CHCF

The Medi-Cal Maze:
Why Many Eligible Californians Don't Enroll

SEPTEMBER 2021

AUTHORS
Michele Cordoba, Brenda Lee, Marian Mulkey, and Terri Shaw

About the Authors

Michele Cordoba and Brenda Lee are founding directors of **Vision Strategy and Insights**, a full-service research and strategy firm with more than 20 years of experience in the development and implementation of actionable research studies among general market, Latinx, Black, and Asian American consumers.

Marian Mulkey, principal of Mulkey Consulting, offers strategic guidance, impact assessment, and health policy expertise for philanthropic, public sector, and nonprofit organizations.

Terri Shaw is an independent consultant with more than 25 years of experience working at the intersection of policy and technology to improve access to health benefits and social services.

Acknowledgments

The following people offered advisory input: Merrill Buice, San Francisco Community Clinic Consortium; Keyanna Daniels, California Department of Health Care Services; Lily Dorn, Community Clinic Association of Los Angeles County; Rita DuarteWeaver, Ventura County Public Health / Health Care for All Program; Jen Flory and David Kane, Western Center on Law and Poverty; Laurel Lucia, UC Berkeley Labor Center; Kiran Savage-Sangwan, California Pan-Ethnic Health Network; Njeri McGee-Tyner, Alameda Health Consortium; and Jennifer Wagner, Center for Budget and Policy Priorities.

About the Foundation

The **California Health Care Foundation** is dedicated to advancing meaningful, measurable improvements in the way the health care delivery system provides care to the people of California, particularly those with low incomes and those whose needs are not well served by the status quo. We work to ensure that people have access to the care they need, when they need it, at a price they can afford.

CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

Contents

DESIGN BY DANA KAY HERRICK

Executive Summary

Since 2014, through opportunities provided by the federal Affordable Care Act and via additional state-funded coverage expansions, millions of Californians have gained health insurance coverage through Medi-Cal, and the state has achieved a high Medi-Cal take-up rate. These impressive coverage gains have brought affordable health care within reach for many Californians with low incomes. Even so, in both good and bad economic times, some Californians eligible for Medi-Cal remain uninsured.

The California Health Care Foundation (CHCF) commissioned qualitative research to better understand what prevents Californians eligible for Medi-Cal from enrolling in the program and to identify ways California might make Medi-Cal even more accessible to the population it is designed to serve. Through virtual focus groups and in-depth interviews with 91 Californians selected to reflect the geographic, racial, and language diversity of the state and its Medi-Cal-eligible population, the research team explored knowledge, attitudes, and enrollment experiences of people who are likely eligible for Medi-Cal yet remain uninsured.

Despite California's deep commitment to expanding Medi-Cal eligibility and its efforts to improve handoffs across health care programs, the study respondents' efforts to understand and enroll in Medi-Cal were stymied by Medi-Cal eligibility rules, enrollment systems, processes, and practices. Respondents wanted to hear that affordable coverage is there for struggling individuals and families when they need it, and they were generally aware that Medi-Cal helps provide a coverage safety net for many Californians. But their experiences, including unsatisfactory customer service, inflexible income documentation requirements, poor follow-through on the part of program administrators, and confusing and complex rules communicated something quite different — Medi-Cal did not welcome nor was it designed for "people like me."

Respondents who had not applied for Medi-Cal were deterred by a range of unanswered questions, information gaps, and negative perceptions, including:

- Not clearly or accurately distinguishing Medi-Cal from Covered California, leading to confusion and misperceptions about available coverage options and their potential costs and benefits
- The perception that Medi-Cal offered poorer coverage or less respectful treatment than other types of insurance
- Concerns among noncitizen respondents that applying for Medi-Cal might affect their immigration status
- Confusion, rumors, and incorrect characterizations of complex eligibility rules that vary for different populations — for example, the belief that one's estate might have to pay back benefits upon death

Respondents who began the application process reported being frustrated by delays, lack of clear communication, and lack of follow-up by program administrators, including:

- Application rejections without adequate explanation; insight into when, how, or under what circumstances they might reapply for Medi-Cal; or guidance on pursuing other coverage options
- Repeated requests for additional documentation during the application process
- Unclear next steps and handoffs in the application process (both for applications submitted to Medi-Cal directly as well as those started with Covered California)
- Difficulty accessing support and personalized assistance, including in-language help and resources for Spanish- and Mandarin-speaking respondents
- Challenges navigating Medi-Cal eligibility and enrollment during common life transitions, including aging out of foster care or off a parent's health insurance plan; giving birth; getting a divorce; or losing or gaining employer-sponsored insurance

Throughout the report, quotes from respondents are featured to bring to life, in their own words, their experiences, frustrations, and desires for a better process.

> *"It's confusing. Once you get denied they won't tell you why. It's frustrating and heartbreaking."*
>
> — White participant, Los Angeles

In 2021 California approved several Medi-Cal changes, including accelerated enrollment, yearlong eligibility for new mothers, removal of the asset test for all eligibility categories, and field testing of translated materials, that hold promise to address many of the challenges identified by this research. California can take additional steps to make Medi-Cal enrollment more accessible and welcoming. California can:

- Take advantage of existing flexibilities under federal law to simplify Medi-Cal documentation requirements and extend continuous eligibility for 12 months at a time for all enrollees. This would make it easier for eligible people to obtain and maintain Medi-Cal when they need it, without interruption or delays due to work and living arrangement changes or normal life transitions.
- Invest in a coordinated set of operational improvements that would make the program more welcoming, inclusive, and supportive.
  - Invest in consumer-directed materials, training, and performance improvement efforts to support customer service goals guided by the foundational principle that all applicants should be treated with respect.
  - Take specific steps to combat misinformation by avoiding off-putting terms, elevating core messages, and assessing how applicants encounter available web resources.
  - Develop an application status tracker and provide additional support at transition points to improve coordination between Medi-Cal and Covered California.
  - Implement a comprehensive approach to tracking enrollment outcomes to ensure accountability across all application channels.

California is justifiably proud of the large share of its residents who gain affordable access to health care through Medi-Cal. Nevertheless, too many Californians eligible for Medi-Cal fall through cracks in the enrollment process for reasons large and small. The actions proposed in this report would help build a more welcoming and accountable program and increase the likelihood that eligible Californians enroll in a timely fashion, remain covered when their circumstances change, and gain better access to services they value. In addition to helping many individual Californians, taking such steps would bring the state as a whole closer to the goal of universal coverage.

Introduction

Over 13 million Californians rely on coverage through the Medi-Cal program to ensure access to free or low-cost health care services. In 2019, Medi-Cal covered roughly one-third of Latinx Californians, 28% of Black Californians, and 15% of Asian American Californians.[1] Given the diversity of Californians who rely on Medi-Cal for access to affordable care, removing barriers to enrollment is key to promoting healthy equity across the state.

California seized the opportunity under the federal Affordable Care Act (ACA) to expand Medicaid eligibility to most adults age 19 to 64 with income up to 138% of the federal poverty level (in 2021, 138% of the federal poverty level [FPL] represents annual earnings of about $18,000 for a single person or $30,000 for a family of three).[2] The ACA failed to extend new coverage opportunities to undocumented immigrants; however, California built on the ACA by extending Medi-Cal to some Californians with low incomes regardless of immigration status.[3] In all, Medi-Cal enrollment has grown by about five million since 2013.[4] California also established Covered California as the state's ACA exchange and developed a new online portal for consumers to apply to both

Medi-Cal and Covered California. These policies and structures expanded access to affordable coverage for Californians with low incomes and greatly reduced the number of Californians without health insurance.

