Senate Budget Committee Hearing
Testimony from the California Pan-Ethnic Health Network
February 21, 2013

Thank you for the opportunity to provide testimony today regarding the remaining uninsured in California. My name is Sarah de Guia and I am the Director of Government Affairs with the California Pan-Ethnic Health Network (CPEHN). CPEHN is a multicultural health advocacy organization dedicated to improving the health of communities of color in California.

Background

With the passage of the Affordable Care Act (ACA), millions of Californians will gain access to health coverage in 2014, many of whom will have coverage for the first time. Currently, communities of color represent 60% of California's population but account for 75% of the uninsured.[i] Thus California's communities of color have a large stake in critical policy decisions regarding the implementation of the ACA. However, even with the expansion of Medi-Cal and tax credits to purchase health insurance through Covered California, communities of color are more likely to remain uninsured. Therefore, the State must also maintain a strong safety net and identify affordable health care options for these low-income Californians.

Research Efforts

To identify the impact of new coverage options on communities of color, CPEHN has been working with the UCLA Center for Health Policy Research and the UC Berkeley Labor Center. Researchers used the California Simulation of Insurance Markets (CalSIM) model, version 1.8, to estimate the size and characteristics of the populations under 65 who will enroll in the coverage they will be newly eligible for. The CalSIM model uses two scenarios to determine enrollment. The base scenario assumes that take up of Medi-Cal and the Exchange follows current trends and typical individual behavior patterns in the insurance market. The enhanced scenario assumes simplified eligibility determinations, increased outreach and enrollment efforts in a culturally sensitive and language appropriate manner, and a smooth transition into new coverage for those currently enrolled in other existing public programs.

In addition, CPEHN worked with researchers from the California Program on Access (CPAC) at UC Berkeley on a series of group interviews with low-income, racial and ethnic populations, including adults with Limited English Proficiency, to learn how information about health coverage is obtained, shared and acted upon.

Research Findings on the Newly Eligible

Recent estimates show that of the 1.42 million non-elderly adults who will be newly eligible to receive Medi-Cal, 67% or 950,000 will be from communities of color.[ii] Potentially 500,000 individuals who speak English less than very well will also be newly eligible for Medi-Cal.[iii] Communities of color have the potential to benefit from the federal tax credits to purchase health coverage in Covered California as well. Among the estimated 2.7 million individuals eligible for tax credits, 1.8 million, or 66%, will be people of color and 1.09 million, or 40%, will speak English less than very well.[iv]

The Remaining Uninsured

Estimates also show that up to 4 million Californians will remain uninsured by 2019.[v] These are individuals who will be unable to afford health care coverage, will be ineligible for new coverage options, or are unable to enroll into new coverage options.

Communities of color are more likely to be represented among the remaining uninsured. By 2020, communities of color are estimated to be 66% of California's total population and 82% of the remaining uninsured.[vi] The CalSIM models predicts that by 2019, two-thirds (66%) of Latinos will be uninsured and nearly three out of five uninsured adults will be Limited English Proficient (LEP).[vii] Additionally, families with incomes at or below 200 percent of the Federal Poverty Level are likely to remain uninsured (57%).[viii] Close to three quarters of the remaining uninsured will be U.S. citizens or lawful permanent residents.[ix] A small proportion will be uninsured due to immigration status. Under the base scenario, half of these remaining uninsured will be eligible for Medi-Cal or tax credits to purchase insurance through Covered California.[x] Further, an estimated 140,000 single childless adults who are legal immigrants will be newly eligible for health insurance through Covered California. However, only 40,000 to 80,000 are predicted to take up coverage in the Exchange leaving between 60,000 to 100,000 uninsured.

Potential Differences in Enrollment

The CalSIM model has shown that through enhanced outreach and enrollment, which includes culturally sensitive and language appropriate outreach and enrollment, more eligible adults will enroll in Medi-Cal and take up tax subsidies to purchase health care coverage. Yet even with enrollment assistance, millions are expected to remain without health care coverage.

