

## National Health Reform Proposals Hold Promise for California's Communities of Color

Currently making up 73% of California's uninsured population, people of color have a significant stake in the outcome of national health reform. New data shows that key provisions in the national bills could offer some reprieve – benefiting 2.76 million people of color who are uninsured in California. By expanding Medicaid and providing subsidies for low-income individuals to purchase health insurance through a national exchange, communities would gain access to health coverage that would otherwise be unattainable.

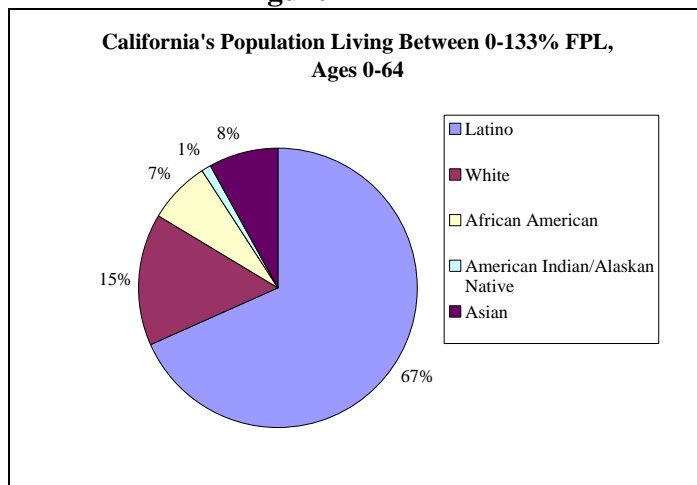
With the introduction of a single Senate health bill on November 18<sup>th</sup>, reform efforts are moving forward. While the House and Senate bills differ in the details, two of their key provisions for expanding access to uninsured remain the same.

**Medicaid Expansion** – Both the House and Senate bill would expand Medicaid eligibility to include childless adults. The threshold for eligibility is 133% of Federal Poverty Level (FPL) in the Senate bill and 150% FPL in the House bill.<sup>1,2</sup> With people of color making up 85% of California's population living below 133% FPL, this provision would provide coverage for 1.28 million uninsured people of color in the state (Table 1).

<sup>1</sup> The 2007 Federal Poverty Level was \$13,954 for a two person family and \$16,530 for a three-person family.

<sup>2</sup> The analysis for this fact sheet is based on the Senate threshold of 133% Federal Poverty Level.

**Figure 1**



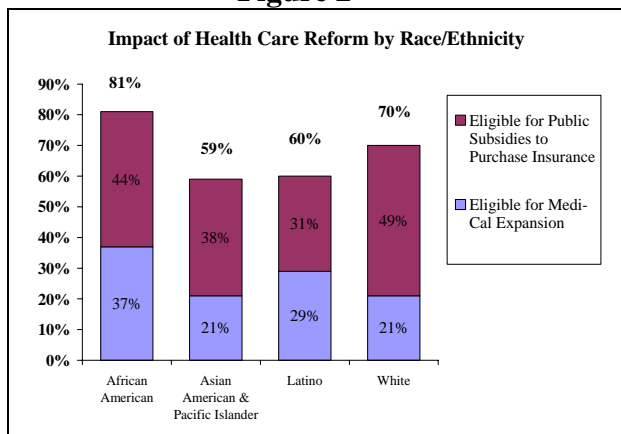
Source: 2007 California Health Interview Survey

**Health Insurance Exchange** – The Senate and House bills allow individuals with incomes above 133% and 150% respectively, to purchase coverage through a newly created health exchange if employer sponsored coverage is not available. This government regulated insurance market is designed to increase access and keep insurance costs down. To ensure that coverage is affordable, premium credits and cost-sharing subsidies would be available to people with incomes up to 400% FPL. With 38% of people of color falling within this range, this provision will assist 1.5 million uninsured people of color.

### Impact of Health Reform for Specific Racial/Ethnic Populations

Eighty-one percent of African Americans who are currently uninsured would be eligible for Medi-Cal or public subsidies in the exchange, while 60% of Latinos and Asian and Pacific Islanders would be eligible for public benefits and subsidies (Table 2).

**Figure 2**

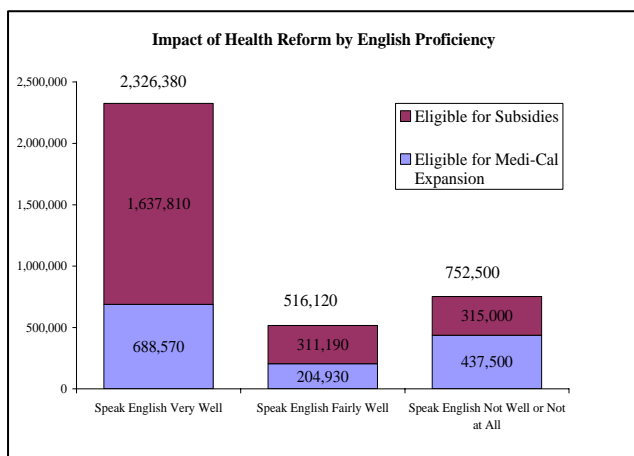


Source: 2007 California Health Interview Survey, as provided by the UCLA Center for Health Policy Research.

### Impact of Health Reform by English Proficiency

Uninsured Californians who do not speak English well will also experience increased coverage under the proposals. Currently making up 33% of our adult uninsured population, over 750,000 Californians with limited English proficiency would directly benefit from health care reform through the expansion of Medi-Cal and public subsidies (437,000 and 315,000 respectively) (Table 3).

**Figure 3**



Source: 2007 California Health Interview Survey, as provided by the UCLA Center for Health Policy Research.

### Impact of Health Reform on Immigrant Communities

While the reform proposals are designed to expand coverage options for the uninsured, they do not include everyone. Most disappointing is that currently the bills will not end the five year waiting period for lawful immigrants to access Medicaid. While they will be eligible for full-scope Medi-Cal in California, they will also continue to be more vulnerable to state budget cuts.

Undocumented immigrants remain ineligible for coverage through Medicaid and would be prohibited from receiving public subsidies. In addition, a measure in the Senate bill would bar them from using their own money to purchase health insurance in the national exchange, threatening to shrink the risk pool.

### Next Steps

We need to continue to advocate for health care reform that is truly inclusive, affordable, and meets the needs of our diverse population. Our health care system works best when everyone is in it, paying into it according to their ability, and receiving ongoing preventive care that keeps simple problems from turning into costly emergencies. To ensure that reform is affordable to all, Medicaid needs to be expanded to 150% of FPL and adequate subsidies must be provided to low-income communities. Lastly, our state's diversity demands that culturally and linguistically appropriate standards are established for private insurers in the exchange. We look forward to building on the current health reform efforts to create a health care system that works for everyone and can help us achieve health equity.