Despite enormous gains, some Californians eligible for Medi-Cal remain uninsured in both good and bad economic times. Researchers project that approximately 610,000 eligible Californians will be uninsured in 2022, or approximately 5% of Californians eligible for Medi-Cal and lacking another source of coverage.[5] Californians eligible for Medi-Cal may remain unenrolled because they are unaware they are eligible, encounter obstacles when they try to enroll, cycle on and off coverage when their circumstances shift, or for other reasons are hesitant to enroll.

Beginning in 2020, the sweeping public health and economic disruptions of the COVID-19 pandemic brought changes in income, employment, and health coverage for many Californians. Many of the pandemic's harshest effects fell disproportionately on people of color, starkly illustrating the impact of long-standing inequities.[6] As would be expected under such circumstances, Medi-Cal enrollment increased but, at least initially, not as quickly as Medicaid enrollment growth in many other states.[7] Given the importance of a coverage safety net at all times and especially during a public health emergency, this project was intended to shed light on why Californians likely eligible for Medi-Cal remain uninsured and to develop recommendations by which California can make Medi-Cal accessible to everyone it is intended to benefit.

Research Design

Between April 28 and May 17, 2021, a team from Vision Strategy and Insights conducted virtual focus groups or in-depth interviews with a total of 91 respondents who appeared to be eligible for Medi-Cal, based on income and immigration status, yet remained uninsured. More about the methodology is provided in Appendix A. The geographic, racial/ethnic, and language composition of the groups and participants is shown in Appendix B. Respondents included 28 people interviewed in English within focus groups that included multiple races (White, Black, Latinx, Asian American, and mixed race), 14 who participated in groups limited to Black participants, 25 Latinx participants interviewed in Spanish, and 24 Chinese American respondents interviewed in Mandarin. To encourage frank conversations, interviews were conducted by moderators who reflected the cultural background of respondents, including bilingual, bicultural moderators for the Spanish and Mandarin groups.

In addition, 14 follow-up interviews were conducted among the original participants to get deeper and more specific insights into the application process from those who had taken concrete steps to enroll.

Respondents were men and women between the ages of 19 and 64, currently uninsured, with self-reported household income and immigration status consistent with full-scope Medi-Cal eligibility.[8] The overall composition of the study population was reflective of key geographic areas (Greater Los Angeles, Inland Empire, Central Valley, Bay Area) as well as the racial and ethnic diversity of the Medi-Cal applicant and enrollee pool. In general, key findings were applicable across race and language groups, except when specifically noted.

NOTE: In the quotes throughout this paper, responses are identified by the respondent's race/ethnicity, geographic location (Inland Empire, Central Valley, Bay Area, Los Angeles), and language if other than English.

Findings

The research explored respondents' understanding and experiences related to Medi-Cal enrollment. Insights were captured across the following domains: attitudes toward health insurance, awareness and perceptions of Medi-Cal, barriers to applying, issues with the application process, challenges associated with life transitions and family circumstances, and applicant resources.

Attitudes Toward Health Insurance

For the most part, respondents value health care coverage in the abstract. Parents reported that securing coverage for their children was a high priority; most children of respondents were covered under Medi-Cal or another parent's employer-based plan. Several younger respondents tended to see the value of a health insurance policy to protect them from the big things (unexpected illness or injury) but viewed the monthly expense of maintaining coverage as not worth it. But many respondents in their 40s and 50s, and even some in their 30s, felt that their good health (and good luck) would not last forever, and recognized the need for preventive care now to keep them healthy later. A considerable number of respondents expressed a need for dental coverage, noting that regular visits save money and pain in the long run.

"If you're young and healthy, health insurance doesn't seem that important. As you get older you get concerned about what type of chronic issues you might have."

— White participant, Los Angeles

"Sooner or later, you're going to need it, but you don't know how to get it. I would really like to have it. If I had to pay, I don't know where I would get the money from. Maybe if it were affordable. The older we get, the more risk. We all need it. If it's not free it's ok, but I wish there were help for low-income people."

— Latinx participant, Inland Empire (Spanish)

"[When medical issues come up, I go to] urgent care. If it's beyond urgent care, I know that there would have to be some loan structuring, but I try not to think about it. It's definitely not the smartest approach. It's ignorance is bliss. Talking about it right now, I'm deeply uncomfortable. I'm getting nervous, I feel my heart rate going up. I'm like, 'This is not good.'"

— White participant, Los Angeles

Health insurance is perceived by most to be completely out of reach of their monthly budgets — with no expectation that Medi-Cal would provide an affordable alternative. Many reported spending 40% to 60% of their income on rent and utilities, particularly in Los Angeles and the Bay Area. Aside from premiums, which were seen as prohibitively high, respondents also noted that copays, deductibles, and out-of-pocket prescription expenses also had to be factored into the cost of health care, which made it even less accessible. For many who had not tried to enroll or had not gotten very far in the enrollment process, paying the tax penalty for going without health insurance (about which there was wide awareness) was perceived as more affordable than securing health insurance.

"There is no money for [insurance]. If my husband pays insurance for both of us, we'll have less money, and it's not going to be enough to take care of the other things."

— Latinx participant, Inland Empire (Spanish)

"I'd rather get that $500 fine at the end of the year for tax season than having to pay $500 a month."

— White participant, Inland Empire

Respondents reported a wide variety of workarounds that they use to deal with health care issues while uninsured. Several reported self-diagnosis and self-treatment, using over-the-counter medications, sample medications from doctors or clinics, old or expired prescriptions, and even prayer to treat minor and some major illnesses. Others noted that they had established relationships with local doctors or clinics and paid cash when they needed to. Many noted that in a true emergency, they could be (and had been) treated in the emergency room; many were aware that these expenses would likely then be covered by Medi-Cal. Some Chinese American respondents reported relying on traditional Chinese medicine treatments, and some Latinx respondents reported going to Tijuana for treatment and medications.

"I've paid cash when I've had to go to the doctor, or I do natural remedies."

— Latinx participant, Inland Empire (Spanish)

"I have to do a lot of self-diagnosing when something is wrong, ignoring issues and hoping they get better. Obviously, if I had the choice, I'd much rather go to the doctor."

— Black participant, Bay Area

"Right now, what I do is wait to see if anyone I know is going to Tijuana and have them get a prescription there and buy the medication for me, because it's much more expensive here."

— Latinx participant, Los Angeles (Spanish)

Awareness and Perceptions of Medi-Cal

A majority of respondents were familiar with the Medi-Cal program in general. It was often described by respondents as health care for lower-income or poor people. Mandarin-speaking Chinese respondents across groups referred to it as "the white card." There was confusion between Medi-Cal and Medicare among some respondents, but this was not widespread.

"What I understand, it's for low-income people and for underage children."

— Latinx participant, Los Angeles (Spanish)

"I've heard Medi-Cal helps people who don't have a lot of money. I've lived it. My sister-in-law had chemo for many years, and they never charged her a dime."

— Latinx participant, Inland Empire (Spanish)

"(The) white card has a lot of limitations, that's my understanding. . . . I think Medi-Cal is for low family income and individuals in America [and is] provided by the government."

— Chinese participant, Los Angeles (Mandarin)

Many respondents did not clearly or accurately distinguish Medi-Cal from Covered California, leading to confusion and misperceptions about potential cost. Some reported that they began the enrollment process with Medi-Cal, apparently through a county office, but were not found to be eligible for Medi-Cal and ended up on the Covered California site. Once at Covered California, they attributed the descriptions of premiums and cost sharing under Covered California plans to the Medi-Cal program. Others began the enrollment process at Covered California, were notified they were not eligible for subsidized coverage through Covered California and expected a seamless handoff to Medi-Cal followed by a quick and clear determination of Medi-Cal eligibility. Instead, these respondents reported experiencing delays or a sort of limbo in which, despite efforts to follow up, they could not get clear resolution regarding their eligibility for Medi-Cal. Some respondents were mystified by the fact that some family members qualified for Medi-Cal and others for Covered California, and some inaccurately believed that open enrollment periods applicable to Covered California constrained the time periods during which they could enroll for Medi-Cal.

