered. Prescription drugs: \$500 brand-name deductible and \$2,500 calendar year maximum. Copay \$35 brand-name/\$10 generic.

4. Annual deductible \$1,800 (waived for preventive care). Coinsurance of 30% after deductible up to annual out-of-pocket maximum of \$5,950. Maternity not covered. Prescription drugs subject to plan deductible; copay \$35 brand-name/\$10 generic after deductible.

5. Annual deductible \$2,000 (waived for preventive care, office visits, prescription drugs). Office visits \$40. Cost-sharing after deductible up to maximum out-of-pocket of \$4,000, including deductible. Maternity is covered. Prescription drugs: not subject to deductible; copay \$35 brand-name/\$10 generic.

6. Annual deductible \$3,000 (waived for preventive care, office visits, prescription drugs). Office visits \$40. Coinsurance of 30% after deductible up to annual out-of-pocket maximum of \$6,000, including deductible. Maternity not covered. Prescription drugs not subject to deductible; copay \$35 brand-name/\$10 generic.

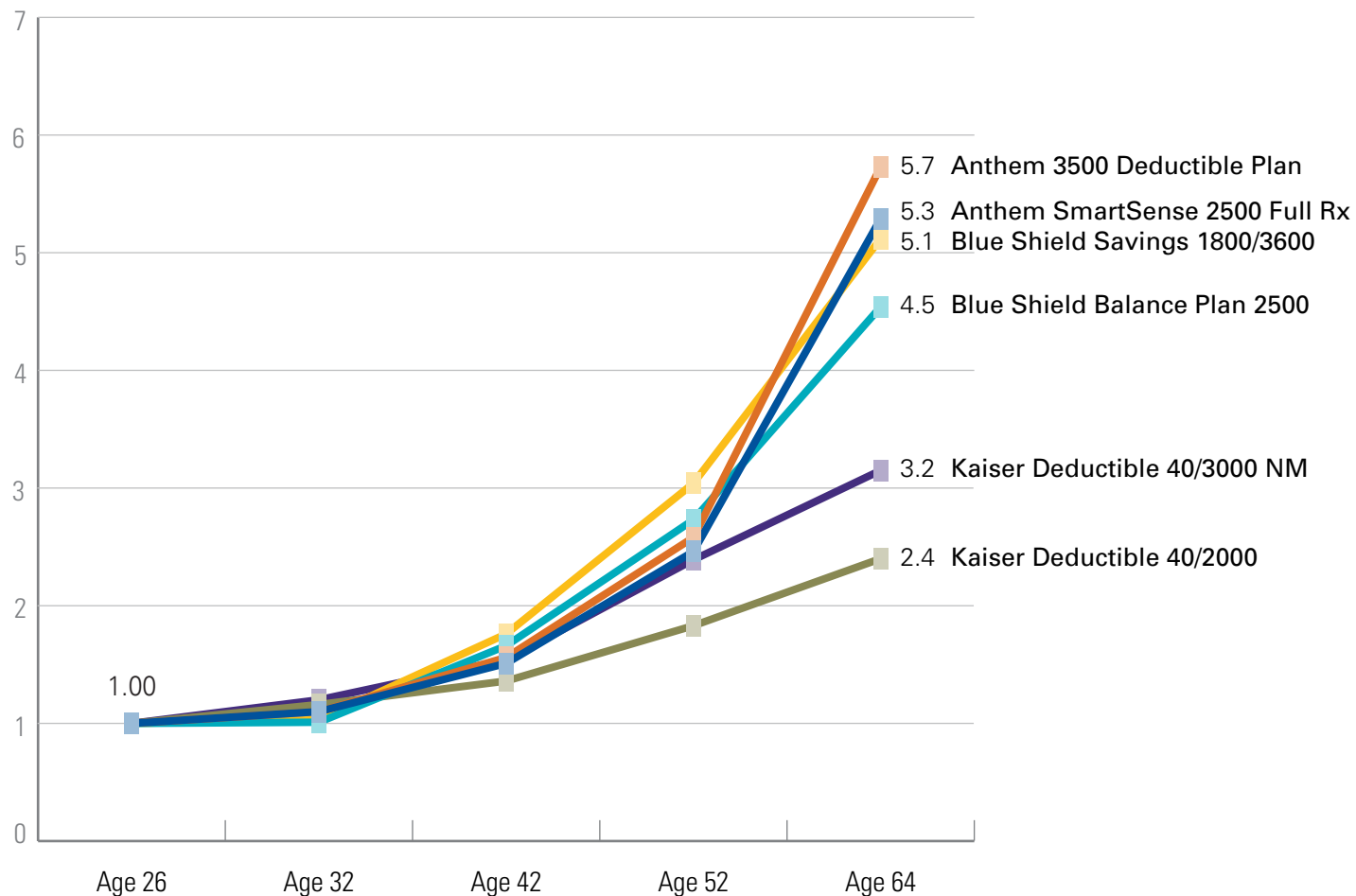
Notes: These benefit levels are for in-network services. Anthem Blue Cross and Blue Shield figures reflect premiums for existing business submitted to CDI for review. Premiums would be 2% to 11% higher for non-grandfathered versions of these plans. As this publication went to press, both Anthem Blue Cross and Blue Shield announced rollbacks to the 2011 increases.

Sources: California Department of Insurance, Individual Health Insurance Rate Filings, 2011 requests, www.insurance.ca.gov, ehealthinsurance.com.

Individual/Small Group Markets Rates and Premiums

The premiums shown, ranging from \$113 to \$777 a month, reflect a sampling of products with distinct cost-sharing features. In the individual market, premiums also vary by age.

