

For Immediate Release: July 26, 2016

Contact: Stephen Blakely, EBRI: 202/775-6341, blakely@ebri.org
Paul Fronstin (author), EBRI, 202/775-6352, fronstin@ebri.org

New Research from EBRI:

How the ACA Affected California's Uninsured

WASHINGTON—Enactment of the Affordable Care Act (ACA) in 2010 had the effect of significantly increasing health coverage for historically uninsured groups in California, such as young adults, lower-income, Hispanics, and small-business and self-employed workers between 2013–2014, after key provisions took effect, according to new research by the nonpartisan Employee Benefit Research Institute (EBRI).

EBRI's research on health insurance coverage trends in California focuses on the 2013–2014 year period because 2014 is the first year for which many of the key, coverage-expansion provisions of the ACA were effective and the 2013–2014 data provide some initial findings on the ACA's first-year impact. The analysis was supported by the California Health Care Foundation, based in Oakland, CA, and recently published in the organization's [California Health Care Almanac](#).

Paul Fronstin, director of EBRI's Health Research and Education Program and author of the report, noted that California has a singular importance due to its size: when the ACA was enacted by Congress in 2010, California accounted for more uninsured individuals than any other state in the United States. Among all states, California accounted for about 15 percent of the uninsured but only 12 percent of the U.S. population.

In addition, relative to nearly all other states, California experienced a substantial reduction in its uninsured rate from 2013 to 2014, when the ACA's major health insurance expansion provisions went into effect. (These provisions included the availability of public exchanges, subsidies for individuals with income below 400 percent of the federal poverty level, and Medicaid expansions.) In 2014, 3.8 million California residents under age 65 were uninsured, down from 5.5 million in 2013.

In percentage terms, California's uninsured rate fell from 16 percent in 2013 to 11 percent in 2014 (a 30 percent reduction). The California reductions were primarily due to expanded individual health insurance and Medicaid coverage, Fronstin noted.

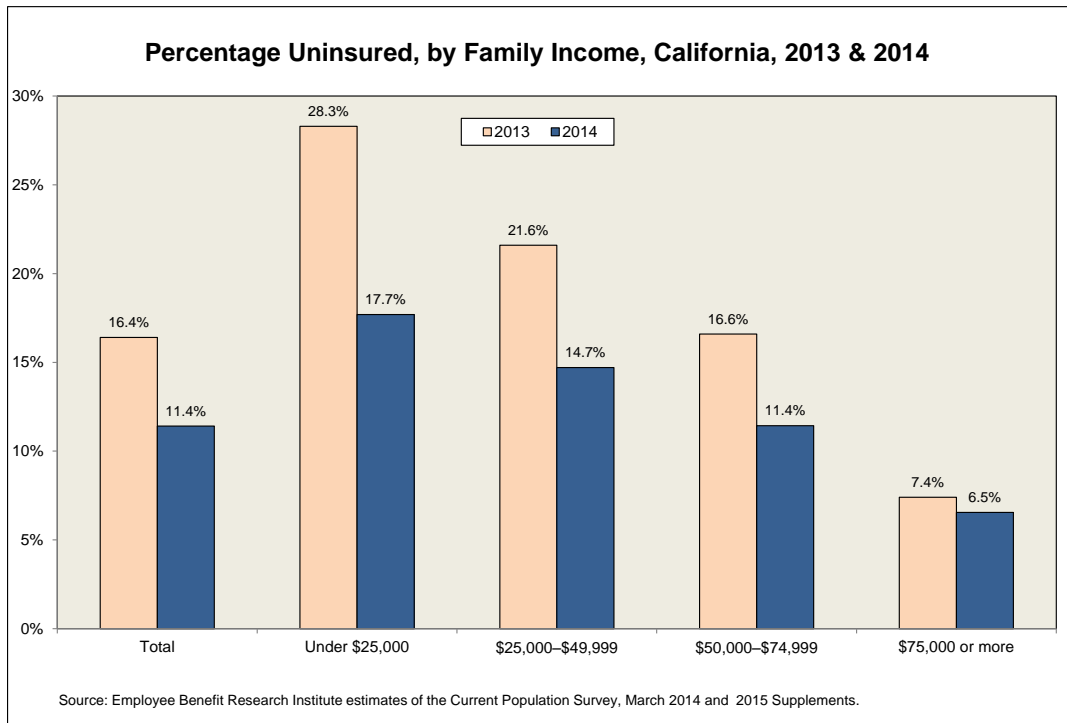
“This reduction was greater than the reductions experienced by nearly all other states with uninsured rates greater than 16 percent in 2013,” Fronstin said.

Among the report's key findings:

- After the implementation of the ACA in 2010, the number of California residents under age 65 with health insurance increased. Between 2013 and 2014, the percentage with employment-based health insurance increased from 55.5 percent to 56.1 percent. Medicaid coverage increased from

23.2 percent to 26.6 percent. And the percentage with insurance purchased directly from an insurance company increased from 9.8 percent to 14.4 percent.

- The uninsured rate in California fell from 16.4 percent to 11.4 percent between 2013 and 2014. In 2013, only 15 states had a higher uninsured rate than California, while in 2014, 22 states had a higher uninsured rate than California. Despite the growth in coverage, 3.8 million California residents under age 65 remained uninsured in 2014.
- Younger Californians (ages 21 to 24) experienced the largest gains in insurance coverage of any nonelderly age group. The uninsured rate for 21–24 year olds fell from 24.9 percent to 15.6 percent between 2013 and 2014. The uninsured rate for 25–34 year olds fell from 24.5 percent to 17.4 percent. The uninsured rate among children under age 18 fell from 7.3 percent to 5.2 percent.
- Lower-income individuals experienced the largest gains in insurance coverage of any income group. The uninsured rate fell from 28.3 percent to 17.7 percent between 2013 and 2014 among those with family income below \$25,000.
- Workers in small firms and the self-employed experienced the largest gains in insurance coverage among workers of any firm size group. The uninsured rate among the self-employed fell from 28.1 percent in 2013 to 19.4 percent in 2014. Among private-sector workers in firms with fewer than 10 employees, it fell from 32.9 percent to 24.5 percent over the period.
- Among race/ethnic groups, Latinos had the highest uninsured rate for 2013 (22.8 percent) and saw that rate fall to 15.8 percent in 2014, a significant 31 percent year-over-year decline, but still the highest 2014 uninsured rate of the identified race/ethnic groups. Asians experienced the largest year-over-year uninsured rate reduction, moving from an uninsured rate of 12.1 percent to 7.7 percent (a 36 percent reduction).



The full report, “Health Insurance in California After Implementation of the Affordable Care Act,” appears in the July 2016 *EBRI Notes* (no. 6), and is online at www.ebri.org In addition, the *California Health Care Almanac* report is online at www.chcf.org/publications/2016/03/californias-uninsured

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org or www.asec.org

###