



State Spotlight: California's Landmark Coverage Expansion for Immigrant Populations

Prepared by Manatt Health

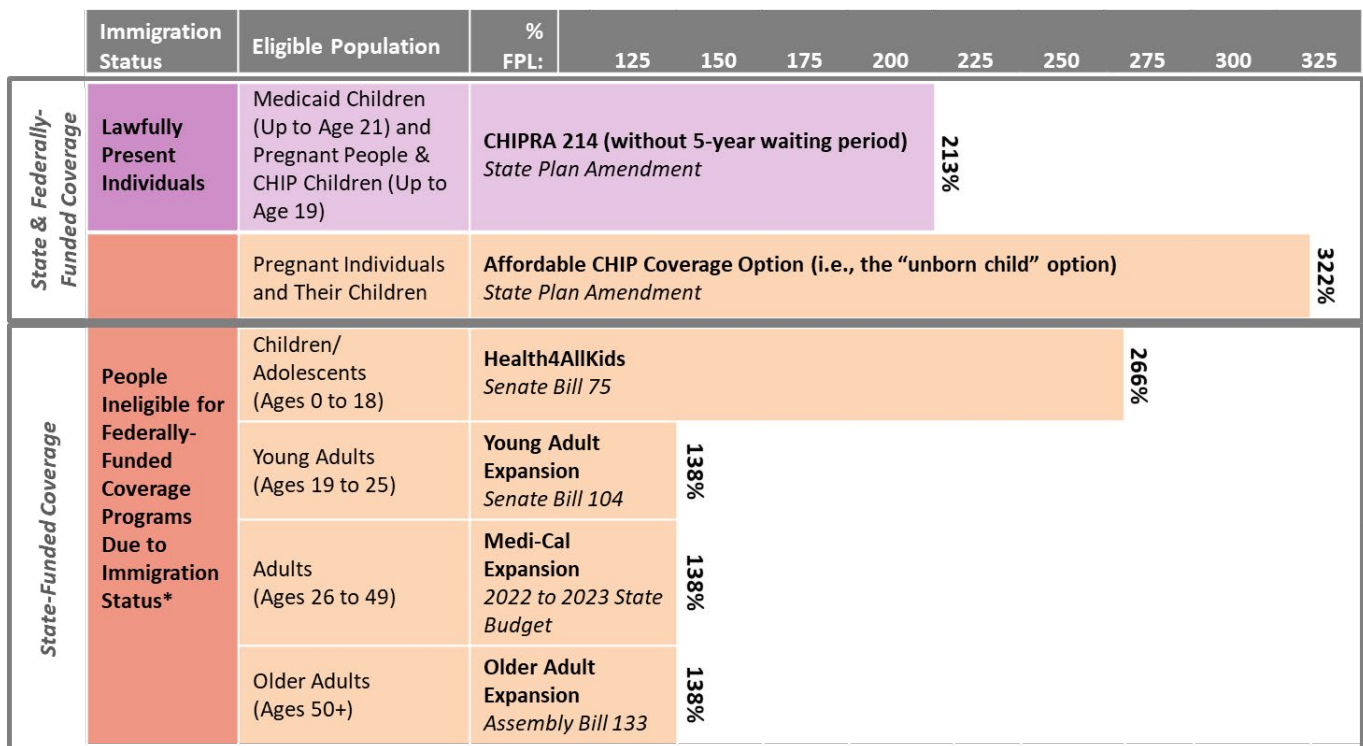
November 2022

Introduction

State policymakers are increasingly focused on strategies to ensure access to and affordability of healthcare coverage for immigrant populations, especially in light of the significant **burden** that the COVID-19 pandemic has placed on people who are uninsured. Immigrants—including “lawfully present” individuals and people who are undocumented—account for 24% of the **uninsured** population nationally, but make up only 7% of the total U.S. population.¹ Because people who are undocumented are ineligible for subsidized health insurance under the Affordable Care Act and Medicaid, except for temporary, limited scope coverage for emergency services (“emergency Medicaid”), they have a much **higher likelihood** of being uninsured (42%) compared to their lawfully present counterparts (26%) and U.S. citizens (8%). These higher rates of uninsurance stem from socioeconomic and political inequities, which also **contribute** to lower healthcare utilization and quality. A growing number of states view extending affordable health coverage to lower-income residents, regardless of immigration status, as a critical step towards narrowing the gap in health coverage, advancing health equity, and improving the overall health and well-being of all residents. This state spotlight reviews California’s approach to expanding health coverage to all lower-income residents, regardless of immigration status, in an effort to help the state’s 3.2 million **remaining uninsured**, of which 65% are undocumented.

California’s Approach to Universal Medicaid Coverage

By maximizing available federal dollars and leveraging state funds to address remaining gaps in insurance among the state’s residents, California has combined a variety of authorities and funding sources to establish universal Medicaid coverage for *all* income-eligible adults and children in the state, irrespective of immigration status (see visual below).



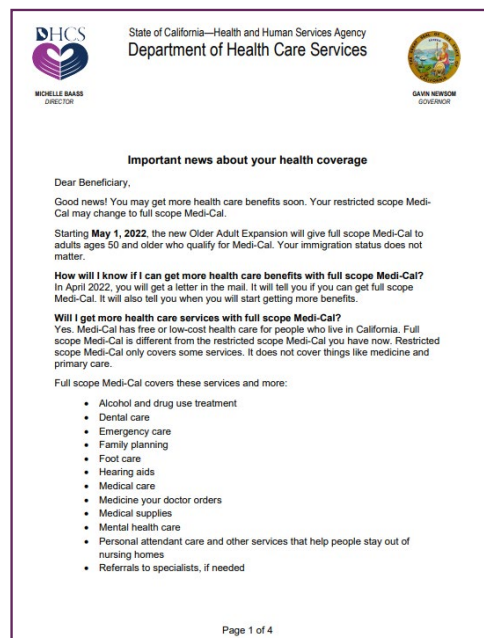
*These individuals are not eligible for federally-funded non-emergency/non-pregnancy-related services.