Premium Ratios, by Age, Selected Individual Products, Self-Only, California, 2011



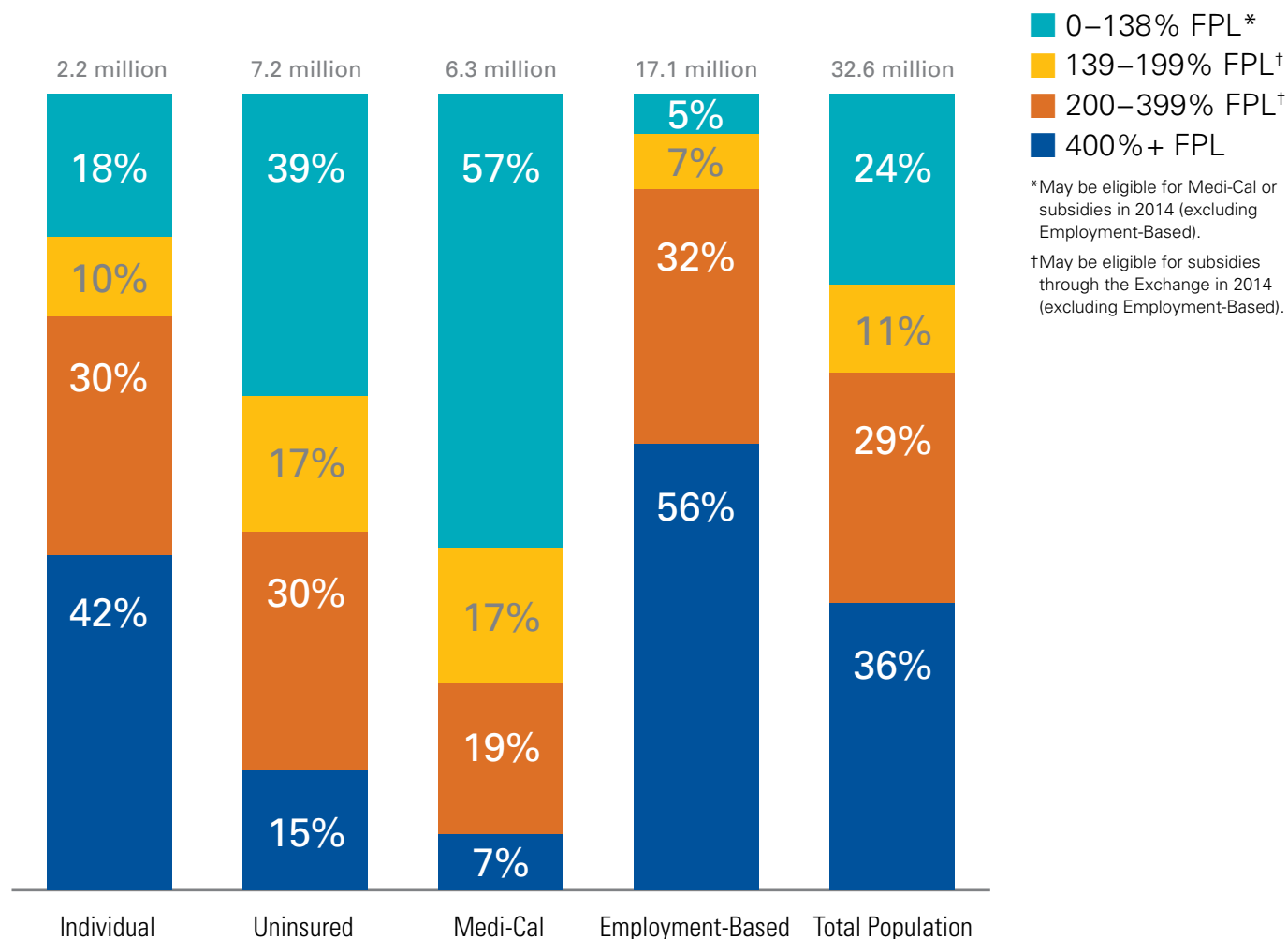
Note: Age ratios shown were computed relative to premium for a 26-year-old, e.g., for a product, the age 42 premium divided by age 26 premium.

Sources: California Department of Insurance, Individual Health Insurance Rate Filings, 2011 requests, www.insurance.ca.gov, ehealthinsurance.com.

Individual/Small Group Markets Rates and Premiums

Individual premiums vary by age as much as five-fold. In 2014, health reform rules will limit these differences to a 3:1 ratio, increasing premiums for younger enrollees and reducing them for older ones in many instances.

