



What Does Health Reform Mean for the Coverage of California's Families?

Almost one in every five Californians goes without health insurance, millions more have inadequate insurance, and countless more struggle with accumulating medical bills and discriminatory practices by insurers.

The health reform legislation recently passed by Congress would provide virtually every Californian with affordable health insurance, either on the job, through a newly created Health Exchange, from an expansion of Medi-Cal, or through improved Medicare benefits.

As a result of the federal health reform bills, most Californians will have additional security with the coverage they have, and over 4.1 million Californians now uninsured would have new access to able to purchase coverage in the newly-created Health Insurance Exchange (most with the help of affordability credits). Of those, about 1.7 million Californians (mostly low-income adults without children under 18) would become newly eligible for Medi-Cal.

➤ **Health reform will assure Californians have affordable, quality coverage.**

- ◆ **Strong consumer protections and real benefits:** Health insurers cannot deny coverage because of pre-existing conditions, and all health insurance will have robust benefits similar to those paid for by most large employers, with at least 60 cents of every premium dollar being spent on care.
- ◆ **Affordable coverage:** No one will ever need to spend more than a percentage of their income—on a sliding scale, up to 9.5 percent--on premiums. In the exchange, out-of-pocket costs would be capped to no more than \$6,200 per individual for copayments or deductibles—with more help for those with lower incomes.
- ◆ **Health insurance will be available and affordable** regardless of major life changes such as loss of your job, divorce, aging off your parents' coverage, cancer, etc...

➤ **Health reform will insure virtually all (96%) Californians, dramatically reducing the number of uninsured by more than 4 million uninsured over the next decade.**

- ◆ **Expanding coverage:** Californians would get coverage on the job, through an expansion of Medi-Cal, through the newly created Health Insurance Exchange, or through strengthened Medicare.
- ◆ **Opportunities for young adults:** Beginning this year, 3.8 million young adults in California will have the opportunity to stay on their parents' private insurance plan until age 26.

➤ **Health reform will reform the health insurance market, protecting consumers from discriminatory premium pricing or denial of coverage due to pre-existing conditions.**

- ◆ **No pre-existing conditions:** After 2014, no one will ever again be denied health insurance because of a pre-existing condition, and beginning this year, insurers can no longer deny coverage to children due to a pre-existing condition.



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- ◆ **No penalty for being sick:** Currently well over 400,000 Californians cannot buy health insurance at any price (usually because of a pre-existing condition); and another 2 million who buy coverage as individuals are forced to pay more if they are older or have a history of illness or chronic conditions, like asthma or diabetes.
- **Health reform will require employers to share responsibility for coverage by creating a new floor for job-based coverage.**
 - ◆ **A new floor for job-based coverage:** If an employer covers less than 60 percent of benefits or requires employee contributions above 9.5 percent of income, then the employee is eligible to purchase coverage in the Exchange and the employer may need to contribute.
 - ◆ **Affordability for small business:** Tax credits will be available to up to 392,000 small businesses in California to make coverage more affordable.
- **Health reform will create a Health Insurance Exchange and offer scaled affordability credits for low- and moderate-income families.**
 - ◆ **A newly created Health Insurance Exchange** would offer affordable coverage with good benefits for over 4.1 million Californians who are currently uninsured, or who buy high cost, low benefit private health insurance.
 - ◆ **Affordability credits** would be available for families with income up to 400% of the Federal Poverty Level (equivalent to \$73,240 for a family of three) with lower cost sharing and lower premiums for those who make less, but basic benefits for all.
- **Health reform will strengthen public programs like Medicare and expand Medicaid (Medi-Cal) to the lowest-income adults and children.**
 - ◆ **Medi-Cal eligibility** would be expanded to all adults and children (excluding undocumented immigrants) under 133% of the Federal Poverty Level (equivalent to \$24,352 for a family of three).
 - ◆ **Expanded Medi-Cal:** Over 1.7 million currently uninsured Californians would become eligible for Medi-Cal, and another 3.8 million low-income working families, seniors and persons with disabilities will continue to be eligible for Medi-Cal with no cost sharing.
 - ◆ **Strengthened Medicare:** Over 4 million seniors and Californians with disabilities will keep their Medicare and see it strengthened by the elimination of the Medicare Part D prescription drug "donut hole", which will be filled over time beginning this year.



This factsheet was prepared by Health Access, a statewide coalition of consumer, labor, ethnic, senior, faith, and other organizations that has been dedicated to achieving quality, affordable health care for all Californians for over 20 years. Please visit our website and read our daily blog at www.health-access.org

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Health Access is leading the California campaign of Health Care for America NOW! (HCAN), a national grassroots campaign of more than 850 organizations representing 30 million people dedicated to winning quality, affordable health care we all can count on in 2009. Visit www.healthcareforamericanow.org or contact Patrick Romano at promano@health-access.org for more about HCAN.