For example, of the 1 million LEP adults eligible for Covered California, 46% are predicted to utilize the tax credits if language IS a barrier. Even with the enhanced enrollment measures, only 56% are predicted to enroll if language is NOT a barrier.[xi] Similarly, under the base scenario 34% or 480,000 are predicted to enroll into Medi-Cal whereas under the enhanced scenario 55% or 780,000 adults are likely to enroll.[xii] That is a difference of 300,000 low income Californians who could continue to lack health care coverage, 70% of whom will be from communities of color.[xiii]

Of the estimated 4 million remaining uninsured, 2 million are predicted to be eligible for Medi-Cal or the Exchange. However, that number decreases to 1.2 million or fewer under the enhanced scenario due to targeted outreach efforts, simplified enrollment processes, and pre-enrollment through other public programs.[xiv]

Group Interview Findings on Barriers to Enrollment

The focus groups that CPEHN helped to conduct provide insight into how communities of color understand the benefits of the ACA and the barriers they face enrolling in current programs. The findings outlined below are from the California Program on Access to Care's report, "Ensuring Access: Engaging Communities of Color in the ACA."[xv]

Knowledge of the ACA varies among communities of color. The group interviews conducted in conjunction with the California Program on Access to Care (CPAC) found that some racial and ethnic groups are more aware of the benefits under the ACA than others. For example, participants from Latino and African-American communities had heard of certain aspects of the ACA such as the mandates on individuals to purchase insurance and employers to offer coverage. Some also knew of the coverage expansion for low-income adults. However, Native American and Asian respondents were less informed and felt less comfortable about their knowledge of the ACA.

> *"We have heard that everyone has to buy health insurance or else you are breaking the law. If we aren't able to buy it, what will they do to us?"* - Cantonese focus group participant.[xvi]

Some respondents had sought information about the ACA but were dissatisfied with the lack of available bilingual community health workers to answer their questions. Participants from mixed status households had significant concerns about the immigration implications of enrolling in health care options.[xvii]

Focus group participants suggested that multiple mediums should be utilized to reach their communities with accurate, accessible, and linguistically appropriate messages. Participants suggested ethnic media and the internet, and had increased confidence if the website had a ".gov" address. However, other participants noted the lack of internet access in their communities as well as difficulties reaching communities such as field workers or day labors. Thus participants noted that community organizations, schools, and trusted community institutions such as churches, child care centers, libraries, and community health centers also need to play a role in educating and enrolling communities of color.

> *"…trust, cultural competency, and language by tying in to the institutional connection. What are those institutional connections in the community? Schools, churches, places of employment, boys and girls centers. Go to where they are."* – Health Access Interview Participant.[xviii]

Enrollment processes continue to pose challenges to participation by communities of color. Interview participants described enrolling in health coverage as "jumping through hoops." Many low-income families have competing pressures in their lives, such as working multiple jobs, serving as the primary caretaker for their relatives, and lower educational attainment. The group interview participants shared that with accessible, understandable information in their native language, their communities would have more success in enrolling into health care coverage. Additionally, universal and shorter applications would help simplify the enrollment process.

> *"They would [enroll] if the information was accessible and easily digestible. They read it and get it."* – African American focus group participant.[xix]

Lack of access to information in non-English languages impedes enrollment. Speaking a language other than English has been found to be a barrier to enrollment. Studies of Spanish-speaking Medicaid enrollees have shown that when bilingual materials are not available enrollees often do not complete the enrollment process.[xx] This was one of the key overarching themes from the focus group interviews. Communities need information available to them at every step in their own language. Translated forms, informational resources, and bilingual staff to help them through the enrollment process are all crucial aspects of ensuring that these communities do not face barriers to enrollment.

> *"It's best to have people in our native languages. We feel safer and more secure because they speak our language."* – Cantonese focus group participant.[xxi]

Recommendations

The policy decisions being made on how California implements health care reform will have significant effects on communities of color, who are the majority of the uninsured and those who will likely continue to lack health care coverage. While estimates predict positive impacts on enrollment through enhanced enrollment mechanisms, many questions remain about how individuals will respond to new options and how the State will implement the ACA. Therefore, we cannot afford to search for savings in an already underfunded safety net system. CPEHN poses the following recommendations to address the remaining uninsured and ensure that resources are positioned to enroll as many of the newly eligible as possible:

1. Maintain a strong safety net system.

Up to 4 million Californians will continue to lack health care coverage thus relying upon the safety net system for critical health care needs. The State must maintain and strengthen our system of public hospitals, community clinics, and other health care providers after the ACA is fully implemented.