Federal Poverty Levels, by Source of Coverage, California Nonelderly, 2009



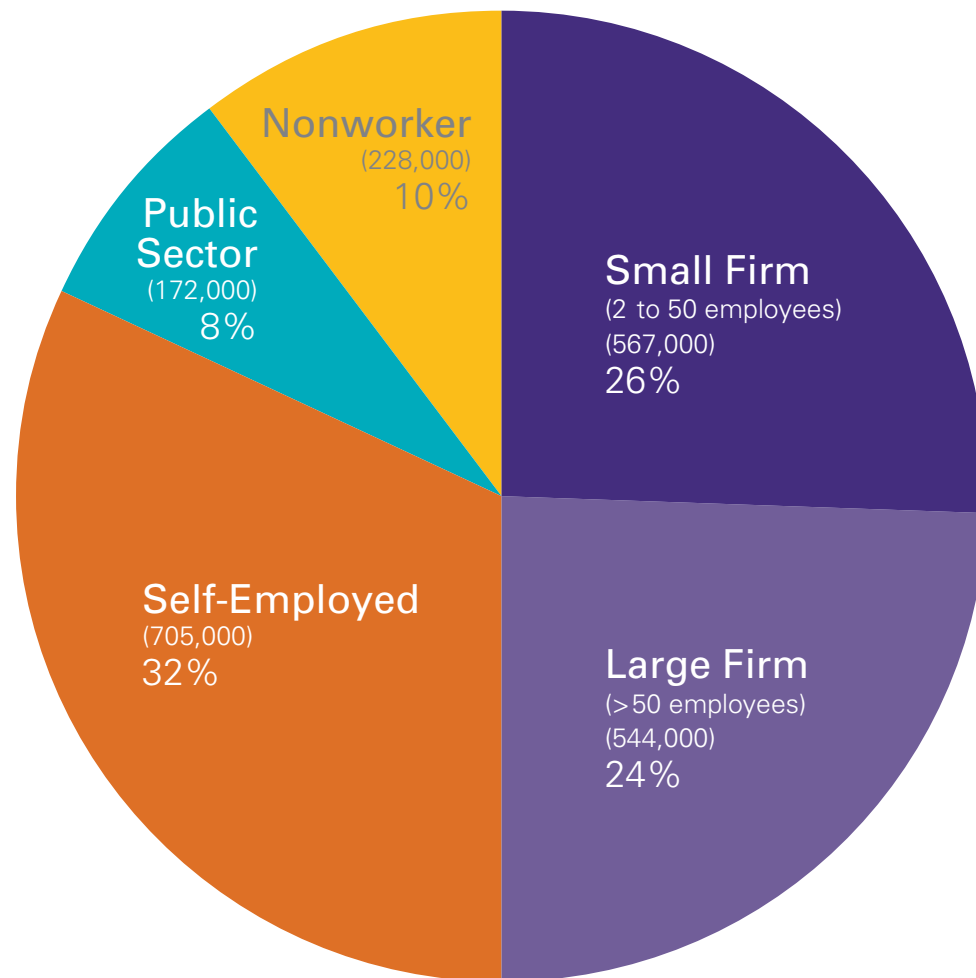
In the general and employment-based coverage populations, many who are income eligible would not receive subsidies because their employers cannot participate in the Exchange. Sources of coverage (millions) do not sum to total population as not all sources are shown and more than one source of coverage is possible. Due to rounding, categories may not total 100%. See [Appendix C](#) for detailed tables on poverty levels and health insurance. See [Appendix D](#) for tables on FPL thresholds and 2014 sliding scale subsidies in the Exchange for individuals.

Source: U.S. Census, Current Population Survey, 2009, as reported by State Health Access Data Assistance Center (SHADAC).

Individual/Small Group Markets Economic and Employment Status

Based on poverty levels, many of today's insured and uninsured Californians could be eligible for subsidies in 2014. Among the uninsured, 39 percent (2.8 million) may be newly eligible for Medi-Cal. Among current individual purchasers, about 40 percent may qualify for subsidies and another 18 percent may be eligible for Medi-Cal.

Individual Purchasers, by Employment Status and Firm Size, California Nonelderly, 2009



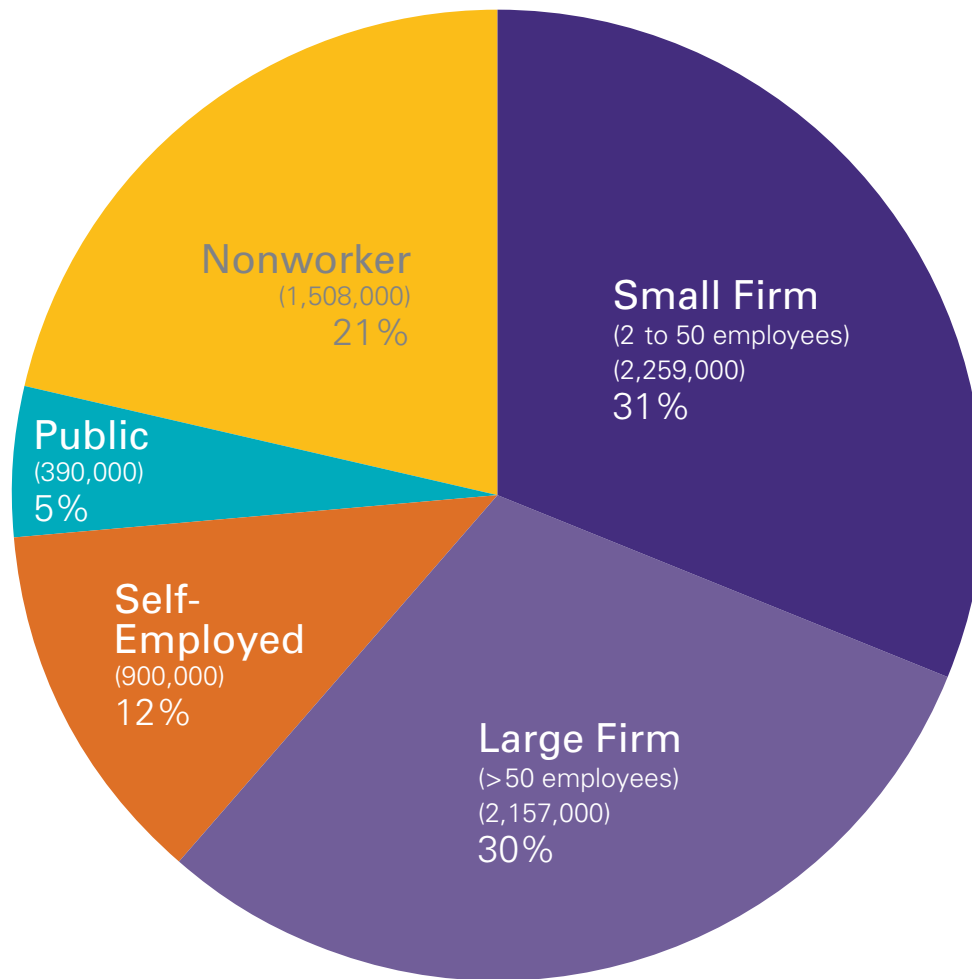
Notes: Firm size based on head of family employment status. Head of family is defined as the adult in the family with the greatest earnings. See [Appendix E](#) for additional detail.

Source: Employee Benefit Research Institute estimates from the U.S. Census March 2010 Current Population Survey.