"I tried once to apply for Obamacare, and I didn't qualify because of income. . . . I applied online, and the process was very confusing. I feel it took too long. I tried to apply, they sent me a package in the mail. You had to fill out more papers, then I sent it and got the rejection letter . . . from the county."

— Latinx participant, Inland Empire (Spanish)

"They only have a certain amount of time that you can apply for it. I just don't understand why there's a date to apply for Medi-Cal. It should be year-round."

— White participant, Inland Empire

Those who had never had Medi-Cal coverage tended to perceive it more negatively than their counterparts who had some experience with the program. Those who had previous experience with Medi-Cal were generally satisfied with the coverage, especially if that experience was because their children had been covered under Medi-Cal.

"The only [issue] for me was the recertification every three years, but I don't see any disadvantages. I really liked it a lot."

— Latinx participant, Inland Empire (Spanish)

"I heard it's a nightmare from multiple people. The whole process is a nightmare. I guess to be approved for stuff. I heard more horror stories than I hear good stories about Medi-Cal."

— Latinx participant, Los Angeles

"I think maybe there wouldn't be a lot of options of doctors to choose from, maybe they would be far away, they'd be different from the ones we have now, maybe we would have to go to a doctor that is not in our area. Harder to get an authorization if you need one."

— Latinx participant, Los Angeles (Spanish)

Compared to other types of insurance, some respondents believed Medi-Cal offered poorer coverage or reported that Medi-Cal provided less respectful treatment. Medi-Cal was perceived by some, particularly Black respondents, as lower quality than employer-based or private insurance, with limited doctors, limited coverage, and longer waits. In addition, some Black and Latinx respondents reported feeling disrespected and dismissed by the staff and assisters they turned to for help.

"If they really wanted to be up-front, they should say that it covers the basics of health care. It's going to do your checkups. But if you're looking at needing an MRI, it's not going to cover that. As long as you don't get too sick, you'll be all right."

— Black participant, Los Angeles

"Once, I went to a Medi-Cal office, but I left because they don't treat people nice. They have no respect, I felt bad there. But since that is a government plan, they don't care if they treat you well, because either way, they have their job."

— Latinx participant, Central Valley (Spanish)

While virtually all respondents expressed interest in free or low-cost health insurance, many did not see Medi-Cal as an option for them. This sense stemmed from two distinct perceptions: a general belief that they were not the type of people Medi-Cal was designed for, or a specific belief that they probably did not meet Medi-Cal eligibility requirements. Some respondents held both these beliefs.

- Some respondents did not perceive themselves as low income, and therefore did not believe they were eligible. Others felt their situation was temporary, and they would be making more money or covered by an employer in the very near future. Some male respondents thought it might only be for women or mothers. Some respondents preferred coverage options that they associated with greater self-reliance, hinting that Medi-Cal carried a stigma.

"It's like a low-income (product). I don't really think of myself as low income. I don't think of myself as that. Maybe I feel like subconsciously I'm too good for it. Maybe that's just what it is."

— Black participant, Central Valley

"I don't want to be on it for the rest of my life. I want it through an employer or pay my own insurance."

— Black participant, Bay Area

- Respondents were more inclined to consider Medi-Cal if they were given objective income parameters for eligibility (rather than general eligibility descriptions that referred to "low-income" populations). When respondents were presented with scenarios for Medi-Cal eligibility such as "a single adult qualifies for Medi-Cal if he or she earns less than about $18,000 a year" or "parents and children in a family of three who earn less than $30,000 a year also qualify," they were more able to see themselves as potentially eligible, and were more open to the idea of applying for Medi-Cal.

"I didn't know if you earned less than $18,000 a year you qualify. Now that I know, I would like to investigate and see what happens."

— Latinx participant, Central Valley (Spanish)

Medi-Cal was not seen as a viable temporary coverage option for those with fluctuating work and living situations. Many respondents across groups worked in industries such as restaurants, travel and tourism, entertainment, and others severely affected by the pandemic. Others were students who held one or two part-time jobs while attending school or were employed in the gig economy. The common denominator among these respondents was that their fluctuating income was not easily calculated or documented. For a variety of reasons — including the lag time between providing income documentation and eligibility determination, and a sense that Medi-Cal isn't designed as a temporary, month-to-month program — respondents with fluctuating income and living circumstances didn't see Medi-Cal as an option.

"I haven't applied because when it comes to [income] information it's not clear. For example, $18K for one person — that's easy to go over. Several months later or next year maybe I don't have [Medi-Cal], if I go over. If you go over, what are you going to do? It's very not convenient. Suddenly you qualify, suddenly you don't? Maybe next year after the pandemic I'm over $18K, then I don't have it and I have to apply for another health insurance."

— Chinese participant, Bay Area (Mandarin)

Barriers to Applying for Medi-Cal

A complex, frustrating process followed by an uncertain reward prevented many respondents from applying at all. The uncertainty surrounding whether or not they would qualify was often the greatest barrier. Some were told by social workers, friends, or family members familiar with the process that they probably would not be eligible. Many young people (in their 20s) were unclear how, for the Medi-Cal application, to quantify the size of their household, a key question in determining income eligibility for the program. They didn't know if they should just count themselves, or their entire family, since many still lived with their parents and younger siblings. To many, the eligibility criteria were unfathomable, the amount of information required seemed insurmountable, and the amount of time the process would take seemed interminable. In the face of the competing time demands during what was for most a very stressful period, when respondents were unable to get answers to their questions through official channels (in person, by phone, online), respondents eventually gave up.

"[I've heard] that they ask for birth certificate, ID, SS, then you go through the application process. They call back if you have to come in, and when they have you for the interview, that's when they ask for the W2. If you don't have any source of income right now and you say no, but you're planning on [having earnings], they'll ask for it down the road."

— Black participant, Bay Area

"After the experiences I've had, I don't think I'm going to qualify. You get discouraged and don't bother to try again."

— Latinx participant, Inland Empire (Spanish)

Noncitizen respondents noted worries about public charge and immigration issues as specific barriers to applying for Medi-Cal. Many Chinese American and Latinx immigrant respondents reported having frequently heard from friends, family members, and trusted advisers such as brokers (Chinese Americans) or immigration attorneys that receiving government benefits such as Medi-Cal could threaten their immigration status or derail their or a family member's path to citizenship. Some respondents expressed uncertainty about the veracity of these claims, yet many decided it was better to be safe and avoid public benefits altogether.

"I'm an immigrant; I have a green card. If I apply for too many government benefits such as white card, it would cancel my qualifications. You can eliminate your green card."

— Chinese participant, Bay Area (Mandarin)

"I don't apply because of my status. Currently I'm on a political asylum green card. When I become a citizen, I will apply. It's a protection."

— Chinese participant, Los Angeles (Mandarin)

"I think because of my income I qualify . . . but on the other hand, I worry because I don't know if it's going to affect me when I decide to become a citizen."

— Latinx participant, Inland Empire (Spanish)

"I'm an immigrant so I've heard that information. . . . It's not 100% confirmed with officials, but I did confirm it with some friends. . . . They won't tell you directly, but it kind of affects their decision. . . . I think Immigration wants you to be a citizen first and then use all the benefits. You're kind of taking somebody's spot."

