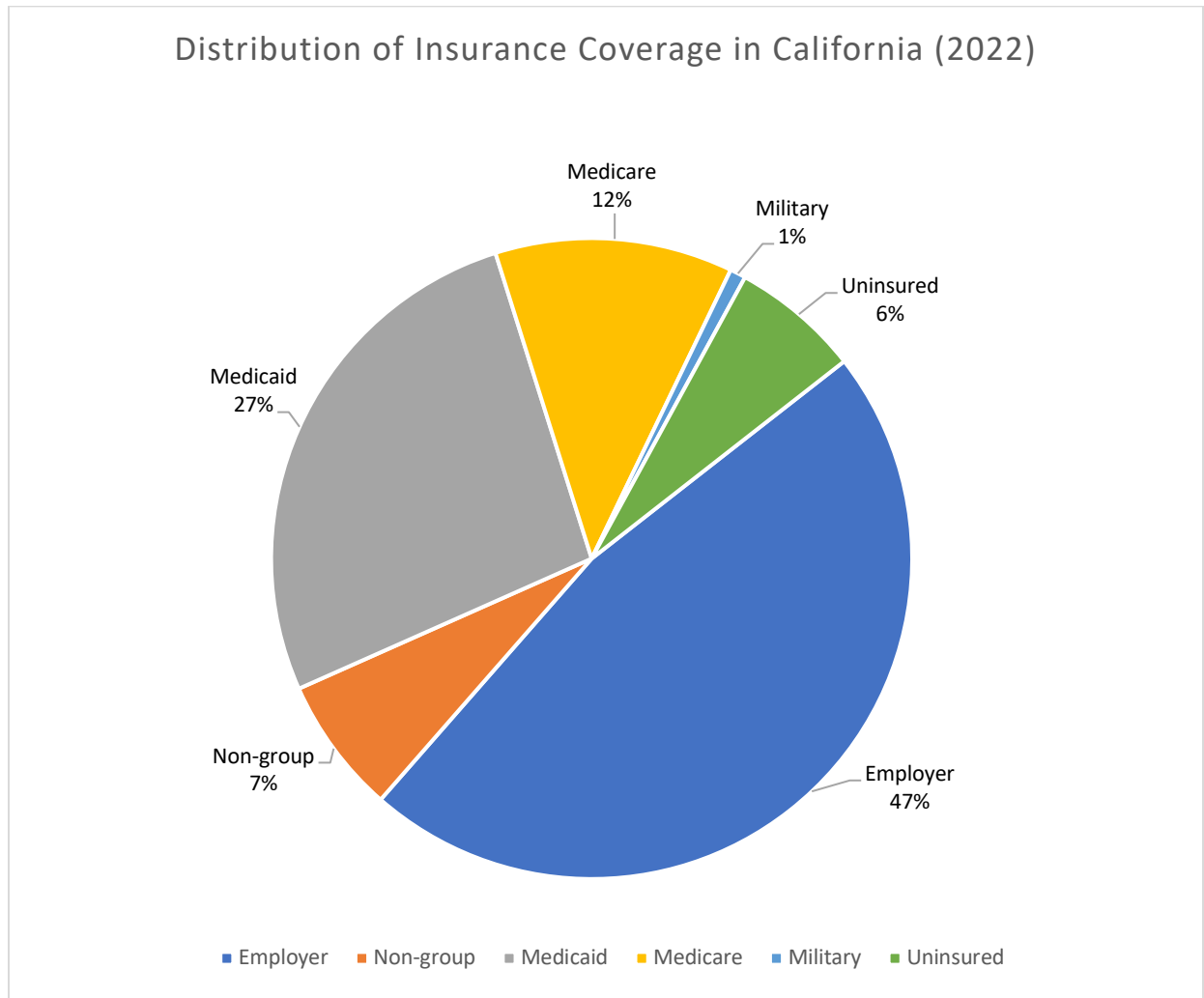


# California

## Sources of Insurance Coverage



*\*Source: KFF, Health Insurance Coverage of the Total Population, 2022*

### Medicare

In California, about [4,577,200](#) residents are enrolled in Medicare, 12% of the state's population (2022 data). Of those, [55%](#) are enrolled in a Medicare Advantage plan. For California residents in the traditional Medicare program, the California Department of Insurance and the Department of Managed Health Care regulate Medicare supplemental plans. The California Department of Insurance provides [consumer-facing](#) information about plan benefits and enrollee rights. A list of insurers authorized to sell Medicare supplemental policies is available [here](#).

