

Congressional actions over the last several years have helped lower health care prices for consumers in Orange County and across the state. The Inflation Reduction Act (IRA) extended and expanded financial help for health care premiums for those enrolled in Covered California. This assistance was originally passed in the American Rescue Plan, the federal response to the COVID-19 pandemic. The IRA also implemented prescription drug price negotiation and insulin cost caps for Medicare. The Patient Protection and Affordable Care Act (ACA), passed in 2010, included fundamental changes to the health care system, with a focus on expanding health care coverage through Medi-Cal and health care exchanges like Covered California.

If federal financial help is not renewed, Covered California enrollees in Orange County could see their health premiums spike an average of approximately

**\$1,000/YR**



Prior to the federal premium assistance through the Inflation Reduction Act, California used state dollars to lower premiums. But the IRA provisions far exceeded the state's premium subsidy program, allowing California to shift resources toward reducing out-of-pocket costs. This state program currently invests \$86 million, which will grow to \$165 million annually starting in 2025 to reduce cost-sharing amounts and out-of-pocket maximums for those in Silver-level Covered California plans. Thanks to this assistance, many enrollees have seen their deductibles eliminated and decreases in their co-pays for things from doctor's visits to x-rays. If the Inflation Reduction Act is not renewed this state cost-sharing assistance could be at risk, potentially spiking deductibles as high as \$5,000/year. In Orange County, there are 68,000 enrollees in Silver level coverage that stand to benefit from this cost-sharing assistance in 2025.<sup>v</sup>



**138,000**  
**PEOPLE**

in Orange County benefit from federal subsidies that ensure no one pays more than **8.5% of their income** on health premiums

## Covered California: Potential Impacts to Federal Premium Subsidies & State Cost-Sharing Assistance

California's state-based health care marketplace, Covered California, provides coverage to 162,000 people in Orange County.<sup>i</sup> This includes 138,000 people who benefit from Affordable Care Act and Inflation Reduction Act subsidies that ensure that no one pays more than 8.5% of their income on premium costs<sup>ii</sup> Of this group, 68,000 people pay nothing for their health plans (those who chose Silver level plans and who make under \$36,350 or \$75,000 for a family of four).<sup>iii</sup> If federal assistance through the IRA is not continued, people in Orange County could see their premiums spike an average of over \$1,000 annually.<sup>iv</sup>




**68,000**  
**PEOPLE**

in Orange County with Silver level Covered California plans will benefit from state cost-sharing assistance in 2025

The IRA premium subsidies expire at the end of 2025, but Congressional action is critical now. Covered California is already starting to put together costs and coverage options for 2026, and the longer the subsidies are delayed in Congress, the more likely there will be an impact on consumers.

## Prescription Drug Costs

The IRA allows Medicare to negotiate directly with drug companies to improve access to some of the costliest Medicare Part B and Part D drugs. In addition, the law imposed a \$35 per month cost-sharing cap on insulin for those in Medicare. There are over 569,000 Medicare enrollees in Orange County who could benefit from the drug price negotiation and caps on their insulin costs.<sup>vi</sup>



**569,000**  
**MEDICARE ENROLLEES**  
live in Orange County

## Medi-Cal Expansion

The Affordable Care Act allowed states to expand Medicaid (known as Medi-Cal in California) to people with incomes up to 138% of the Federal Poverty Level (those earning \$20,783/year for an individual, and \$43,056/year for a family of four).<sup>vii</sup> Medi-Cal provides quality, comprehensive health coverage to over 15 million California children, parents, seniors, and people with disabilities and low-income childless adults. Through Medi-Cal, low-income Californians receive preventive care, doctors' visits, hospital stays, medications and other vital services. This federal expansion, along with statewide efforts, has led to another 5 million Californians covered, getting the care they need.<sup>viii</sup> In Orange County, 58,000 adults are eligible for Medi-Cal as a part of these expansions.<sup>ix,x</sup>

**58,000**  
**ADULTS**

in Orange County are eligible for Medi-Cal as a part of federal and state expansions



## Other ACA Protections: Pre-Existing Conditions & Anti-Discrimination Rules

The Affordable Care Act made clear that health insurance providers cannot refuse coverage or charge you more because you have a pre-existing condition. Prior to the passage of the ACA, people were denied health insurance for reasons including asthma, diabetes, cancer, heart disease or even pregnancy. While California has codified these protections into state law, if the ACA is repealed, health insurance providers in some states could return to denying health insurance based on these factors, intensifying the already extreme inequality of health care access throughout the U.S.

Section 1557 of the Affordable Care Act also prohibits insurers from discriminating against a person based on race, color, national origin, sex, age or disability. This guarantees access to in-language health programs and means that health insurers cannot treat people differently because they are pregnant, are unmarried, or are LGBTQ+, ensuring greater equity in our health care.

i. Covered California, "Active Member Profiles: 2024 March Profile"  
 ii. Covered California, "Program Eligibility by Federal Poverty Level 2024"  
 iii. Covered California, "Program Eligibility by Federal Poverty Level 2024"  
 iv. Covered California, "Impact of Enhanced Inflation Reduction Act Subsidies for Covered California Enrollees - March 2024"  
 v. Covered California, "Active Member Profiles: 2024 March Profile"  
 vi. Centers for Medicare & Medicaid Services, "Medicare Monthly Enrollment: April 2024"  
 vii. Covered California, "Program Eligibility by Federal Poverty Level 2024"  
 viii. Department of Health Care Services, July 2024. Medi-Cal at a Glance, April 2024 as of the MEDS Cut-off for July 2024. California Department of Health Care Services.  
 ix. California Health and Human Services Data, "Medi-Cal Adult Expansion"  
 x. This data includes documented adults eligible for Medi-Cal as a result of the federal Medicaid expansion and undocumented adults eligible for Medi-Cal as a result of California-specific expansions in SB 104 (2019), SB 184 (2022), and AB 133 (2021)