— White participant, Los Angeles

Misinformation, rumors, and incorrect characterizations of the program kept respondents from even beginning an application. Respondents reported a wide variety of perceived restrictions and limitations that they had heard through the grapevine, including the belief that owning a home or car might disqualify them from Medi-Cal coverage, a concern that their estate might have to pay back benefits upon death, a fear that if their income increased at any point while they were covered under Medi-Cal they would have to pay retroactively for doctor's visits, medications, or other health care services. Respondents experienced these perceptions as real impediments to applying.[9]

"What I know is that if you are a homeowner, if you sell it or die, Medi-Cal charges their part."

— Latinx participant, Inland Empire (Spanish)

"My friends have told me if you have Medi-Cal and you buy a house, hold on because they're going to charge you. When you start getting Social Security, they deduct it from there, or if you have a property and you die, they keep the property."

— Latinx participant, Inland Empire (Spanish)

When contemplating whether to apply, respondents were left with many unanswered questions. Even though the answers to some of these questions could be found on the website or through other resources, respondents across race/ethnicity, language, and geography either did not look, could not find them quickly or easily, or had so much conflicting information or beliefs that they did not know how to proceed. Questions included: What will be required of me during the application process? What is the timeline for processing? How will I know where my application stands? Why are my children covered but I am not? How can I prove I don't work? Who counts as being in my household? Whose income should be considered if I am separated but not divorced? What avenues are available to me as a young adult living with my parents or other family? What happens when I turn 26 and can no longer be covered under my parents' insurance? Who can help me and how can I most readily resolve these questions?

Issues with the Medi-Cal Application Process

Respondents were frustrated by delays, lack of clear communication, and lack of follow-up. Those who began the application process decided to do so because they believed they were eligible, and most were prepared to respond to questions and provide documentation. Many grew frustrated or confused by documentation requirements, prolonged waits, and rejections or holds without adequate explanations. Those who were finally told they were ineligible did not understand the reasons behind their rejection. They were not offered any insight into when, how, or under what circumstances they might reapply for Medi-Cal, nor were they encouraged to pursue any other options to secure coverage. Some reported questions and requests for information that seemed excessive (60 days of daily income information for a self-employed applicant) or felt inappropriate (questions about cash payments, homelessness). It is important to note that these challenges were universal and not limited to those with limited English proficiency.

"Since I've gone through that myself and didn't have any help whatsoever, it was just one thing after another trying to go through hoops. And turn it in."

— White participant, Los Angeles

"I don't trust them because it's a long, drawn-out process . . . you do everything they say, but then you still have to wait two weeks and then, nothing."

— Black participant, Central Valley

"I sent my [Medi-Cal] application in. They never got it or something, [Social Services] sent me another one, I filled it out and sent it back, and never heard anything. I tried to call one time, stayed on hold for a really long time, and after that, I was done."

— Black participant, Bay Area

For many respondents, providing satisfactory documentation was an obstacle. Respondents described repeated requests for new or different documentation. Many who were self-employed, had fluctuating income, or no income at the moment, were frustrated by a lack of clarity about what constituted adequate proof of income.

"Yes, it was a hard experience. It was months searching for papers, waiting on lines, being told no and having to go back again, make another appointment."

— Latinx participant, Inland Empire (Spanish)

"[I applied] online and then somebody would call, and then you would have to send pay stubs, and then you have to do this. I mean if it is government owned, wouldn't you already have that information? Why are you making us work so hard for it?"

— White participant, Inland Empire

"I haven't applied to Medi-Cal because there's like certain requirements you have to make, and sometimes you don't have access to those requirements . . . they ask you for pay stubs and like three months back, and sometimes you don't have all the paystubs because you're not working."

— Latinx participant, Central Valley

Whether respondents submitted an application to Medi-Cal directly or started with Covered California, next steps and handoffs in the application process were unclear. Many, particularly Black and Latinx respondents, had heard recent ads for Covered California offering inexpensive coverage or increased subsidies, so they started there. Others went directly to their county to apply for Medi-Cal. In either case, the relationship between the two organizations was not clear, and any handoff was not immediately apparent to respondents. In the cases where the parents were denied Medi-Cal but their children were not, there did not appear to be any follow-up or outreach to explain or suggest coverage options to the parents.

"I tried to apply through Covered California and they said no, you have to go to Medi-Cal first. It's confusing. Once you get denied, they won't tell you why. It's frustrating and heartbreaking."

— White participant, Los Angeles

"Although your income may be low, you still [might not] qualify for Covered California, and then they say you can apply for Medi-Cal. Then . . . you go through Medi-Cal, which is usually through the county. You have to qualify according to them, and they may have their own rules. It puts you in a situation where you may not qualify . . . [yet] if you have minors, they may qualify but you don't. That was my experience."

— Black participant, Los Angeles

Regardless of how respondents chose to apply, many found they needed additional personalized assistance but were unable to access it by phone, in person, or online. Many respondents began their application online, some because of personal preference and others because in-person offices were closed during the COVID-19 pandemic. However, when looking for help, most reported long waits on customer service phone lines (if they were even able to get through), no way to track the progress of their application, no follow-up upon rejection of their application, and no guidance on any other options that might be available to them.

"Sometimes you had to wait a long time [on the Medi-Cal customer service line]. Sometimes they don't answer, so you have to leave a voicemail and hopefully they get back to you in a decent amount of time. Sometimes it took them a week or two to get back to me."

— Asian American participant, Inland Empire

"I was on Medi-Cal. I had one good month because I was working in a restaurant. Income fluctuates. It fluctuated up for one month, they canceled me. I called LA County; they gave me no help. There was a backup — I would be waiting three months. She basically treated me like dirt. I have tried multiple times . . . for Covered California, I never get anything back from them. It's been ridiculous. The only way I know is to deal with LA County and get yelled at and treated like trash."

— White participant, Los Angeles

Particular Challenges Associated with Life Transitions and Family Circumstances

People undergoing life transitions face particular challenges navigating Medi-Cal eligibility and enrollment. Many respondents found their ability to obtain or retain coverage was compromised in the course of normal life transitions — turning 19 or 26, giving birth, getting a divorce, adult children leaving or returning to the household, or losing or gaining access to a job and with it, employer-sponsored insurance. In some cases, changes in circumstances likely made them newly eligible for Medi-Cal, but respondents didn't realize it. In other cases, respondents had Medi-Cal or were enrolled through Covered California and didn't know what information they were obliged to convey about changes in their circumstances or what those changes might mean for Medi-Cal eligibility. Despite the moratorium on discontinuances during the public health emergency,[10] several respondents described how, when they experienced life transitions during the past 15 months, they lost their Medi-Cal coverage.

"I had it when I was pregnant. They automatically give it to you when you're pregnant, and then the baby gets it when the baby is born. But after that I was not qualified for it anymore because I made over whatever their expectations were, and I wasn't pregnant anymore."

— White participant, Inland Empire

"I was insured under my mom, and of course when you turn 26 that's it. After turning that age I'm without, and I don't know when I'll be on the market for it, because I also don't make enough. I don't know."

— Mixed race participant, Los Angeles

Resources for Applicants

While much generalized information was available to respondents through multiple channels, there was a distinct lack of one-on-one, personal assistance. Several respondents noted that they had received in-person attention in the past at Medi-Cal offices, but they said that was not available to them during the pandemic.

"With an English form, I worry about making a mistake because sometimes there are some words I don't understand. . . . So if there were assistance from a social worker, it would be easier."