Individual/Small Group Markets Economic and Employment Status

One-third of individual purchasers are self-employed. One-fourth have a head of family who works for a large firm. Only one-tenth are nonworkers.

Uninsured, by Employment Status and Firm Size, California Nonelderly, 2009



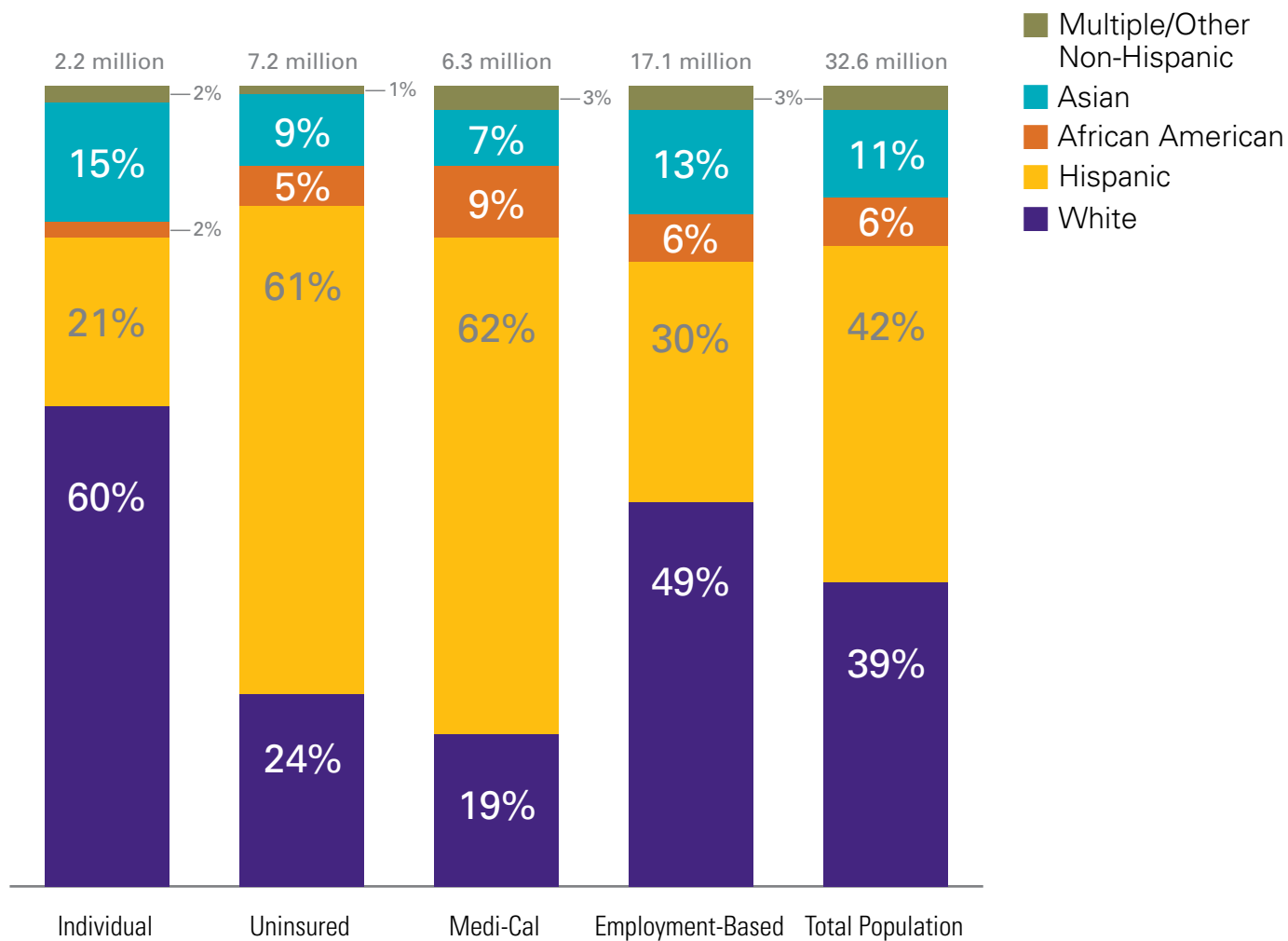
Note: Head of family is defined as the adult in the family with the greatest earnings. See [Appendix E](#) for additional detail.

Source: Employee Benefit Research Institute estimates from the U.S. Census March 2010 Current Population Survey.

Individual/Small Group Markets Economic and Employment Status

Only one-fifth of uninsured Californians do not work. Nearly one-third—over 2 million people—have a head of family who is employed by a large firm. In 2014, under health reform, large firms will have additional responsibilities to provide coverage.