2. Develop programs for Californians left without affordable coverage options.

California should develop programs for individuals that will not be able to afford to purchase subsidized health care coverage or enroll in public programs. Additionally, the State should continue to provide affordable health care coverage to all legal permanent residents. Over time, the State will save more by ensuring these individuals have access to coverage rather than shifting them to unaffordable health care options.

3. Target resources for assistance to those with the highest needs. Resources must be designated for in-person assistance to communities with the highest needs who may lack access to the internet and other traditional methods of enrollment, including low-income populations, immigrants, LEP, and persons with disabilities.

4. Invest in culturally and linguistically appropriate marketing and outreach. California has a long history of providing language appropriate outreach ad enrollment assistance through its public programs. Currently the Medi-Cal program provides language assistance in 13 languages and the Exchange will be translating materials into those same languages. The Exchange has approved $40 million for outreach and education grants. While these are great first steps, on-

going resources must be made available to community organizations, ethnic media, and others who have experience reaching out to communities of color.

5. Simplify enrollment processes.
Strong collaboration between state and local government agencies and providers should be encouraged so that programs such as the Low-Income Health Program, CalFresh, and others which already collect data on citizenship and income can share this data and accelerate enrollment. Additionally, individuals should be allowed to attest to this information when documentation in unavailable or obtaining the data will cause undue hardship. This will allow for quick verification of eligibility for public benefits and avoid unnecessary delays in application processing.

6. Involve communities of color in the decision-making process. Communities of color must be an integral partner to inform policy decisions on outreach, enrollment, simplification, and marketing to ensure success in implementing the ACA.

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[i] California HealthCare Foundation. *California's Uninsured: Treading Water*. December 2012. Available at: http://www.chcf.org/~/media/MEDIA%20LIBRARY%20Files/PDF/C/PDF%20CaliforniaUninsured2012.pdf.
[ii] UCLA Center for Health Policy Research and UC Berkeley Labor Center. *Medi-Cal Expansion under the Affordable Care Act: Significant Increase in Coverage with Minimal Cost to the State*. January 2013. Available at: http://healthpolicy.ucla.edu/publications/Documents/PDF/calsimreport-jan2013.pdf
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[iv] California Pan-Ethnic Health Network. *Achieving Equity by Building a Bridge from Eligible to Enrolled*. January 2013. Available at: http://www.cpehn.org/pdfs/BuildingaBridgeFactSheet1-13.pdf
[v] UCLA Center for Health Policy Research and UC Berkeley Labor Center. *After Millions of Californians Gain Health Coverage under the Affordable Care Act, who will Remain Uninsured?* September 2012. Available at: http://laborcenter.berkeley.edu/healthcare/aca_uninsured.shtml
[vi] Id.
[vii] Id.
[viii] Id.
[ix] Id.
[x] Id.
[xi] CPEHN, *Achieving Equity*, Jan. 2013.
[xii] CPEHN, *Medi-Cal Expansion*, Jan. 2013.
[xiii] Id.
[xiv] UCLA Center for Health Policy Research and UC Berkeley Labor Center. *After Millions of Californians Gain Health Coverage*, Sept. 2012.
[xv] California Program on Access to Care. *Ensuring Access: Engaging Communities of Color in ACA*. August 2012. Available at: http://cpehn.org/pdfs/EnsuringAccess-EngagingCommunitiesofColorinACA.pdf
[xvi] Id.
[xvii] Id.
[xviii] Id.
[xix] Id.
[xx] The Kaiser Commission on Medicaid and the Uninsured. *Medicaid and Children: Overcoming Barriers on Enrollment. Findings from a National Survey*. Kaiser Family Foundation. January 2000.
[xxi] CPAC, *Ensuring Access*, Aug. 2012.