— Chinese participant, Bay Area (Mandarin)

Chinese American and Latinx respondents expressed a desire for clear in-language written materials and verbal support. Several of these respondents noted that written materials in their native language were either unavailable or so difficult to read (bad translations) that they were not at all helpful. While some Latinx respondents reported being able to speak with someone in Spanish, many Mandarin-speaking respondents did not find Chinese-language verbal support by phone. In a few of the follow-up interviews, respondents reported that after their first interview they attempted to check on their status by using the Chinese-language phone service, although wait times continued to be problematic. Due to a lack of well-publicized, accessible, understandable in-language

options, many non-English-speaking respondents tended to rely on friends, family, or trusted professionals with better English skills, which in many cases increased the amount of misinformation, rumors, and innuendo they were exposed to.

"They said with my situation I can apply for white card. My friend said you can go in to apply in person (at the white card agency). They say, 'Why are you here?' They did not allow you to apply. And the person did not speak Chinese. And I could speak very little English. For insurance so much specific terminology I did not understand. That's why I didn't (continue)."

— Chinese participant, Los Angeles (Mandarin)

"I called and asked for a Spanish-speaking agent, and they just answered in English, and then [my mom] went to the office to ask for the packet, and that's how she sent it by mail, and at the end, they denied us."

— Latinx participant, Inland Empire (Spanish)

It is important to note that after a short conversation with the survey moderator about their Medi-Cal journey, several respondents decided to try again or apply for the first time. This suggests that a trusted professional who is willing to walk through the process with potential applicants, address some basic questions, and engage respectfully with the applicant could have considerable value and impact.

"My curiosity is piqued, so I feel like I would do a simple Google search and read more about what options I did have. Prior to this conversation I was not thinking about health insurance."

— Mixed race participant, Los Angeles

"After this conversation, I've analyzed it and we're getting older, and you get sick and if you don't have coverage, what are you going to do? If we don't have our health, we don't have anything."

— Latinx participant, Los Angeles (Spanish)

Observations and Recommendations

Despite California's deep commitment to expanded Medi-Cal eligibility and its efforts to improve handoffs across programs, respondents' efforts to understand and enroll in Medi-Cal were stymied by the realities of Medi-Cal eligibility rules, enrollment systems, processes, and practices. Respondents wanted to hear that affordable coverage is there for struggling individuals and families when they need it, and they were generally aware that Medi-Cal helps provide a coverage safety net for many Californians. But their experiences, including unsatisfactory customer service, inflexible income documentation requirements, poor follow-through, and confusing and complex rules, communicated something quite different: that Medi-Cal did not welcome nor was it designed for "people like me."

California is in the process of implementing several Medi-Cal changes that hold promise for addressing some of these challenges (see box). By complementing these changes with additional efforts, California could make Medi-Cal enrollment more accessible and welcoming. First, California can take advantage of existing flexibilities under federal law to better recognize people's work and living arrangements and their normal life transitions. Simplifying Medi-Cal documentation requirements and extending continuous eligibility for 12 months at a time would make it easier for eligible Californians to obtain and maintain Medi-Cal when they need it. Second, California should make operational investments to improve the consumer experience of Medi-Cal, beginning with foundational investments and training to ensure that all applicants are treated with respect. California can also take specific steps to combat misinformation, improve coordination between Medi-Cal and Covered California, and ensure accountability across all application channels.

Emerging Medi-Cal Changes

California has taken recent action to streamline and expand eligibility for Medi-Cal in several ways. When fully implemented, these changes should help to address some of the challenges respondents identified. Emerging Medi-Cal changes include the following:

- **Accelerated enrollment.** Accelerated enrollment (AE) allows people to be immediately enrolled in Medi-Cal based on the self-attested income and other information they provide on their application, enabling them to get coverage while their information is being verified for final eligibility determination by their county. California adopted AE for children in 2002[11] and is in the process of extending it to adults as the result of a legal settlement.[12]
- **Continuous eligibility.** California plans to extend continuous eligibility for pregnant women for 12 months postpartum. This change will take effect no sooner than April 1, 2022.[13]
- **Older adult expansion.** California will expand Medi-Cal to all income-eligible adults age 50 or older, regardless of immigration status. This change will take effect no sooner than May 1, 2022.[14]
- **Removal of asset test.** California will raise and eventually eliminate the limit on resources, including property and other assets, used in determining Medi-Cal eligibility for seniors and people with disabilities. The asset test will be fully eliminated no sooner than January 1, 2024, but the limit will rise significantly no sooner than July 1, 2022.[15] Under the Affordable Care Act, as of 2014, this limit was already eliminated for Californians who qualify for Medi-Cal based on Modified Adjusted Gross Income (MAGI).[16]
- **Testing of translated materials.** California's enacted budget for fiscal year (FY) 2021–22 includes funding to support field testing of translated Medi-Cal materials to ensure they are understood by the intended audience.[17]
- **Transition to CalSAWS and BenefitsCal.** California's 58 counties are in the process of designing, developing, and implementing the California Statewide Automated Welfare System (CalSAWS), an automated, integrated eligibility and case management system to support key public assistance programs, including Medi-Cal. All counties will operate under the single CalSAWS system by 2023.[18] By the same date, consumers in all counties will use a new portal at benefitscal.com.

In addition, California will return to annual Medi-Cal renewals once the current moratorium on discontinuances ends. California's enacted budget for FY 2021–22 includes funding to support post–public health emergency redeterminations.[19]

Adopt Policies That Recognize Typical Circumstances and Life Transitions

Many respondents were most interested in affordable coverage options when they were going through normal life transitions, such as having a child, changing jobs, or becoming an independent adult. They reported many ways in which rigid Medi-Cal eligibility rules and requirements made it difficult to navigate under these changing personal circumstances, making it hard for them to gain and maintain coverage when they needed it most. Many of the obstacles reported by respondents could be addressed by Medi-Cal eligibility policy changes in two areas: simplifying documentation requirements and extending continuous eligibility.

Simplify Documentation Requirements

Many respondents were baffled by eligibility rules and unsure what income documentation was required, found income document requirements to be unreasonable and challenging to fulfill (especially for those with fluctuating income or irregular sources of income), or submitted what they believed was adequate income documentation yet were denied Medi-Cal coverage. Based on these respondent experiences, California program administrators and policymakers should take advantage of policy opportunities to reduce documentation-related barriers.

California is already on a path toward AE for all MAGI populations (see box on previous page). When fully implemented, this change should help people screened as likely eligible for Medi-Cal to get enrolled in coverage as soon as possible after they submit their application, thus reducing the chance they will remain uncovered while they are in the process of providing requested documentation.

Even with AE in place, however, California's documentation requirements may continue to be a barrier to enrollment. If information submitted on initial applications is not "reasonably compatible" with verifying information (e.g., data that Medi-Cal already has or can get from electronic data sources such as the Federal Data Services Hub), people may still be required to provide documentation in order to stay enrolled in Medi-Cal. People unable to provide that documentation may lose Medi-Cal due to minor discrepancies between self-attested information and electronic information. Without undermining program integrity goals, California can adjust its "reasonably compatible" standard to minimize unnecessary burdens on Medi-Cal beneficiaries and program administrators and reduce the potential for eligible people to be denied Medi-Cal based on failure to comply with documentation requirements.[20]

Extend Continuous Eligibility

Respondents reported many ways in which their changing life circumstances impacted their health coverage options. The potential of churning through Medi-Cal's complicated eligibility process every time they added a family member, gained hours, changed jobs, or otherwise went through everyday life experiences was a serious burden — and involves significant administrative cost. Continuous eligibility (CE) addresses these challenges by providing a fixed period of enrollment, typically 12 months, when a person is determined eligible. At the end of this period, the person must complete standard renewal processes.

