



## FACTSHEET: SB 644 (Leyva)

### Losing Your Job Doesn't Have to Mean Losing Health Insurance: Connecting the Unemployed to Covered California & Medi-Cal

#### As Employment Drops, So Does Health Coverage

In America, jobs and health insurance are closely linked. Because of this, if you lose your job, you often also face losing your health coverage for yourself and your family (unless you can afford expensive COBRA coverage). The Affordable Care Act means becoming unemployed no longer translates into being uninsured until you find a new job. Californians who lose their jobs or income can now find health coverage through Covered California or Medi-Cal. Both provide help in paying for health care depending on income and together serve nearly 15 million Californians.

The COVID-19 pandemic has led to unprecedented job loss and drops in income. The Employment Development Department (EDD) reports that amid the pandemic, 1.3 million more Californians filed unemployment insurance, with women, people of color, younger, and less educated workers experiencing disproportionate rates of job loss.<sup>1</sup> Loss of job-based health coverage can exacerbate health disparities and lead to poorer health outcomes from COVID-19 related illness or delayed care.

Despite significant job loss as a result of the pandemic, both Medi-Cal and Covered California have experienced lower-than-expected enrollment. The latest Medi-Cal data shows a 10% decline in new enrollment compared to the previous year with Blacks, Latinx and Filipinos, disproportionately impacted.<sup>2</sup> Covered California reports an increase of people signing up after losing job-based coverage. Yet the relatively modest increase of only about 150,000 to 200,000 new Covered California enrollees suggests some Californians are forgoing coverage or are not getting connected with the best coverage options.<sup>3</sup> **Aside from affordability, one of the top hurdles to achieving universal health coverage is making sure Californians are aware of their options, especially as they experience transitions in employment and income.**

#### Covered California Best Positioned to Connect Californians to Care

Currently, unemployment insurance checks sent by EDD include a Covered California notice about the availability of health coverage options. However, these are only sent once a claim has been approved, and there is no sharing of information for outreach purposes between EDD and Covered California.



<sup>1</sup> EDD, December 2020.

<sup>2</sup> Medi-Cal Enrollment Update, DHCS Stakeholder Advisory Committee, October 28, 2020. <https://www.dhcs.ca.gov/services/Documents/102820-SAC-Presentation.pdf> <sup>3</sup> Coverage When You Need It: Lessons from Insurance Coverage Transitions in California's Individual Marketplace Pre and Post the COVID-19 Pandemic (PDF), Covered California, September 22, 2020.

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Existing California law allows EDD to share information with almost three dozen state agencies as well as the federal government and unemployment insurance agencies in other states. However, existing law does not allow EDD to share such information with Covered California. If Covered California had contact information for all unemployment applicants, they would be able to conduct proactive, targeted outreach to a population that is likely to benefit from information on coverage options including both Covered California and Medi-Cal.

Covered California already does extensive marketing and outreach in multiple languages. From 2017-2020, Covered California spent as much as or more than the entire federal government on encouraging people to get insured. Their robust enrollment program that includes community-based navigators offering that are culturally and linguistically appropriate assistance. Covered California already gets information from the Franchise Tax Board on those Californians who pay the individual mandate penalty and is able to help connect those Californians to care options.

### SB 644 (Leyva) Can Help Avoid Health Coverage Gaps During a Pandemic

Senate Bill 644 will allow EDD to share information with Covered California for the purpose of outreach on health coverage options. This would include:

- Applicants for Unemployment Insurance, State Disability Insurance and other programs administered by EDD.
- Those who cease to be eligible for EDD-administered benefits since they have exhausted benefits.
- Those who lost employment or hours as reported by employers for payroll withholding purposes.

This policy change would allow Covered California to reach not only those who qualify for unemployment, but also those who apply and are ineligible such as gig workers, those with insufficient hours, or those in the underground economy. It would also give Covered California information about those who lost employment or hours as reported for purposes of payroll withholding, or ran out of unemployment benefits.

Keeping Californians covered with health insurance during a pandemic and beyond helps consumers avoid costly and dangerous gaps in their care, and also ensures patients will seek care when needed, which is essential to getting us all out of this pandemic sooner.

SB 644 is sponsored by the California Pan-Ethnic Health Network, Health Access California and Western Center on Law & Poverty. Advocates can be reached at:

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