State- and Federally-Funded Coverage for Immigrant Populations: To support its lawfully present children and pregnant residents, California draws down federal matching funds to provide Medicaid and Children’s Health Insurance Program (CHIP) coverage through the [Children’s Health Insurance Program Reauthorization Act of 2009 \(CHIPRA\)](#) 214 option. By subsequently taking up the American Rescue Plan Act of 2021 (ARP) [state option](#) to expand postpartum coverage in April 2022, California guaranteed for the CHIPRA 214 population 12 months of continuous postpartum coverage. California also accesses federal funding for prenatal and labor and delivery services for pregnant individuals, regardless of immigration status, and their children through the [affordable CHIP coverage](#) option (federally referred to as the “unborn child” option).² This coverage is offered to pregnant people with incomes up to [322%](#) of the federal poverty level (FPL)—the highest eligibility income level in the nation. Because the extension of postpartum coverage under ARP does not apply to undocumented individuals, California pairs state dollars with CHIP [Health Services Initiative](#) funding to provide comprehensive coverage during the 12-month postpartum period.

State-Funded Affordable Coverage Programs: For lower-income residents who do not qualify for federally-funded full-scope coverage programs due to immigration status (such as undocumented individuals and those with Deferred Action for Childhood Arrivals status), California is leveraging *state* dollars to extend coverage through Medi-Cal (California’s Medicaid program). While [several states](#) are similarly advancing state-funded Medicaid/CHIP-based or comparable coverage programs to address remaining gaps in insurance, these programs are primarily targeted to children and adolescents. California’s model is unique in that, over time, it has made available full-scope Medicaid-based coverage to lower-income residents of *all ages*, regardless of immigration status. This model is beginning to gain traction across the country, as evidenced by Illinois’ recent expansion of state-funded Medicaid-based coverage for [adults](#) ages 42 to 64, regardless of immigration status, which builds on existing, complementary coverage programs for lower-income [children and adolescents](#) ages 18 and younger and [seniors](#) ages 65 and older.³ While California had previously established programs expanding state-funded Medi-Cal to various income-eligible age groups, the \$308 billion 2022 to 2023 [state budget](#) included an extension of Medi-Cal eligibility to undocumented adults ages 26 to 49—making the state the first in the nation to grant all lower-income residents access to full-scope Medicaid irrespective of immigration status. Based on [estimates](#) from the California Legislative Analyst’s Office, the following state-funded Medi-Cal programs are expected to collectively reduce the number of uninsured Californians by roughly 1 million.