California currently provides 12 months of CE for children and is on a path of extending 12 months of CE for postpartum women (see box on previous page). Under existing federal authority, California could seek a waiver to extend CE to all Medi-Cal beneficiaries. If additional federal opportunities to extend CE become available, California should adopt them. (See Appendix C for more information about federal policy opportunities.) Regardless of the path, California should prioritize the policy of continuous eligibility to reduce gaps in coverage.

Invest in Improving the Medi-Cal Consumer Experience

Respondents reported many frustrations with their Medi-Cal experience, not all of which can be solved through the policy changes identified above. California should also invest in a coordinated set of operational improvements aimed at making the program more welcoming, inclusive, and supportive for Californians in need of affordable coverage options. The state should ensure a fundamental principle underlies all program operations: That all applicants be treated with respect. California should also take specific steps to combat misinformation, improve coordination between Medi-Cal and Covered California, and ensure accountability for desired results across all application channels.

Ensure All Applicants Are Treated with Respect

An overarching concern is that some respondents, particularly Black and Latinx respondents, felt that they were treated with suspicion and disrespect as they explored or moved through the application process. Some respondents associated a negative stigma with Medi-Cal, which was reinforced by unsatisfactory customer service. In a state whose population is extraordinarily diverse, in a Medi-Cal program whose enrollment is 50% Latinx and majority people of color, and at a time when the impact of structural racism and health inequities could not be clearer, addressing these issues is imperative. California should continue to invest in efforts to ensure that Medi-Cal is a welcoming, supportive program administered in a respectful and culturally competent manner. Specific opportunities include the following:

- Review and refine program materials, including consumer-directed materials and training materials for all state, county, and community-based personnel involved in the eligibility process, to promote communications and customer services that are welcoming to eligible people, inclusive of all races, ethnicities, and languages.
- Engage in a concerted training and performance improvement effort for all personnel affiliated with the Medi-Cal program who interact with consumers (e.g., county staff, Covered California customer service, community-based enrollment assisters) to promote a supportive eligibility experience. Mandate anti-bias training, as was recently done for CalWORKS staff, and include trauma-informed approaches to eligibility and enrollment that will help to support and engage particularly vulnerable populations.[21]
- Ensure that funding, customer service options, and performance measures are consistent with customer service goals. Opportunities for improvement include the following:
  - Ensure continued funding and support for community-based assisters who bring trust and cultural connection to target populations. The Medi-Cal Health Enrollment Navigators Project is scheduled to terminate on March 31, 2022.[22]
  - Recalibrate funding and performance measures to support a unified view of the eligibility process, emphasizing at every stage and across all involved organizations and personnel that the desired outcome is to connect individuals and families to affordable coverage. See below for further discussion of accountability mechanisms.

Improve Communications to Combat Misinformation About Medi-Cal

The California Department of Health Care Services (DHCS), Covered California, county social services organizations, and assisters provide a great deal of information and many kinds of support for people seeking enrollment in Medi-Cal. However, respondents offered many examples in which, despite considerable effort, they didn't find the information they needed or were left with misconceptions that prevented them from enrolling in Medi-Cal. To make it easier for potential enrollees to obtain accurate information about Medi-Cal, these organizations and individuals should:

- Avoid terms that do not align with potential applicants' self-perceptions. Many people who meet income qualifications do not see themselves as "low income" or "poor." Avoiding those terms (and their accompanying stigma) would make it easier for potential applicants to see Medi-Cal as a program intended for them.

- Work to dispel preconceptions that Medi-Cal is only for certain groups: for example, for mothers and children, or for people with disabilities or people experiencing homelessness or unemployment.

- Assure that messages are understandable and usable by applicants and potential applicants. This includes ensuring communications are accessible, communicated at appropriate literacy levels in multiple languages, and have been tested with intended recipients.

- Consider ways to elevate and simplify messages on core topics such as:
  - Medi-Cal is free (no premium, no cost sharing) for most people.
  - A family of three with an annual income up to $30,000 can qualify, even if you own a home or have other resources.
  - For purposes of income qualification, your household includes everyone you report on your taxes and only those people. This needs to be made clear particularly for young adults who live with their parents but file their own taxes and are not dependents on their parents' returns.
  - People can apply for and enroll in Medi-Cal year-round. Unlike private insurance, there is no fixed annual open enrollment period.
  - Medi-Cal includes coverage for medical, dental, vision, prescription drugs, supplies, transportation, mental health, and more.
  - Medi-Cal can help if you are between jobs or lose other health coverage.

- Conduct user testing to assess how enrollees that fit "typical" use cases encounter available web resources. Identify how information is overlooked or misinterpreted and refine messages and improve information placement accordingly.

- Use channels and messengers most likely to reach and be trusted by target audiences, including community-based organizations that help to connect individuals and families to a wide range of supports, including but not limited to affordable health coverage options.

These communications efforts and materials should be informed by research that identifies meaningful messages for and effective means of reaching target audiences, including opportunities to improve the content of online information and applications.

Improve Coordination Between Medi-Cal and Covered California

In implementing the Affordable Care Act, California established new entities, systems, processes, and options aimed at helping people connect to and maintain affordable coverage, even as their circumstances change over time. Achieving this goal requires excellent coordination between Medi-Cal and Covered California across the different channels (including online, phone, paper, and in person) and entities (including state, county, health care provider, and community-based organizations) that applicants may engage in their coverage efforts. Opportunities to improve coordination include the following:

- *Application status tracker.* Applicants and all who are authorized to assist them (including county workers, certified assisters, and Covered California customer service representatives) should have access to the same reliable information about an application's status, regardless of whether the application includes people ultimately found eligible for Medi-Cal or Covered California. Medi-Cal and Covered California should jointly develop an application status tracker that is commonly available through all Medi-Cal and Covered California

customer support channels (online, phone, and in person) and provides complete, individualized information about timing and anticipated next steps throughout all application and renewal processes. The tracker should promote transparency about the verification process, including what documents are being requested and why, whether and when they were received and by whom, whether and when they've been reviewed, and whether they are satisfactory or additional information is needed, and where and how to follow up. Such a tracker is consistent with current state law: "The individual shall be informed about how to obtain information about the status of his or her application, renewal, or transfer to another program at any time, and the information shall be promptly provided when requested."[23]

- *A phone number people can call to learn the status of their application.* All Medi-Cal applicants should be able to call a number and find out what the status of their application is, even if they are not talking to the eligibility worker handling their application. If documentation is missing, the person answering the call should be able to provide guidance to the applicant about how to submit what is needed, including telephonic reports instead of paper verifications whenever an applicant prefers to complete the process by phone.

- *Support at transition points.* Medi-Cal and Covered California should develop joint protocols to support people experiencing predictable changes in individual or family circumstances that may affect eligibility, such as someone with income above 138% FPL who is enrolled in Medi-Cal and will soon be turning 19, so that they do not experience a gap in coverage. Respondents provided multiple examples of how their experience did not meet their expectation of or need for such support. Ensuring smooth transitions "without any breaks in coverage and without being required to provide any forms, documents, or other information or undergo verification that is duplicative or otherwise unnecessary" is consistent with current state law.[24]

- *User experience improvements across platforms.* Covered California and DHCS have made substantial investments in improving the user experience of CalHEERS (California Healthcare, Eligibility, Enrollment, and Retention System), particularly to address common challenges such as application questions relating to household income. In addition to continuing to refine the CalHEERS user experience, the state should also coordinate efforts to make similar improvements to all other customer support channels, including the emerging CalSAWS system (see box on page 17). In doing so, each channel should be assessed separately, with appropriate tailoring of user experience lessons and best practices from CalHEERS to meet different users' needs in each environment.[25] The state should ensure that these user experience efforts consider users who are underserved or more likely to encounter enrollment barriers. For example, online content and tools should be readily accessible, understandable, and useful to those with preferred languages other than English, and at all literacy levels.