Race/Ethnicity, by Source of Coverage, California Nonelderly, 2009



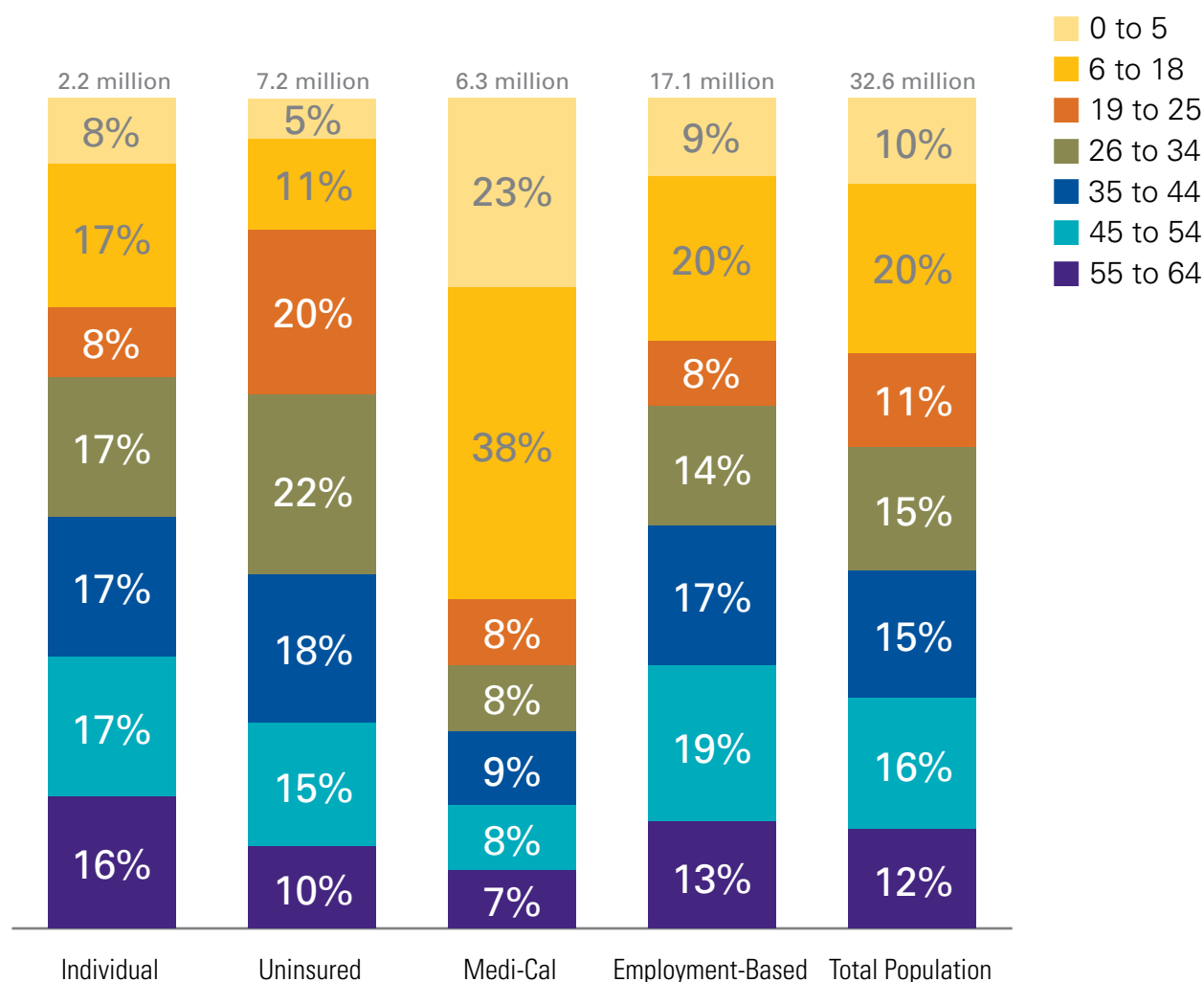
Notes: Sources of coverage (millions) do not sum to population total; not all sources are shown and some people have more than one source of coverage. See [Appendix C](#) for additional detail. Due to rounding, some categories may not total 100%.

Source: U.S. Census, Current Population Survey, 2009, as reported by State Health Access Data Assistance Center (SHADAC).

Individual/Small Group Markets Demographics

Race/ethnicity varies substantially by source of coverage. Hispanics and African-Americans are less likely to have individual coverage.

Age Distribution, by Source of Coverage, California Nonelderly, 2009



Individual/Small Group Markets Demographics

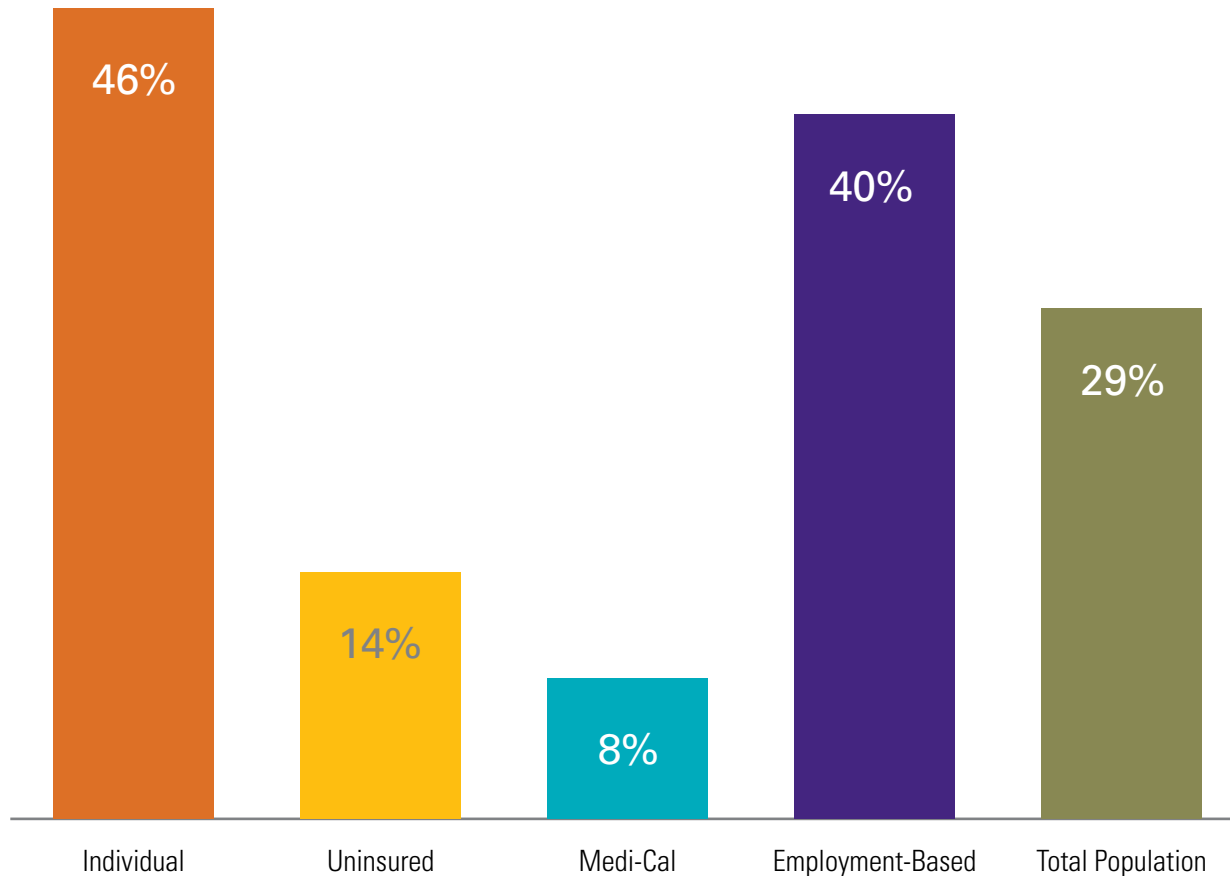
Today, young adults age 19 to 34 make up a large share of the uninsured population, and over half of Medi-Cal enrollees are under 19. Policy changes under health reform in 2014 are likely to result in a more even age distribution across coverage sources.