- **Health4AllKids:** In 2016, California passed the “[Health4AllKids](#)” legislation [Senate Bill 75](#), which extended full-scope Medi-Cal coverage—including medical care, dental and vision, and behavioral health services—for children ages 18 and younger with incomes at or below 266% of the FPL, regardless of immigration status. In implementing the program, the state partnered with community-based organizations and clinics to conduct [outreach](#) in multiple languages (including Spanish, Thai, Vietnamese, and Arabic) and utilized health enrollment Navigator programs that provided information to consumers about available coverage options. California also developed an eligibility and enrollment transition plan to facilitate seamless transitions of individuals from restricted-scope coverage into Health4AllKids (as well as the other full-scope coverage expansions described below). To address privacy concerns among immigrant consumers, the [Health4AllKids](#) website includes the following assurance: “Information is confidential and the federal government has confirmed it only uses health application information to verify eligibility for health programs and not for immigration enforcement purposes.” As of March 2022, Health4AllKids statewide [enrollment](#) had reached over 130,000, and a [Health Affairs study](#) linked the program to significant gains in health coverage.
- **Young Adult Expansion:** Following the successful rollout of Health4AllKids, California implemented in January 2020, pursuant to [Senate Bill 104](#), the “[Young Adult Expansion](#)” program that offers full-scope Medi-Cal benefits to residents ages 19 to 25 with incomes at or below 138% of the FPL, regardless of immigration status. Applying lessons learned from Health4AllKids, California developed a set of enrollee [notices](#) in multiple languages as well as a provider bulletin, and engaged in robust stakeholder engagement forums. As of March 2022, program [enrollment](#) had climbed to more than 105,000 individuals.

- Older Adult Expansion:** In May 2022, California began providing state-funded, full scope Medi-Cal to an estimated **185,000** adults ages 50 and older with incomes up to 138% of the FPL, irrespective of immigration status, in accordance with **Assembly Bill 133**. The state was able to utilize and refine many of the same **techniques** and **policies** it deployed for its earlier programs, such as frequently asked questions (FAQs), California Department of Social Services funding for qualified nonprofit organizations to address public charge-related questions/concerns, and application assistance. California also developed a transition website in Spanish for Older Adult Expansion enrollees. To build trust with consumers and reassure them that communications are official, California includes on all of its coverage expansion notices the Department of Health Care Services and the governor's logos (see sample notice, also **linked here**). Additionally, individuals are not required to provide their **social security numbers** or immigration status on the paper or online application. As of June 2022, "**Older Adult Expansion**" **enrollment** had reached nearly 280,000 individuals, **exceeding** earlier estimates.



- Medi-Cal Expansion for Adults:** On June 30, 2022, Governor Gavin Newsom signed the 2022-23 **state budget**, which extended full-scope Medi-Cal to income-eligible individuals ages 26 to 49, regardless of immigration status—making California the first state to guarantee universal access to affordable health coverage for all lower-income residents, regardless of immigration status. The program will **take effect** no later than January 2024; extend eligibility to an estimated 700,000 adults who are undocumented using state-only dollars; and is expected to **cost** \$790 million from 2021 to 2022 and \$2.1 billion in general funds on an ongoing basis. California will model the program after the previous expansion models from 2016 to 2022, and incorporate lessons learned to prepare for this final expansion.