## Medicaid and the Children’s Health Insurance Program (CHIP)

In California, about [10,228,700](#) people are enrolled in Medicaid or CHIP, 27% of the population (2022 data). California’s Medicaid program is called “Medi-Cal.”

California adopted Medicaid expansion under the Affordable Care Act and covers childless adults under age 65 up to [138%](#) of the federal poverty level (FPL). It currently covers [4.9 million](#) low-income adults (June 2023 data).

Medi-Cal covers children up to [266% FPL](#), and approximately [39%](#) of all births in California are covered by Medicaid (June 2023 data). In California, the CHIP program is [operated](#) as an expansion of Medicaid. In some counties, children with higher incomes are eligible for separate CHIP coverage.

Medi-Cal also covers pregnant people up to [213% FPL](#), and CHIP fills in to cover pregnant people up to 322% FPL.

Currently, California also covers people under 26 and age 50 and older [regardless of immigration status](#), if they would otherwise qualify for Medi-Cal, using state funds. Starting on January 1, 2024, this will be extended to all residents who meet Medi-Cal eligibility requirements regardless of immigration status.

In California, [most](#) Medi-Cal enrollees receive benefits via private managed care organizations (MCOs), called managed care plans (MCPs) in California. These insurers have contracts with the [California Department of Health Care Services](#).

## Employer-sponsored Insurance

In California, around [17,951,800](#) people are covered by employer-sponsored insurance (ESI), or 47% of the total state population (2022 data). Approximately [46.8%](#) of private-sector establishments in California offer ESI. However, offer rates vary significantly by size of firm. In California, 97.4% of large firms (50 or more employees) offer ESI, while only 33.5% of small employers offer ESI.

In California, approximately [29.4%](#) of private sector businesses that offer health insurance self-fund at least one health plan. For large firms (50 or more employees) that offer health insurance, 50.3% self-fund at least one health plan.

## Individual Market Insurance

Approximately [7%](#) of California residents are enrolled in the individual market (2022 data). In 2023, [1,739,368](#) Californians selected a plan through the Affordable Care Act Marketplace, which in California is run by the state and is called “[Covered California](#).” It is more challenging to ascertain enrollment numbers for off-Marketplace individual market enrollment.

Individual market health insurance (both on- and off-Marketplace) is jointly regulated in California by the Department of Managed Health Care and the California Department of Insurance.

California has an individual mandate, meaning most people are required to maintain health insurance or else pay a penalty. More information about the individual mandate, including the penalty and available exemptions, is available [here](#).

### Other Coverage

Some Californians are enrolled in other forms of insurance coverage, such as coverage for the military (TRICARE or U.S. Veterans Administration), which covers [1%](#), or roughly 310,400 residents (2022 data).

### The Uninsured

Approximately [6%](#), or around 2,477,900 California residents are uninsured (2022 data), which is lower than the uninsured rate in roughly half of states.

Among the non-elderly population: People of color are significantly more likely to be uninsured in California than White people. American Indian/Alaskan Native residents have the highest [uninsured rate](#) (13.2%), followed by Hispanic residents (11.5%) and Black residents (6.0%). Asian/Native Hawaiian and Pacific Islander residents and White residents have the lowest uninsured rate (4.1% and 4.2%, respectively) among all racial groups. Lack of insurance is also highly correlated with income. Approximately [11.7%](#) of people under 100% FPL and 11.5% of people between 100-199% FPL are the uninsured in California, while just 3.6% of people at or above 400% FPL are uninsured.