Notes: Sources of coverage (millions) do not sum to population total; not all sources are shown and some people have more than one source of coverage. See [Appendix C](#) for additional detail. Due to rounding, some categories may not total 100%.

Source: U.S. Census, Current Population Survey, 2009, as reported by State Health Access Data Assistance Center (SHADAC).

College Educated, by Source of Coverage, California Nonelderly, 2009

SHARE WITH COLLEGE EDUCATION OR MORE



Note: See [Appendix C](#) for additional detail.

Source: U.S. Census, Current Population Survey, 2009, as reported by State Health Access Data Assistance Center (SHADAC).

Individual/Small Group Markets Demographics

Education levels vary widely by source of coverage. Almost half of individual purchasers have a college degree, compared to just 14 percent of uninsured Californians. These differences could inform Exchange outreach strategies.

Insurance Coverage, by Citizenship Status, California Nonelderly, 2009

	TOTAL NONELDERLY	INSURED	UNINSURED	% UNINSURED
All Nonelderly	32,550,658	25,337,119	7,213,539	22%
Citizens	27,360,062	22,696,694	4,663,368	17%
Noncitizens	5,190,596	2,640,425	2,550,171	49%
% Noncitizens	16%	10%	35%	

Individual/Small Group Markets Demographics

More than one-third of uninsured Californians—2.5 million people—are noncitizens. Of these, at least 1 million are undocumented and therefore ineligible for health coverage subsidies.

Notes: The California Health Interview Survey (CHIS) estimates that in 2009, 1.121 million noncitizens were both uninsured and undocumented, in Shana Alex Lavarreda and Livier Cabezas, "Two-Thirds of California's Seven Million Uninsured May Obtain Coverage Under Health Care Reform," February 2011, www.healthpolicy.ucla.edu. Peter Long and Jonathan Gruber estimate that following reform, 1.24 million of the uninsured will be undocumented, in "Projecting the Impact of the Affordable Care Act on California," *Health Affairs* 30, No. 2 (2011): 63–70.

Source: U.S. Census, Current Population Survey, EBRI/CHCF prepared companion data to *California's Uninsured, 2010*, www.chcf.org.

Uninsured Potentially Eligible for Medi-Cal, California Nonelderly, 2014

Profile of the Uninsured with Family Income Up to 138% of FPL (2.8 million):

- **Race/Ethnicity:** 71% Hispanic
16% White
- **Education:** 43% less than high school education
10% completed college
30% entire family less than high school education
- **Age Group:** 23% age 26 to 34
20% age 19 to 25
- **Work Status:** 56% at least one full-time worker in family
45% not working
33% working full-time
- **Income Level:** 75% family income of \$25,000 or less

Source: U.S. Census, Current Population Survey, 2009, as reported by State Health Access Data Assistance Center (SHADAC).

Individual/Small Group Markets Looking Ahead

About 2.8 million uninsured Californians would be eligible, based on income, for Medi-Cal in 2014. However, a portion of this total would not qualify due to immigration status.*

*See slide 22 for information about citizenship status.

Potential Shifts in Coverage Under Health Reform, California, 2014 Projection

□ Little Change ▲ Enrollment Gain ▼ Enrollment Loss

UNDER HEALTH REFORM

TODAY		Exchange	Individual (Outside Exchange)	Uninsured	Medi-Cal	Small Group (Outside Exchange)	Large Group
	Individual	▲ ▲	▼ ▼		▲ ▲		
	Uninsured	▲ ▲		▼ ▼	▲ ▲		▲
	Medi-Cal						
	Small Group	▲			▲	▼	
	Large Group	▲			▲		

Individual/Small Group Markets Looking Ahead

Responding to incentives and penalties in 2014, many people now buying individual coverage and uninsured people will likely seek or change coverage.

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Individual/Small Group Markets

FOR MORE INFORMATION



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Appendix A | Comparison of Sources of Coverage Estimates, Enrollees (in millions) and Percent

	CHBRP, 2011 ¹ ALL AGES		U.S. CENSUS CPS, 2009 ² ALL AGES		U.S. CENSUS CPS / EBRI, 2009 ³ NONELDERLY		CHIS, 2009 ⁴ NONELDERLY	
Individual	2.1	6%	3.1	8%	2.2	7%	2.1	6%
Uninsured	5.2	14%	7.3	20%	7.2	22%	5.4	21%
Public (non-Medicare)*†	6.9	19%	6.7	18%	6.6	22%	7.4	16%
Medicare	4.3	12%	4.4	12%	0.7	2%	—	—
Other Private / Public Coverage†	—	—	—	—	—	—	1.7	5%
Employment Based	18.8	50%	18.3	50%	17.0	52%	18.4	52%
Small Group (2 to 50 employees)	3.4	9%	—	—	2.8	9%	—	—
Large Groups (>50 employees)	15.5	41%	—	—	14.2	44%	—	—
Total Population	37.4		36.8		32.6		33.3	

Notes: Large group figures include some 3.4 million enrollees in self-insured groups. Nonelderly estimates permit additional detail, including: (1) a non-Medicare estimate of individually purchased insurance from U.S. census sources; and (2) breakdowns of employment-based coverage by firm size. Medicare estimates include approximately 1 million dual-eligibles (i.e., also enrolled in Medi-Cal). Public (non-Medicare) is computed as a remainder to eliminate double counting among public programs. Census figures reflect coverages and may sum to more than 100 percent. CHIS reports two estimates for the uninsured: the broader definition, “uninsured for part or all year,” is shown here.