Establish Accountability Mechanisms to Track Enrollment Handoffs and Outcomes

A comprehensive approach to monitoring Medi-Cal enrollment outcomes would be of use to policymakers and program administrators concerned with ensuring that Californians eligible for Medi-Cal benefit from the health access and financial protection the program offers. In particular, California could establish a mechanism for tracking and reporting, through regular data reports and the state's open data portal, enrollment data and program coordination between Medi-Cal and Covered California. A robust process involving consumer perspectives would identify the key outcomes to monitor, which might include indicators such as these:

- Among those who apply via Covered California and are likely eligible for Medi-Cal, what share enrolls in Medi-Cal immediately via AE?

- Among those enrolled in Medi-Cal via AE, what share maintains enrollment in Medi-Cal without a break in coverage after verification issues

are resolved? What share transfers to Covered California without a break in coverage?

- Among those discontinued from Medi-Cal, what share enrolls in Covered California and what share churns back onto Medi-Cal within a year?
- Among those discontinued from Covered California, what share enrolls in Medi-Cal?
- Among those experiencing predictable transition points such as aging out or pregnancy, what share retains Medi-Cal, and what share enrolls in Covered California?

Once key outcomes are determined, a data collection and reporting mechanism should be established to allow analysis by race, ethnicity, preferred language, and region.

Conclusion

California is justifiably proud of the large share of its residents who have gained affordable access to high-quality health care through Medi-Cal. Still, the experiences of respondents interviewed for this project demonstrate that too many Californians eligible for Medi-Cal fall through cracks in the enrollment process for reasons large and small. This report's recommendations, if implemented, would help build a more welcoming and accountable program and increase the likelihood that eligible Californians are enrolled in a timely fashion and remain covered when their circumstances change.

Appendix A. A Note on Methodology

The initial design for the research included both respondents who had attempted to apply for Medi-Cal but were not successful in enrolling, and those who had not attempted to apply in the past year. However, researchers discovered the assumed clear line of demarcation between these groups was blurred in many cases. Several respondents who "attempted to enroll" were found to have done so years earlier, while several who "did not attempt" were found to have taken initial steps (i.e., exploring options through the Covered California website or seeking assistance from a broker or social worker) but encountered obstacles before applying or gave up during the application process. Without explicitly seeking them out, cases were also encountered of respondents classified as "attempted to enroll" who had actually been dropped from Medi-Cal without understanding why. Some of these tried to re-enroll after losing their Medi-Cal coverage, but most did not.

Study parameters were initially developed in early 2021, nearly a year into the COVID-19 pandemic and shortly after the start of the Biden administration. Throughout the recruitment and interview process, the state of California, and the country at large, was undergoing a period of profound transition in health care and the economy. This included a push to increase access to health care for communities of color, rural and lower income individuals and families, an acceleration in vaccinations, a continuation of enhanced unemployment benefits, new federal subsidies for COBRA (Consolidated Omnibus Budget Reconciliation Act) and increased subsidies for Covered California, increased advertising for Covered California, and a moratorium on discontinuances from Medi-Cal to help recipients stay covered during the pandemic period.[26] State shelter-in-place orders limited people's ability to move about to seek in-person assistance related to Medi-Cal or other social services. These factors, and their potential impact on participants, should be taken into consideration when interpreting the results of the study.

A final contextual consideration is that by design the researchers sought out those who failed to enroll in Medi-Cal despite their likely eligibility for the program. Other valuable insights would be gained by studying the experiences of people who succeeded in enrolling during this period.

Appendix B. Participants, by Area, Race/Ethnicity, Language, and Type of Interview

			NUMBER OF PARTICIPANTS		
	RACE/ETHNICITY	LANGUAGE	FOCUS GROUP	INDIVIDUAL INTERVIEW	TOTAL
Bay Area			**15**	**3**	**18**
	Black	English	3	3	**6**
	Chinese American	Mandarin	12		**12**
Central Valley				**12**	**12**
	Asian American	English		1	**1**
	Black	English		3	**3**
	Latinx	English		3	**3**
		Spanish		4	**4**
	White	English		1	**1**
Inland Empire			**20**		**20**
	Asian American	English	1		**1**
	Black	English	1		**1**
	Latinx	English	3		**3**
		Spanish	11		**11**
	White	English	4		**4**
Los Angeles			**41**		**41**
	Asian American	English	1		**1**
	Black	English	8		**8**
	Chinese American	Mandarin	12		**12**
	Mixed Race	English	1		**1**
	Latinx	English	1		**1**
		Spanish	10		**10**
	White	English	8		**8**
Total			**76**	**15**	**91**

Appendix C. Federal Policy Opportunities

The ACA included many simplifications to eligibility rules, processes, and standards, but it left in place outdated expectations related to income as well as complex requirements regarding immigration status that frustrated and confused many respondents.

Many people with low incomes work intermittently, and many study respondents were employed in the gig economy, were self-employed, had tipped or all-cash income, or had fluctuating work hours. They have difficulty predicting and providing documentation for income that varies over time. Respondents in such circumstances struggle to understand and accurately answer complex application questions. Rules and processes for gathering income information could be simplified and adapted to reflect the fluctuating levels and various types of income common among eligible people. While federal rules provide states some flexibility to simplify income information, broad federal changes would reduce the administrative burden and uncertainty states face in taking advantage of existing flexibility. Options include the following:

- Adopt continuous eligibility for *all* Medicaid populations. Continuous eligibility ensures that people determined eligible can remain covered for 12 months even if their income fluctuates during the year. States currently have the option to allow continuous eligibility for all children, and California has taken advantage of that option. States that want to allow continuous eligibility for adults must do so via a budget-neutral waiver.[27] Federal law could be changed to allow CE for adults as a state option, as it is currently for children, or to make CE mandatory for all populations. Such a change would make it easier for many eligible but uninsured Californians to maintain Medi-Cal coverage.
- Greater reliance on self-attestation of income in conjunction with available data sources when making eligibility determinations, without further request for documentation. States currently have flexibility to define their own standard for determining reasonable compatibility between self-attested information and electronic verifications, and to accept a person's reasonable explanation of a discrepancy outside that standard, without further documentation.[28] Additional federal clarification to minimize the circumstances under which people may be required to provide documentation of income would ease states' fiscal integrity concerns and reduce administrative burden and delays for state agencies and for applicants.

Time to Update Income Eligibility?

Federal income eligibility standards have not been updated for decades and do not reflect living costs in high-cost states such as California.[29] Respondents noted that rent and other core living expenses demanded large shares of their income. Higher federal income eligibility standards would help more struggling Californians gain access to Medi-Cal.

"Another thing I see that's wrong with Medi-Cal is that they base eligibility on what you earn. They don't consider your expenses."

— Latinx participant, Los Angeles

"The number you have to be making . . . might be too low. I'm making just a little bit over that, but I'm by no means in a place where I can afford my own health insurance."

