

SB 260 (Hurtado): Keeping Consumers Covered

SB 260 would help consumers keep health insurance coverage and avoid coverage gaps when they undergo different life events that cause them to lose health coverage. Everyday Californians may face gaps in coverage because they lose or change jobs, get divorced or become widowed, turn age 26, and undergo other life changes that trigger a loss of insurance coverage. As long as Californians change their insurance whenever they change jobs, move from Medi-Cal to Covered California or employer coverage, get married or face other life transitions, people will continue to experience gaps in coverage. SB 260 would make it easier for Californians to maintain health coverage when faced with life transitions that impact their coverage.

Consumers Lose Coverage During Life Events

The Affordable Care Act helped millions of Californians get coverage through Medi-Cal, Covered California or from an employer. Since 2014, Covered California alone has helped over 3.5 million people get individual coverage and has connected millions of Californians to Medi-Cal coverage. Many of these people actually cycle in and out of that coverage over short periods of time. According to survey data from Covered California, for plan year 2015, 85% of the 1.4 million people that bought coverage in Covered California left the state's exchange because they gained other health coverage either from Medi-Cal or their new jobsⁱ.

Additionally, nearly 113,000 Californiansⁱⁱ will lose Medi-Cal coverage due to the rise in the state minimum wage to \$12 an hour this year. While the increase in wages is long overdue, it also means some Californians will no longer be eligible for Medi-Cal. Some of them may get coverage through their jobs, but many others may not and will need to enroll in Covered California where they could be eligible for subsidies to help pay for their health care premiums

According to a recent [November 2018 study](#),ⁱⁱⁱ about 4 million Californians are estimated to be uninsured in 2020, but about 2 million of them would still be eligible for full-scope Medi-Cal or financial subsidies for Covered California coverage. A [past study done pre-ACA has shown](#),^{iv} one-half to two-thirds of the uninsured move into or out of coverage during that same year. Many of the uninsured experience a work or life transition that involves a decrease of income due to a loss or change in jobs, a reduction or increase in work hours, divorce, disability, or a death of a family member. Even short bouts of uninsurance can lead to long-term negative impacts on health and to family finances.^v

FACT SHEET: SB 260 (Hurtado): Keeping Consumers Covered

SB 260 (Hurtado) Ensures Californians are Insured

SB 260 builds upon existing California law, AB 792 (Bonilla 2012, Chapter 851) that already requires health plans and insurers to send notices about the availability of Medi-Cal and Covered California to consumers who lose their coverage for any reason. Sending a notice of the availability of coverage is a good first step, but we can do more to help people in these transitions. SB 260 makes it easier for Covered California to reach out to consumers who have lost their coverage and helps to minimize any gaps in coverage.

Specifically, SB 260 would require health plans and insurers to transfer a list of people who lose coverage for any reason to Covered California so that Covered California can reach out to consumers directly, inform them of potential financial assistance, and explain available coverage options. Social Security has a similar outreach model whenever someone reaches full retirement age.

SB 260 would also ensure people leaving Medi-Cal can seamlessly enroll in Covered California without gaps in coverage. Currently, people leaving Medi-Cal have just 10 days to pick a plan if they want their Covered California coverage to start on the day their Medi-Cal coverage ends. SB 260 would require Covered California to auto-assign these enrollees into the lowest cost Silver plan option in Covered California and effectuate coverage when the initial premium payment is received. If the consumer pays within a month, they will have no gap in coverage. If the consumer wants other coverage, Covered California can help them choose another plan while avoiding any coverage gaps. However, if the consumer does not need or want coverage, then they can choose not to take any action.

SB 260 (Hurtado) is co-sponsored by Health Access California and Western Center on Law and Poverty. For more information, contact: Mary June Diaz, Health Access California at mjdiaz@health-access.org or Jen Flory, Western Center on Law and Poverty at jflory@wclp.org.

ⁱ Covered California, June 15, 2017 [Executive Director Board Report, Page 12](#).

ⁱⁱ CA DHCS, December 2018, [Medi-Cal Estimate for November 2018, Caseload Changes Identified in Policy Changes](#).

ⁱⁱⁱ UC Berkeley Labor Center, November 2018, [California's Health Coverage Gains to Erode Without Further State Action](#).

^{iv} UC Berkeley Labor Center, March 2011, [Maximizing Health Care Enrollment Through Seamless Coverage for Families in Transition: Current Trends and Policy Implications](#).

^v UC Berkeley Labor Center, October 2011, [Maintaining Health Coverage During Life Transitions](#).

ⁱⁱⁱ UC Berkeley Labor Center, May 2015, [Maximizing Health Insurance Enrollment Through Covered California during Work and Life Transitions](#).