National Outlook for Coverage Expansion

California's federally and state-funded coverage programs have in effect established universal Medi-Cal coverage regardless of immigration status—a monumental step in improving healthcare coverage and affordability and advancing health equity. However, there is still work to be done to fulfill the promise of coverage by ensuring eligible individuals enroll and that they are able to access needed healthcare services. This requires creative solutioning at both the federal and state levels to address coverage barriers, such as healthcare costs (or the perception that services are cost-prohibitive), discrimination when seeking healthcare services, ongoing fear of anti-immigrant backlash, challenges navigating the enrollment process, and availability/cultural competency of providers.⁴ And, while eligibility in California will extend to all lower-income residents, immigrant populations with moderate incomes may remain uninsured due to similar concerns. States like **Colorado** and **Washington** plan to implement Marketplace administered solutions to provide state-funded premium or cost-sharing subsidies to enable undocumented individuals to purchase and use individual market coverage—a potential pathway to healthcare for individuals with incomes above Medicaid/CHIP eligibility levels.

Amid ongoing social, economic, and political volatility, access to health coverage and comprehensive care is essential for lower-income individuals, and immigrant populations, in particular. Building on California's model, state policymakers can similarly extend Medicaid- and CHIP-based health insurance to their lower-income residents, regardless of immigration status. In doing so, states have a unique opportunity to significantly reduce the number of residents who lack access to comprehensive and affordable insurance and address stark and longstanding health disparities experienced by immigrant residents of the United States.

*For more information on strategies for states to expand affordable health coverage to immigrant populations in the United States, see **this series** from the Robert Wood Johnson Foundation's State Health and Value Strategies.*

ENDNOTES

- 1 Lawfully present individuals are generally eligible for federally-funded health coverage programs. This group can include, but is not limited to, lawful permanent residents/green card holders, refugees and asylees, Cuban/Haitian entrants, and individuals paroled into the United States for a minimum of one year. People who are undocumented can include those who entered the country without authorization, or who entered the country lawfully and stayed after their visa or status expired.
- 2 For pregnant individuals with incomes above the Medicaid income limit, California leverages state funding to provide labor and delivery services.
- 3 Illinois has not, however, extended coverage to the group of adults ages 18 to 41.
- 4 These examples are based on qualitative research (focus group) findings conducted by GMMB and PerryUdem.

Support for this brief was provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the views of the Foundation.

ABOUT THE ROBERT WOOD JOHNSON FOUNDATION

The Robert Wood Johnson Foundation (RWJF) is committed to improving health and health equity in the United States. In partnership with others, we are working to develop a Culture of Health rooted in equity, that provides every individual with a fair and just opportunity to thrive, no matter who they are, where they live, or how much many they make. For more information, visit www.rwjf.org. Follow the Foundation on Twitter at [www.rwjf.org/twitter](https://twitter.com/rwjf) or on Facebook at [www.rwjf.org/facebook](https://www.facebook.com/rwjf).

ABOUT STATE HEALTH AND VALUE STRATEGIES—PRINCETON UNIVERSITY SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

State Health and Value Strategies (SHVS) assists states in their efforts to transform health and healthcare by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's School of Public and International Affairs. The program connects states with experts and peers to undertake healthcare transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies and brings together states with experts in the field. Learn more at www.shvs.org.

ABOUT MANATT HEALTH

This issue brief was prepared by Patricia Boozang and Kaylee O'Connor, Manatt Health and Inonge Kaloustian. Manatt Health integrates legal and consulting expertise to better serve the complex needs of clients across the healthcare system. Our diverse team of more than 160 attorneys and consultants from Manatt, Phelps & Phillips, LLP and its consulting subsidiary, Manatt Health Strategies, LLC, is passionate about helping our clients advance their business interests, fulfill their missions, and lead healthcare into the future. For more information, visit <https://www.manatt.com/Health>.