Sources: 1. California Health Benefits Review Program (CHBRP), “Estimates of Sources of Health Insurance in California, 2011,” www.chbrp.org. For methodological information on the multi-source CHBRP model: www.chbrp.org.

2. All ages, 2009. U.S. Census, Current Population Survey (CPS), as reported by State Health Access Data Assistance Center (SHADAC), www.shadac.org.

3. Nonelderly, 2009. Employee Benefit Research Institute estimates from the U.S. Census, March 2010 Current Population Survey (CPS), www.chcf.org.

4. California Health Interview Survey (CHIS), 2009. Shana Alex Lavarreda and Livier Cabezas, “Two-Thirds of California’s Seven Million Uninsured May Obtain Coverage Under Health Care Reform,” February 2011, www.healthpolicy.ucla.edu.

*For all sources except CHIS, “Public (non-Medicare)” is computed as all government less Medicare, thereby excluding dual-eligible Medi-Cal enrollees. As a point of reference, total Medi-Cal enrollment in 2010 ranged from 7.2 to 7.4 million, according to California Department of Health Care Services, Research and Analytical Studies section, www.dhcs.ca.gov.

†CHIS Public coverage category refers to Medi-Cal and Healthy Families enrollment (nonelderly). “Other Private/Public Coverage,” a CHIS-only category, encompasses mixed sources of coverage or public coverage other than Medi-Cal or Health Families.

Appendix B | High-Deductible Health Plans, Individual vs. Group Enrollment, by Regulator, California, 2011

	ALL	NOT HDHP	HDHP	% IN HDHP
Individual Enrollment				
DMHC-Regulated	733,000	312,000	421,000	57%
CDI-Regulated	1,343,000	328,000	1,015,000	76%
Total	2,076,000	640,000	1,436,000	69%
% in CDI	65%	51%	71%	
Small Group Enrollment				
DMHC-Regulated	2,241,000	1,751,000	490,000	22%
CDI-Regulated	1,118,000	426,000	692,000	62%
Total	3,359,000	2,177,000	1,182,000	35%
% in CDI	33%	20%	59%	
Large Group Enrollment				
DMHC-Regulated	10,526,000	10,489,000	37,000	0%
CDI-Regulated	397,000	324,000	73,000	18%
Total	10,923,000	10,813,000	110,000	1%
% in CDI	4%	3%	66%	

Notes: High-Deductible Health Plans, as set forth by the IRS, have a minimum annual deductible of \$1,200 (\$2,400 for families) and a maximum annual out-of-pocket and deductible amount of \$5,950 (\$11,900 for families) for in-network services. Group enrollment figures exclude: PERS enrollment of 1.1 million (of which 830,000 is regulated by DMHC) and enrollment of 3.4 million in employers' self-insured plans.

Source: California Health Benefits Review Program, "Estimates of Sources of Health Insurance in California, 2011," www.chbrp.org.

Appendix C | Demographics by Source of Coverage, Nonelderly, California, 2009

Enrollees (in thousands) and Percent

POVERTY LEVEL	INDIVIDUAL		UNINSURED		MEDI-CAL		EMPLOYMENT-BASED		TOTAL POPULATION	
	(000's)	%	(000's)	%	(000's)	%	(000's)	%	(000's)	%
0–138% FPL	393	18%	2,798	39%	3,606	57%	919	5%	7,878	24%
139–199% FPL	222	10%	1,231	17%	1,053	17%	1,169	7%	3,716	11%
200–399% FPL	672	30%	2,128	30%	1,178	19%	5,433	32%	9,318	29%
400%+ FPL	928	42%	1,047	15%	441	7%	9,536	56%	11,701	36%
Total	2,216	100%	7,204	100%	6,278	100%	17,056	100%	32,614	100%
< 400% FPL	1,287	58%	6,157	85%	5,837	93%	7,521	44%	20,912	64%
139–399% FPL	894	40%	3,359	47%	2,231	36%	6,602	39%	13,034	40%

RACE / ETHNICITY	INDIVIDUAL		UNINSURED		PRIVATE COVERAGE		MEDI-CAL		EMPLOYMENT-BASED		TOTAL POPULATION
	(000's)	%	(000's)	%	(000's)	%	(000's)	%	(000's)	%	(000's)
Hispanic	461	21%	4,365	61%	5,539	29%	3,907	62%	5,051	30%	13,601
White	1,324	60%	1,715	24%	9,710	50%	1,217	19%	8,331	49%	12,657
Black	49	2%	370	5%	1,011	5%	562	9%	960	6%	1,913
Asian	336	15%	664	9%	2,504	13%	445	7%	2,190	13%	3,633
Multiple/ Other Non-Hispanic	45	2%	100	1%	580	3%	182	3%	536	3%	863
Total	2,216	100%	7,214	100%	19,344	100%	6,312	100%	17,068	100%	32,666

Notes: In 2011, the FPL is \$10,890 for one person or \$22,350 for a family of four. Although the Affordable Care Act (ACA) specifies that low-income people are Medicaid-eligible with modified adjusted gross income at or below 133% of the FPL, the ACA also includes a 5% disregard of income in determining eligibility. Therefore the Medicaid eligibility threshold is effectively 138% of the FPL, as shown in the table. The ACA also provides for sliding-scale premium subsidies to individuals purchasing coverage through the Exchange. Categories do not sum to total population; some categories, e.g., military, are not shown, and some people have coverage from more than one source.

