Public health insurance programs cover about half of Californians

- Public health insurance covers low- to moderate-income, older, and disabled individuals, as well as members of the military and military veterans.
- Medi-Cal and Medicare are cornerstones of public health insurance in California, covering around half of the population. As of February 2024, Medi-Cal insured about 15 million low-income Californians and Medicare covered over 6.8 million, mostly those 65 and older; about 1.7 million of these beneficiaries were enrolled in both programs.
- The Veterans Health Administration, the nation’s largest integrated health care system, serves about 666,000 Californians. Enrollment is rising following a federal policy change that expanded eligibility to veterans exposed to toxins and hazards during service.
- Covered California offers public subsidies for private health plans for citizens and documented immigrants who are not eligible for Medi-Cal and do not have access to affordable employer coverage. Enrollment exceeded 1.7 million individuals as of February 2024.

Medi-Cal offers comprehensive coverage to about four in ten Californians

- Medi-Cal coverage ranges from doctor visits, hospital stays, and prescription drugs to behavioral health services, dental care, and long-term care for older adults and people with disabilities.
- As of January 2024, all low-income Californians are eligible for Medi-Cal, regardless of immigration status. This final phase of a gradual expansion over the past several years is expected to eventually enroll an additional 698,000 adults ages 26 to 49.
- Medi-Cal is a state-federal partnership; the federal government covers most of the costs. In the 2023–24 fiscal year, Medi-Cal spending is estimated to be almost $152 billion, of which the state General Fund covers $37.5 billion.

California is leveraging a federal waiver to improve outcomes for Medi-Cal recipients with complex needs

- Through an initiative called CalAIM, Medi-Cal is working with community-based organizations, public hospitals, county agencies, and tribes to provide additional benefits for Californians with complex challenges, who often have poor outcomes. CalAIM is funded by a federal waiver.

Medicare dominates public health insurance for older Californians, while Medi-Cal is key for those under 65

Source: American Community Survey 2022 data.
Notes: Weighted averages of coverage type for individuals with Medi-Cal or Medicare are shown. “Both” refers to low-income older or disabled individuals who have both Medi-Cal and Medicare (also known as Dual Eligibles). The following groups are excluded from calculations: uninsured individuals, those with private health insurance (unless they are Medicare recipients), and a small number (less than 0.2%) who have military/veterans’ public coverage but not Medi-Cal or Medicare.
CalAIM offers a range of community supports, including housing assistance, medically tailored meals, and recuperative care.

Enhanced care management under CalAIM provides personalized care coordination for Californians of all ages with complex challenges, ranging from older adults at risk of needing long-term care to people transitioning from incarceration.

The majority of enhanced care management has been utilized by adults experiencing homelessness, people at risk of avoidable hospitalization, and individuals with serious mental health conditions.

**Medi-Cal enrollment has declined since eligibility reviews were resumed in April 2023**

The temporary suspension of income eligibility reviews during the pandemic increased Medi-Cal enrollment by 26% (about 3.3 million) between February 2020 and April 2023. In the first year after reviews resumed, enrollment declined by 1 million.

Many otherwise eligible Californians lose Medi-Cal coverage for procedural reasons. In an effort to limit disenrollments to participants who no longer qualify, California is using alternative sources of information to fill in paperwork gaps.

To prevent coverage gaps, SB 260 enables Covered California to automatically enroll individuals who lose Medi-Cal coverage in its lowest-cost plan.

**Medicare is a federal insurance program that covers millions of older and disabled Californians**

Medicare covers over 6.8 million Californians with disabilities and adults 65 and older. About 92% of beneficiaries are older adults, and the number of Medicare enrollees has been growing as California’s population ages. Medicare does not cover long-term care.

In addition to federal funding, about 54% of Medicare is financed through payroll taxes and enrollee premiums.

Medicare has multiple components. Part A covers hospitalizations, with no cost-sharing for most enrollees. Part B pays for outpatient care, and Part D covers prescriptions; both require out-of-pocket payments. Medicare Advantage, or Part C, allows recipients to enroll in private plans in lieu of traditional Medicare.

California is integrating care for those who are eligible for both Medicare and Medi-Cal (known as Dual Eligibles). Programs such as Medicare Buy-In allow Medi-Cal to cover Medicare premiums. Through CalAIM, Dual Eligibles can enroll in private Medi-Medi Plans that combine Medicare and Medi-Cal benefits.

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Medi-Cal enrollment surged after eligibility checks were suspended and declined after the checks resumed

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<th>Number of enrollees (millions)</th>
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<td>2020</td>
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Source: Department of Health Care Services Medi-Cal Enrollment.
Notes: The first dotted line denotes the pausing of annual eligibility checks in March 2020. The second dotted line marks the first disenrollments in June 2023, following the resumption of these checks in April.

Sources: American Community Survey 2022 1-year data; California Department of Finance Population Estimates, 2024; Legislative Analyst's Office The 2023–24 California Spending Plan - Health, October 23, 2023; California Department of Health Care Services Medi-Cal Enrollment and Renewal data - Federal submission; CHHS Open Data Medi-Cal certified eligibles; Covered California Open Enrollment and Renewal Net Plan Selection Profile 2024; VA PACT Dashboard Data as of May 24, 2024; DHCS Integrated Care for Dual Eligible Beneficiaries; Medicare Monthly Enrollment Data as of February 2024; Kaiser Family Foundation What to Know about Medicare Spending and Financing, 2023.