



AB 792 (Bonilla): Easy Enrollment Avoiding Gaps in Coverage Through the Exchange

STAYING INSURED DURING LIFE CHANGES

Any Californian can become uninsured because in a change of circumstance, yet state policy does relatively little to help people stay on coverage. Today when somebody loses their job, they get a COBRA notice. Today when someone loses a spouse through divorce or death, they get a COBRA or HIPAA notice. Today when a young adult ages off their parents' coverage, they don't even get a notice.

In 2014, every one of these individuals is eligible for coverage either in the Exchange or Medi-Cal. Yet no mechanism exists to automatically enroll these individuals into coverage.

Among the many reasons for lack of coverage, change in employment ranks at the top of the list: 58% of the uninsured lost a job, switched jobs or both in the last year. Other key reasons for loss of coverage:

- Aging off coverage: 6% of the non-elderly uninsured
- Loss of a spouse or parent to divorce or death: 3% of the non-elderly uninsured
- Half of young adults who do not attend college and nearly two out of five college graduates are uninsured in the year after graduation
- Moving is also correlated with loss of coverage.

COBRA is not a solution for many people: only 20% of those eligible take COBRA, both because of the cost of coverage is high and because the precipitating event (loss of a job, loss of a spouse) often results in a loss of income.

About half the uninsured are uninsured for less than a year, about half for more than a year. The design of the Exchange and redesign of Medi-Cal/Healthy Families needs to take into account the need to serve short-term uninsured, as well as providing long-term coverage in order to keep California covered and healthy.

AB 792 (Bonilla): AUTOMATIC ENROLLMENT IN THE EXCHANGE

During 2013, AB 792 would provide notice that low-cost or no-cost coverage will be available through the Exchange and Medi-Cal effective 2014. Starting January 1, 2014, when the Exchange is operational, the bill would:

- Require insurers and health plans to provide easy enrollment into the Exchange as well as COBRA for COBRA events including loss of employment-based coverage, loss of coverage due to loss of a spouse or parent, and other COBRA qualifying events
- Require courts to provide notice to those seeking divorce or adoption of a child of the availability of coverage through the Exchange or Medi-Cal
- Require employers to provide notice to EDD of termination of employment—and EDD to provide notice to the Exchange
- Require EDD to auto-enroll or provide notice to those eligible for Unemployment Insurance and State Disability Insurance into coverage



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

