Medi-Cal and Medicare are cornerstones of public health insurance in California.

- As of May 2023, more than half of Californians were covered by public health insurance—which covers low- to moderate-income, older, and disabled individuals, as well as veterans and members of the military.
- Almost all Californians up to 64 years old who are covered by public insurance are enrolled in Medi-Cal (96%); Medicare covers most adults who are 65 and older.
- As of May 2023, over 16 million low-income Californians—over 40% of the state population—were enrolled in Medi-Cal. This includes undocumented residents enrolled in a limited version of Medi-Cal that covers some conditions and/or emergency care.
- Federally recognized American Indians and Alaska Natives may enroll in Medi-Cal without giving up access to Indian and tribal health services. About 11% of Medi-Cal enrollees also receive Medicare.

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

- Medicare covers more than 6.7 million Californians with disabilities and those who are 65 and older. Most older enrollees contributed to the program while they were employed.
- Medicare has multiple components. Part A covers hospital stays with no cost-sharing for most enrollees. Part B pays for outpatient services and medical supplies and Part D covers prescription drugs; both require enrollees to share costs through out-of-pocket payments such as premiums and co-pays.
- Medicare Advantage, or Part C, allows recipients to choose private plans in lieu of traditional Medicare. And consumers can purchase private “Medigap” plans to protect against high out-of-pocket costs.

Medicare is federally funded, and most Medi-Cal funding is federal.

- In addition to federal funding, Medicare is financed through payroll taxes and enrollee premiums. In 2021, combined benefit payments for California residents amounted to $43 billion.
- In 2023–24, the state General Fund covers $39 billion of Medi-Cal’s $139 billion budget, but the federal government contributes the majority of program funding.
- About 10% of Medi-Cal funding comes from local governments, state taxes on healthcare providers such as hospitals and nursing facilities, and the managed care organization (MCO) tax. Most of this funding is matched by federal dollars.

Medi-Cal dominates public health coverage for Californians under 65; Medicare covers most seniors
The state has expanded Medi-Cal to undocumented immigrants and added program benefits to meet social needs.

- The federal Affordable Care Act expanded Medi-Cal to non-disabled adults without children, with restrictions based on immigration status. California now covers undocumented children, young adults, and older adults, and plans to expand coverage to all low-income residents regardless of age or immigration status in 2024.
- Through [an initiative called CalAIM](#), Medi-Cal is working with community-based organizations, public hospitals, county agencies, and tribes to provide additional benefits—including enhanced case management and housing services—for Californians with complex needs, such as homelessness.

**Medi-Cal policies that prevented disenrollment during the pandemic expired in April 2023; now the state is working to prevent coverage gaps.**

- Medi-Cal temporarily suspended its annual income eligibility reviews during the pandemic. This contributed to a 26% increase in Medi-Cal participation between February 2020 and April 2023.
- Medi-Cal resumed eligibility reviews in April 2023; these reviews are expected to lead to the disenrollment of [2 to 3 million](#) Californians. Many are expected to enroll in employer coverage or marketplace plans, but about [400,000](#) could become uninsured—including some who may still be eligible.
- The state Department of Health Care Services and its county partners are working to ensure Medi-Cal enrollees are not dropped for reasons unrelated to eligibility. This could address the long-standing issue of “churn”—whereby eligible people are disenrolled and then reenroll after being uninsured for a period of time.
- To prevent coverage gaps when people transition from Medi-Cal to subsidized marketplace insurance, [SB 260](#) enables Covered California—the state’s ACA marketplace for individual private plans—to automatically enroll individuals who lose Medi-Cal coverage in the lowest-cost plan.

**Covered California offers public subsidies for private health plans.**

- Citizens and documented immigrants who are not eligible for Medi-Cal and do not have access to affordable employer coverage can buy plans through Covered California, the state’s ACA insurance marketplace.
- A federal policy change in 2022 expanded marketplace purchasing and subsidy eligibility for employees with dependents, fixing a “family glitch” that had prevented dependents without access to affordable employer coverage from enrolling in Covered California. About [400,000](#) additional Californians—mostly low- and middle-income women and children—can now buy marketplace plans with premium subsidies.
- Covered California enrollment exceeded 1.7 million individuals in 2023. A large majority of purchasers (89%) receive premium subsidies; federal subsidy amounts are $486 per month, on average.

---

**Medi-Cal enrollment surged during the pandemic, driven mostly by adults under age 65**

Number of enrollees (millions)

<table>
<thead>
<tr>
<th>Age 0–18</th>
<th>Age 19–64</th>
<th>Age 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>11.5</td>
<td>6.5</td>
</tr>
<tr>
<td>2010</td>
<td>2012</td>
<td>2014</td>
</tr>
<tr>
<td>0.5</td>
<td>11.5</td>
<td>6.5</td>
</tr>
<tr>
<td>2016</td>
<td>2018</td>
<td>2020</td>
</tr>
<tr>
<td>0.5</td>
<td>11.5</td>
<td>6.5</td>
</tr>
<tr>
<td>2022</td>
<td>16.5</td>
<td>12.5</td>
</tr>
</tbody>
</table>

Source: Department of Health Care Services Medi-Cal Enrollment by Eligibility Group.

Notes: The most recent enrollment data is from March 2023. The first vertical line indicates the 2014 ACA Medi-Cal expansion. The second line marks the pause in Medi-Cal eligibility checks in March 2020, in response to the pandemic.