Source: U.S. Census, Current Population Survey, 2009, as reported by State Health Access Data Assistance Center (SHADAC).

Appendix C | Demographics, *continued*

AGE GROUP	INDIVIDUAL		UNINSURED		PRIVATE COVERAGE		MEDI-CAL		EMPLOYMENT-BASED		TOTAL POPULATION
	(000's)	%	(000's)	%	(000's)	%	(000's)	%	(000's)	%	
0 to 5	176	8%	328	5%	1,709	9%	1,427	23%	1,572	9%	3,369
6 to 18	383	17%	795	11%	3,746	19%	2,379	38%	3,339	20%	6,647
19 to 25	186	8%	1,411	20%	1,790	9%	510	8%	1,293	8%	3,734
26 to 34	373	17%	1,602	22%	2,763	14%	506	8%	2,443	14%	4,884
35 to 44	366	17%	1,279	18%	3,235	17%	563	9%	2,918	17%	5,054
45 to 54	372	17%	1,113	15%	3,525	18%	480	8%	3,227	19%	5,129
55 to 64	360	16%	686	10%	2,576	13%	447	7%	2,277	13%	3,849
65 and older	—	—	—	—	—	—	—	—	—	—	0
Total	2,216	100%	7,214	100%	19,344	100%	6,312	100%	17,068	100%	32,666
FAMILY WORK STATUS											
Nonworking	159	19%	827	3%	616	2%	1,223	11%	302	7%	2,768
At least one part-time worker	301	14%	1,032	5%	1,063	4%	867	14%	624	14%	2,936
At least one full-time worker	1,756	67%	5,355	91%	17,665	95%	4,222	74%	16,143	79%	26,962
Total	2,216	100%	7,214	100%	19,344	100%	6,312	100%	17,068	100%	32,666
EDUCATION (OF INDIVIDUAL)											
Less than high school	111	7%	1,914	31%	1,151	8%	988	37%	1,038	8%	4,033
High school	255	15%	1,872	30%	2,737	19%	710	27%	2,453	20%	5,386
Some college	544	32%	1,525	25%	4,668	33%	721	27%	3,957	32%	6,941
College or more	778	46%	891	14%	5,653	40%	223	8%	4,977	40%	6,835
Total	1,688	100%	6,201	100%	14,208	100%	2,643	100%	12,425	100%	23,195

Note: Categories do not sum to total population; some categories, e.g., military, are not shown, and some people have coverage from more than one source.

Source: U.S. Census, Current Population Survey, 2009, as reported by State Health Access Data Assistance Center (SHADAC).

Appendix D | Federal Poverty Levels and Premium and Cost-Sharing Subsidies for Individuals

Federal Poverty Guidelines (FPL), 2011

% OF FPL	PERSONS IN FAMILY			
	1	2	3	4
100%	\$10,890	\$14,710	\$18,530	\$22,350
133%	14,484	19,564	24,645	29,726
150%	16,335	22,065	27,795	33,525
200%	21,780	29,420	37,060	44,700
250%	27,225	36,775	46,325	55,875
300%	32,670	44,130	55,590	67,050
400%	43,560	58,840	74,120	89,400

Note: Federal Poverty Guidelines establish the maximum family income levels for determining eligibility for certain federal programs.

Source: U.S. Department of Health and Human Services, www.aspe.hhs.gov.

Income Thresholds for Premium and Cost-Sharing Subsidies for Individuals, 2014

INCOME LEVEL AS % OF FPL	ELIGIBLE FOR SUBSIDY SUCH THAT PREMIUM CONTRIBUTIONS DO NOT EXCEED THE FOLLOWING % OF INCOME:
Up to 133%	2%
133 to 150%	3 to 4%
150 to 200%	4 to 6.3%
200 to 250%	6.3 to 8.05%
250 to 300%	8.05 to 9.5%
300 to 400%	10%

Note: Subsidies to be available to individuals not offered employer coverage or whose share of employer-based coverage exceeds 9.5 percent of income.

Source: Kaiser Family Foundation, "Summary of New Health Reform Law," publication #8061, March 26, 2010, www.kff.org.

Appendix E | Sources of Health Insurance, by Firm Size of Family Head, California Nonelderly, 2009

	INDIVIDUAL	UNINSURED	TOTAL PUBLIC	MEDI-CAL	EMPLOYMENT-BASED
Self-employed	704,622	899,566	470,889	431,137	1,181,102
Public Sector	172,258	389,659	626,787	349,526	3,313,559
Private Sector: < 10 employees	308,852	1,246,940	961,253	907,778	1,073,151
Private Sector: 10 to 50 employees	257,858	1,012,186	922,077	880,517	1,719,862
Private Sector: 51 to 99 employees	138,729	507,836	493,617	461,118	1,138,928
Private Sector: 100 to 499 employees	122,444	572,122	517,072	476,815	1,946,337
Private Sector: 500+ employees	283,189	1,076,884	1,230,799	1,037,134	6,031,509
Nonworker	227,655	1,508,347	2,041,902	1,767,499	613,793
Total	2,215,605	7,213,539	7,264,396	6,311,523	17,018,241
SUBTOTALS					
Wage and Salary Workers	1,283,330	4,805,627	4,751,605	4,112,888	15,223,346
Private Sector	1,111,072	4,415,968	4,124,818	3,763,362	11,909,787
Small Business (2 to 50 employees)	566,710	2,259,126	1,883,330	1,788,295	2,793,013
Large Group (>50 employees) and Public Sector	716,620	2,546,501	2,868,275	2,324,593	12,430,333

Note: Firm size reflects the employer of family head, the adult with the greatest earnings.

Source: Employee Benefit Research Institute estimates from the March 2010 Current Population Survey.