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California’s Resistance to Trump’s Sabotage of our Health Care

In the last decade, Californians rallied together to oppose all efforts to repeal and replace the Affordable Care Act (ACA) and cut and cap Medicaid. In 2017, when the Congressional repeal efforts stalled, then-President Trump repeatedly said he wanted to let the ACA “explode.” Threats to many of the key components of the ACA continued through the 2024 Trump campaign, and many are expected to materialize during the second Trump Administration.

During his prior presidency, Trump took a series of steps to sabotage the ACA that led to destabilized insurance markets and a reversal of the historic gains in health coverage we’ve seen in California and nationwide. In response and resistance, then Attorney General Xavier Becerra sued against many of these actions, including attacks on the health care of immigrants (public charge) and women (Title X). California policy leaders took other extraordinary actions to protect its residents and our health system so consumers would not lose coverage, premium spikes were prevented, and health plan choices stayed in the market. These efforts build on several dozen laws enacted in California between 2010 and 2014 to implement and improve on the ACA.

Summarized below are the actions California has taken to protect consumers and our state’s individual market.

TRUMPCARE	CALIFORNIA’S RESISTANCE
Federal marketplace outreach, enrollment, and marketing budget was slashed by 90%, from \$100 million to \$10 million for the entire country.	As a state-operated exchange with its own revenue sources, Covered California increased its own outreach, enrollment, and marketing budget to \$120 million in 2024–25.
CMS “Market Stabilization Rule” cut the annual open enrollment period in half , from 90 days to 45 days.	California enacted AB 156 (Wood, 2017), which maintains CA’s existing 90-day annual open enrollment period , providing consumers with adequate time to shop, compare, and choose the best health plan option.
The Trump Administration stopped payments for cost-sharing reduction (CSR) subsidies , and Congress has yet to appropriate permanent funding for these payments.	California currently invests \$85 million, which will grow to \$165 million annually starting in 2025 to reduce cost-sharing amounts and out-of-pocket maximums for enrollees 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.
The Trump Administration rolled back ACA rules that required employers to provide contraceptives in their health plans with no out-of-pocket costs, allowing employers to interfere with women’s health care based on a moral or religious objection.	California law required health plans, regulated by the state, to cover contraceptives as a guaranteed benefit and a no-cost preventive service (SB 1053, Mitchell 2014). Unfortunately, over 6 million Californians in employer self-funded health plans do not receive this protection because of federal pre-emption of those plans.



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<p>President Trump signed an executive order that promoted "junk insurance" plans which undermine protections for people with pre-existing health conditions and destabilize the individual and small group markets. The rule expanded the availability of junk coverage—like short-term insurance and association health plans. These are not subject to the ACA's rules like providing comprehensive coverage and essential health benefits.</p>	<p>California was the first state in the nation to outright ban the sales of short-term insurance plans (SB 910, Hernandez 2018), protecting people with pre-existing conditions and ensuring the continued coverage of essential health benefits.</p> <p>California also limited the formation of association health plans (AHPs) by enacting SB 1375 (Hernandez, 2018). The law prevents those with their own AHPs from expanding and made sure that newly formed AHPs meet ACA market rules and consumer protections.</p>
<p>The Trump Administration, through CMS, changed federal rules making it easier for states to lower standards that would allow more money to go to insurance company overhead and profits and less to medical care.</p>	<p>California enacted a law to ensure the value of health coverage is preserved by requiring insurers to spend at least 80 cents out of every premium dollar on health care and limiting insurer overhead and profits (AB 2499, Arambula 2018).</p>
<p>The Federal Centers for Medicare and Medicaid Services has been pushing states to apply for waivers that would require Medicaid recipients to work in order to receive benefits. "Work requirements" in Medicaid are shown to lower enrollment in the vital health care program, and in some cases kicks tens of thousands off coverage.</p>	<p>California enacted SB 1108 (Hernandez) in 2018 to prohibit the state from pursuing waivers that make it harder for low-income people to enroll in Medi-Cal.</p>
<p>Congress zeroed out the penalty for not having health care insurance in 2017. This destabilized our marketplace, and contributed to nearly half of the average rate increase in premiums (at least 3%) in 2019.</p>	<p>The 2019–2020 California Budget re-instated a state-level health care coverage mandate, similar to the one in the ACA. In 2024, Covered California announced that health plans and rates for the 2025 coverage year will have a preliminary weighted average rate increase of 7.9%. However, because of the robust financial help available to many Covered California enrollees, many will see a small impact, if any, to their monthly cost.</p>
<p>Previous threats to the ACA would have undermined many of its most basic consumer protections that millions of Californians have come to rely upon.</p>	<p>In 2020, Governor Newsom signed SB 406 (Pan) to codify into California law existing ACA provisions to maintain prohibitions on lifetime coverage limits. Before the ACA, consumers sometimes faced devastating costs if the cost of their care exceeded the annual or lifetime limit.</p> <p>California also codified protections against cost sharing for preventive services. In the past, some insurers failed to cover preventive care because in their view, health insurance was only intended to cover illness or injury, not to prevent illness. Because of this, California has long required that health insurers and health plans cover most preventive services.</p>



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<p>The Trump Administration rewrote Section 1557 of the Affordable Care Act, the law's civil rights provisions. Section 1557 provides nondiscrimination protections in health care, based on race, ethnicity, language, sex, gender identity, sexual orientation, religion, and many other classes.</p> <p>The Trump Administration made it easier for doctors, hospitals and insurance companies to deny care or coverage to transgender people and people seeking the full range of reproductive services including abortion. Additionally, the rule weakens federal notification requirements for Limited English Proficient (LEP) individuals by no longer requiring plans and providers to give notice and taglines with information about how to access language assistance in one's native language. The rule also narrowed the scope of Section 1557 by exempting most private health plans from compliance, stating that health insurance companies are not "principally engaged in the business of providing healthcare."</p>	<p>California's Unruh Civil Rights Act provides protection from discrimination by all business establishments in California, including hospitals, clinics, insurance companies, and other health care providers, on the basis of a person's sex, gender identity, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status.</p> <p>In 2017, California enacted SB 223 (Atkins) to require insurance plans to notify their members of the state's stronger anti-discrimination protections and the availability of free language assistance services in the top 15 languages spoken by Californians.</p>

While California has codified many of the current protections in law, we are still at risk. If implemented by a Trump Administration, Project 2025, the Heritage Foundation's conservative policy initiative to reshape the federal government, would end federal funding for the Medicaid expansion, and would repeal the Inflation Reduction Act (IRA) prescription drug provisions and premium subsidies that are saving Americans thousands of dollars in health care. If federal funding for the Medicaid Expansion is eliminated, five million Californians, about 1 in 3 enrollees, would lose their Medi-Cal coverage. If premium tax subsidies in the IRA that expire in 2025 are not renewed, or the financial premium help in the ACA taken away, 1.7 million in Covered California would see annual premium increases of a thousand dollars or more. House Republicans have also proposed converting Medicaid funding into a block grant to the states and removing federal protections in the insurance market.

While legal and other threats are expected to continue, our previous state actions show that if we can keep Medicaid, Medicare, and the framework and financing of the Affordable Care Act intact, California has demonstrated the will and the wherewithal to protect consumers from Trump's systemic sabotage of our health care system. We will renew these efforts in a second Trump presidency.