### Additional Data Sources

California-specific enrollment data are also available via the following resources:

- The [California Health Interview Survey](#), by the UCLA Center for Health Policy Research, provides data on health insurance coverage.
- The California Health Benefits Review Program, a program administered and housed within the University of California at Berkeley, has a resource on sources of health insurance for California residents. The 2024 projections are available [here](#).
- The California Health Care Foundation publishes an annual report on enrollment. The report on 2021 enrollment is available [here](#).

### State Regulators: California

CMS is responsible for most oversight of Medicare Advantage plans. The CMS Regional Office for California is based in San Francisco. Media inquiries may be submitted [here](#).

### California Department of Managed Health Care (DMHC)

The California DMHC shares regulatory oversight responsibility over health insurers with the California Department of Insurance (CDI). Approximately 96% of state-regulated commercial and public health plan enrollment is in coverage regulated by DMHC. DMHC conducts the following activities:

- **Licensure:** Insurers operating in the state must demonstrate that they are financially solvent and capable of paying claims. DMHC licenses health maintenance organizations (HMOs); most Medi-Cal managed care plans; Medicare Advantage plans;\* and some preferred provider organizations (PPOs) and exclusive provider organizations (EPOs). After initial licensure, companies must file financial information with DMHC on a regular basis. Information about specific health plans licensed by DMHC is available [here](#). Financial statements, financial examination reports, and financial summary and enrollment reports can be found [here](#).
  - \*DMHC's authority over Medicare Advantage plans is restricted to financial solvency and administrative matters.
- **Form review:** DMHC reviews the contracts and covered benefits of the entities it regulates to ensure that they comport with federal law, including the Affordable Care Act (ACA), Mental Health Parity and Addiction Equity Act (MHPAEA), Health Insurance Portability & Accountability Act (HIPAA), and No Surprises Act, as well as state benefit mandates and managed care standards.
- **Plan performance:** In addition to monitoring the plans it regulates for compliance with state and federal laws, DMHC evaluates overall plan performance, including quality assurance, as part of its routine medical surveys. These evaluations, conducted at least once every three years, result in reports that can be viewed [here](#).
- **Rate review:** Health insurers licensed by DMHC must submit proposed premium rates to the agency, and DMHC can request that plans provide additional information to the public in support of rate increases, or to alert enrollees that the rate was determined unreasonable by the agency. However, DMHC does not have the authority to approve or reject rate increases. Insurers offering plans to large employers (with 100 or more employees) are also required to submit aggregate rate information and prescription drug cost information to the agency, but DMHC does not have the authority to review large group rates.
- **Marketing:** DMHC is responsible for oversight of the marketing tactics of the insurers that it regulates, and discouraging unfair or deceptive tactics by these insurers. Insurers are also required to submit their contracts with people who solicit plans on behalf of the insurer, including agents and brokers.
- **Enforcement:** DMHC has authority to enforce state and federal insurance laws against the insurers that it regulates. Enforcement tools can range from requesting a corrective action, issuing a cease and desist order, imposing fines, or seeking an injunction. DMHC provides a database of enforcement actions that can be accessed [here](#). Consumers or providers can file complaints against insurers [here](#).
- **Appeals:** Under the ACA, insurers must provide enrollees with an internal review of adverse benefit decisions and the right to an external, independent appeal. DMHC operates an external review system for the plans it regulates, and provides information to enrollees seeking an appeal [here](#).

## California Department of Insurance (CDI)

CDI shares regulatory oversight responsibility over health insurers with DMHC, although they only regulate a small share (less than 5%) of the health insurance market. CDI conducts the following activities:

- **Licensure:** CDI issues certificates of authority for a small segment of the health insurance market, including most PPOs and EPOs, which requires plans to meet certain financial solvency requirements. After receiving a certificate of authority, companies must file financial information with CDI on a regular basis. A list of health insurers licensed by CDI (as of December 31, 2021) is available [here](#), and reports showing the number of covered lives under each company and by health plan type is available [here](#).
- **Form review:** CDI reviews the contracts and covered benefits of the entities it regulates to ensure that they comport with federal law, including the Affordable Care Act (ACA), Mental Health Parity and Addiction Equity Act (MHPAEA), Health Insurance Portability & Accountability Act (HIPAA), and No Surprises Act, as well as state benefit mandates and network adequacy standards.
- **Rate review:** Health insurers licensed by CDI must submit proposed premium rates to the agency, and the CDI can request that the insurer change their rates or determine that the rate is unreasonable. However, CDI does not have the authority to approve or reject rate increases. Insurers offering plans to large employers (with 50 or more employees) are also required to submit aggregate rate information and prescription drug cost information to the agency, but the CDI does not have the authority to review large group rates.
- **Marketing.** CDI is responsible for the oversight of marketing tactics for the plans it regulates, and for discouraging unfair or deceptive tactics. CDI also licenses and oversees agents and brokers.
- **Enforcement:** CDI has authority to enforce state and federal insurance laws against the entities that it regulates. Enforcement tools can range from requesting a corrective action, issuing a cease and desist order, imposing fines, or seeking an injunction. Consumers or providers can file complaints against insurers [here](#). A database of CDI enforcement actions is available [here](#), and the agency's market conduct exam reports are available [here](#).
- **Appeals:** Under the ACA, insurers must provide enrollees with an internal review of adverse benefit decisions and the right to an external, independent appeal. CDI operates an external review system for the plans it regulates, and provides information to enrollees seeking an appeal [here](#).

## California Health Benefit Exchange

California's ACA Marketplace authority negotiates premium rates for health plans sold through the Marketplace. Enrollment information for marketplace plans is available [here](#). The

marketplace also posts data on claims denials by insurers offering marketplace plans [here](#), data on appeals [here](#), and health plan quality ratings [here](#).

### California Department of Health Care Services (DHCS)

California's Department of Health Care Services (DHCS) runs the state's Medicaid and CHIP programs, and manages the contracts with the managed care organizations (MCOs) that deliver Medicaid and CHIP benefits, called managed care plans (MCPs) in California. A county-by-county list of participating MCOs is available [here](#). Enrollment reports can be found [here](#). Additional data on enrollment as well as care quality, network adequacy, appeals and grievances, and health care utilization is available [here](#).

DHCS shares the responsibility of regulating most MCOs with DMHC. Both agencies review network adequacy, quality, utilization management, fraud and abuse, finances, and quality.

DHCS can conduct an enforcement action against an MCO if it fails to meet its contract obligations. Enforcement actions can include requiring the MCO to pay monetary sanctions or to implement a corrective action plan. DHCS can also suspend MCOs' new member enrollment, marketing activities, certain personnel or subcontractors, and other activities. The agency can also institute temporary management for the MCO or terminate the MCO's contract with DHCS. Audit reports and corrective action plans by DHCS can be found [here](#).

DHCS also has a Medi-Cal Managed Care and Mental Health Office of the Ombudsman to help managed care members with things like enrollment issues and obtaining covered services. Information about the Office of the Ombudsman as well as contact information can be found [here](#).

### California Attorney General

The California Attorney General heads the state's Department of Justice and sometimes represents the state in court when there is an action against an insurance company, entity, or individuals engaged in potentially fraudulent activity. Consumers can file complaints against a business or company [here](#).

### Other Sources of Information

Health Insurance Navigators, Agents and Brokers (collectively, "consumer assisters")

California's health insurance Marketplace (Covered California) provides grants to local organizations called "Navigators" or "Certified Enrollers" that are tasked with assisting consumers, determining eligibility for coverage affordability programs, and helping consumers with post-enrollment questions. California-based insurance agents and brokers perform similar consumer assistance functions, but they are generally paid on a commission basis. These consumer assisters can be helpful sources of information about health insurance and the challenges consumers face. They can be located through [this page](#) on the Marketplace website.

Center for Data Insights and Innovation

California has a division within the state Department of Health & Human Services that publishes data and consumer information about health insurance (among other things), including [health plan report cards](#) and [consumer complaint reports](#).

*GEORGETOWN*  
*UNIVERSITY*

*McCourt School of Public Policy*

**CENTER ON  
HEALTH INSURANCE  
REFORMS**