— Black participant, Bay Area

Complex federal and state rules for immigrants also create policy barriers to Medi-Cal enrollment. States have the option — at state expense — to extend eligibility to all otherwise-eligible people regardless of immigration status. California has done so for those below age 26 and is poised to do so for those age 50 and older. The resulting eligibility complexity, coverage gap for some immigrants age 26 to 49, and burdensome federal citizenship and immigration status verification rules all undermine California's aim of reducing the number of uninsured. Expanding federal eligibility to include all people who otherwise qualify, regardless of immigration status, would eliminate these eligibility barriers and help to address the "chilling effect" experienced by immigrants. As a more limited alternative, federal law could be changed to remove the requirement for certain immigrants to meet a five-year waiting period (also called the "five-year bar") before becoming eligible for Medicaid or CHIP (Children's Health Insurance Program). While California already covers people during this waiting period, removing it would increase federal funding for this population and free up state funds to make other Medi-Cal improvements.

Short of permanent, universal policy shifts of these kinds, an alternative would be for the Center for Medicare & Medicaid Services (CMS) to grant California flexibility under state waiver or innovation authority to test options to simplify eligibility and verification requirements regarding citizenship and immigration status.

Endnotes

1. Len Finocchio, James Paci, and Matthew Newman, *Medi-Cal Facts and Figures: Essential Source of Coverage for Millions*, California Health Care Foundation (CHCF) August 2021.
2. "HHS Poverty Guidelines for 2021," US Dept. of Health and Human Services. Prior to expansion under the ACA, Medicaid and Medi-Cal were not available to adults with low incomes unless they met additional criteria (e.g., households including young children, pregnancy, disability). The ACA offered a new provision in which states could elect to expand Medicaid to people who meet immigration criteria based on an income criterion (modified adjusted gross income) alone.
3. Children and young adults up to age 26 who otherwise meet eligibility requirements are eligible for full-scope Medi-Cal, as will be Californians over age 50, starting in January 2022.
4. Updated Guidance Due to the COVID-19 Public Health Emergency Superseding Medil I 20-07 and Medil I 20-08 (PDF), Medi-Cal Eligibility Division Information Letter I 20-25, California Dept. of Health Care Services (DHCS), August 13, 2020. California has suspended Medi-Cal eligibility redeterminations and discontinuances for the duration of the COVID-19 Public Health Emergency. As a result, more people are remaining on the program without breaks in coverage, contributing to higher total enrollment despite a downward trend in new enrollments. See *Medi-Cal Enrollment Update* (PDF), DHCS, July 26, 2021.
5. Miranda Dietz et al., "Undocumented Californians Projected to Remain the Largest Group of Uninsured in the State in 2022," UC Berkeley Labor Center, April 13, 2021. Note that projections do not account for policy changes enacted in 2021, including Medi-Cal expansion to income-eligible Californians age 50 and over regardless of immigration status.
6. *California's Labor Market in the Time of COVID-19: 2021 Chartbook*, UC Berkeley Labor Center, updated July 28, 2021; and Melissa B. Reitsma et al., "Racial/Ethnic Disparities in COVID-19 Exposure Risk, Testing, and Cases at the Subcounty Level in California," *Health Affairs* 40, no. 6 (May 12, 2021): 870–78.
7. Cindy Mann and Adam D. Striar, "Tracking Medicaid Enrollment Growth During COVID-19 Databook," Manatt Health, October 29, 2020.
8. Participants reported income no more than 138% of federal poverty level. For participants 26 and older, self-reported documentation status was citizen / naturalized citizen, lawful permanent resident / green card holder, temporary protected status, asylum, refugee status, U or T visa holder, DACA.
9. "Estate Recovery Program," DHCS, last modified March 23, 2021. The Medi-Cal estate recovery program only affects deceased Medi-Cal members who owned assets at the time of death, were over age 55, and used long-term care or home and community-based services. Many people are exempt or can receive hardship waivers, including people survived by spouses, registered domestic partners, minor children (under age 21), and disabled children of any age.
10. "Updated Guidance," DHCS.
11. Implementation of Accelerated Enrollment (AE) for Children at Single Point of Entry (PDF), All Plan Letter 02-36, DHCS, June 19, 2002; and Jen Flory et al., *Getting and Keeping Health Coverage for Low-Income Californians: A Guide for Advocates* (PDF), Western Center on Law and Poverty, March 2016. In 2002, California adopted Accelerated Enrollment (AE) for children who applied through what was then known as the Single Point of Entry. AE continues to allow children under age 19 who apply through a single, streamlined application and are likely eligible for Medi-Cal based on the information contained in the application to be enrolled right away while the county makes a final Medi-Cal eligibility determination.
12. *Health Care Practice Tip – July 2021: Accelerated Enrollment Now Live for More Medi-Cal Applicants*, Western Center on Law and Poverty, August 3, 2021. As the result of a legal settlement, California additionally extended AE to all adults eligible based on modified adjusted gross income who apply through CalHEERS as of July 1, 2021. In future years, California will make AE available to all applicants, regardless of the application channel they use.
13. Continuous eligibility allows enrollees to stay continually covered throughout a fixed period, typically 12 months from their date of enrollment, even if their income changes. At the end of this period, the enrollee must complete standard renewal processes. California currently has continuous eligibility for children (see "Continuous Eligibility for Medicaid and CHIP Coverage," Center for Medicaid and CHIP Services). California's enacted budget for FY 2021–22 provides 12 months of continuous eligibility for postpartum people (see "Health and Human Services" (PDF), in *California State Budget — 2021–22*, State of California).
14. See "Health and Human Services," State of California.
15. AB 133 § 364 (Cal. 2021–22).
16. Under the Affordable Care Act (ACA), income eligibility for Medicaid, the Children's Health Insurance Program (CHIP), and savings for marketplace health insurance plans is based on modified adjusted gross income (MAGI). Certain people, including those age 65 and older, are not permitted to use the simplified MAGI standard. Their income eligibility must be determined using a different income standard, generally referred to as "non-MAGI."
17. SB 129 § 146 (Cal. 2021–22).
18. More information at California Statewide Automated Welfare System.
19. See "Health and Human Services," State of California.

20. "Reasonable Compatibility Policy Presents an Opportunity to Streamline Medicaid Determinations," Center on Budget and Policy Priorities (CBPP), August 16, 2016.
21. See "Health and Human Services," State of California, p. 10.
22. Phase IV – Additional Funding Opportunities & Project Tasks (PDF), Bulletin 2020-009, DHCS, November 2, 2020.
23. Welf. & Inst. Code § 15926(h)(1).
24. Welf. & Inst. Code § 15926(h)(1).
25. For example, CalHEERS primarily supports Medi-Cal and Covered California, whereas CalSAWS additionally supports CalFresh, CalWORKs, and other public assistance programs. The inclusion of these additional programs promotes individuals' and families' access to more of the supports available to them, but also increases the complexity of capturing information needed to satisfy the programs' differing definitions of household income and other eligibility rules. Thus, lessons learned from CalHEERS can help to inform the CalSAWS user experience, but further user experience efforts will be required. The state should develop mechanisms for sharing user experience research and best practices across platforms so that consumers have a first-class experience in all the channels available to them.
26. "Updated Guidance," DHCS.
27. Jennifer Wagner and Judith Solomon, "Continuous Eligibility Keeps People Insured and Reduces Costs," CBPP, May 4, 2021.
28. 42 CFR § 435.952 (2013); and Reasonable Compatibility Scenarios (PDF), Centers for Medicare & Medicaid Services, accessed July 26, 2021.
29. "Poverty: The History of a Measure," US Census Bureau, January 2014; and Laurel Lucia, "Balancing the Books: How Affordable Is Health Insurance When Local Cost of Living Is Taken Into Account?," June 8, 2016. Federal poverty measures have not been substantially overhauled since President Johnson's War on Poverty in the mid-1960s. In California, variations in local cost of living mean that the level of earnings required to cover basic needs and to afford subsidized health insurance differs dramatically across regions of the state.