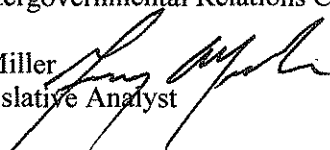


REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: April 22, 2014

TO: Honorable Members of the Rules, Elections and
Intergovernmental Relations Committee

FROM: Gerry F. Miller 
Chief Legislative Analyst

Council File No.: 14-0002-S36
Assignment No.: 14-03-0222

SUBJECT: Resolution (Cedillo-Fuentes) to Support Senate Bill (SB) 1005 to expand health care coverage for all Californians, regardless of immigration status.

CLA RECOMMENDATION: Adopt Resolution (Cedillo-Fuentes) to include in the City's 2013-2014 State Legislative Program SUPPORT of SB 1005 (Lara) which would expand access to health care coverage for all Californians, regardless of immigration status.

SUMMARY

Resolution (Cedillo-Fuentes) states that in March 2010, President Barack Obama signed into law the *Patient Protection and Affordable Care Act (ACA)* to ensure that all Americans have access to quality, affordable health care. The Resolution also states that according to the Congressional Budget Office, the Affordable Care Act is fully paid for and will provide coverage to 94 percent of Americans. According to the Resolution, under the Affordable Care Act, consumers may choose a health plan and may not be denied or dropped from coverage due to pre-existing conditions. The Resolution indicates that the Affordable Care Act specifically denies health care coverage to undocumented immigrants. According to the Resolution, on February 13, 2014, Senator Ricardo Lara introduced SB 1005 to expand access to health care coverage to all Californians, regardless of immigration status. The Resolution notes that up to four million Californians will be uninsured after full implementation of the Affordable Care Act. The Resolution concludes the City of Los Angeles should support SB 1005 inasmuch as access to preventive care keeps people healthier by providing regular check-ups, screenings and early diagnosis of health problems. The Resolution, therefore, recommends support of SB 1005.

BACKGROUND

On March 28, 2014, Resolution (Cedillo-Fuentes) was introduced to support SB 1005 which would expand health care coverage for all Californians, regardless of immigration status. With the implementation of the Affordable Care Act, many of the California's uninsured would have greater access to health care coverage, however, the ACA specifically denies coverage for undocumented immigrants. Pursuant to federal law, Covered California (California's Health Benefit Exchange) also excludes undocumented immigrants from health care coverage. As further explained below, university studies have found that of the four million who will remain uninsured, approximately 300,000 are young adults who are eligible for temporary work authorization and deferred deportation by the federal government. According to the author, SB 1005 would help close the gap for the many uninsured Californians who would have greater access to health care services.

Academic Research Study

A joint study by the UC Berkeley Center for Labor Research and Education, the UCLA Center for Health Policy Research and the UCSF Philip R. Lee Institute for Health Policy Studies reports that while millions of Californians are expected to gain health insurance coverage under ACA, between three and four million Californians are predicted to remain uninsured. Of these, approximately one million are undocumented immigrants who are not eligible for federal coverage options under the ACA. The study indicates that included in the one million are approximately 300,000 teenagers and young adults who are eligible for or have been granted Deferred Action for Childhood Arrivals (DACA).

Deferred Action for Childhood Arrivals (DACA)

The DACA program provides temporary work authorization and relief from deportation for undocumented immigrants who arrived in the U.S. before the age of 16, were under the age of 31 as of June 2012, and are currently

attending school or have obtained a high school diploma. The study estimates that there are approximately 300,000 Californians eligible for DACA. These individuals are excluded from coverage through federally-subsidized health programs such as Medicaid or the new insurance options offered under the ACA. The authors of this study indicate that closing the gap in coverage for teens and young adults granted DACA would reduce the state's uninsured population, increase access to needed care, and reduce the burden of providing treatment for more severe medical conditions.

Affordable Care Act

On March 23, 2010, President Obama signed the Affordable Care Act into law to improve access to affordable health coverage for qualifying individuals and protect consumers from potential abusive practices by insurance companies. The ACA requires each state to establish an American Health Benefit Exchange (Exchange) that facilitates the purchase of qualified health plans by individuals and employers who meet specified criteria. Under the ACA provisions, undocumented immigrants may not be covered under a health plan offered through an Exchange.

"Covered California" – California's Health Benefit Exchange

The ACA created state-based health insurance exchanges whereby states can choose to operate their own exchanges or participate in a multi-state exchange. California chose to operate its own exchange, known as "Covered California" wherein individuals and small businesses can get access to affordable health insurance plans. Covered California helps individuals determine whether they are eligible for premium assistance which is available on a sliding-scale basis to reduce insurance costs; or whether they are eligible for low-cost or no-cost Medi-Cal. In addition, small businesses can purchase competitively priced health insurance plans and offer their employees the ability to choose from an array of plans or determine if they qualify.

Healthy Way LA - Los Angeles County

The Los Angeles County Department of Health Services offers health care services at no cost to eligible low-income, uninsured residents of Los Angeles County. Benefits include all primary and preventive care services, access to mental health services and other services. Programs like these help close the gap for those without access to health insurance. However, undocumented immigrants are ineligible.

SB 1005 Proposal to Provide Health Care Coverage to All Californians

SB 1005 would create the California Health Exchange Program For All Californians to facilitate the enrollment into qualified health plans of individuals who are not eligible due to their immigration status. The bill would provide premium subsidies and cost-sharing reductions to eligible applicants similar to the Exchange. Federal Medicaid Program provisions prohibit payment to a state for medical assistance furnished to an individual who is not lawfully admitted for permanent residence in the United States. SB 1005 would help close the gap and require that insurance coverage for undocumented immigrants be provided only with state funds. The bill establishes a trust fund but does not identify funding for the program. The author's office has indicated that cost information about the implementation of SB 1005 or any potential cost savings is not available at this time.

Conclusion

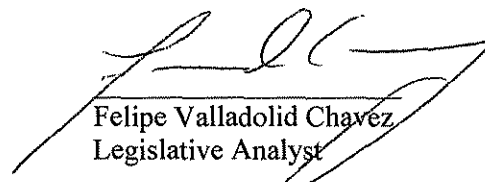
Based on the potential savings to the state for providing regular check-ups, screenings and early diagnosis of health problems and thereby decreasing the need for emergency treatment or treatment of more serious medical conditions, we recommend support of SB 1005.

BILL STATUS

SB 1005

Introduced and referred to Senate Health Committee

February 13, 2014



Felipe Valladolid Chavez
Legislative Analyst

Attachments: 1) Resolution (Cedillo-Fuentes)
GFM:fvc

RESOLUTION

RULES DE LA COMISION DE INTERMUNICIPAL DEL ESTADO

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, state or federal government body or agency, must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, in March 2010, President Barack Obama signed into law the *Patient Protection and Affordable Care Act* (Affordable Care Act) to ensure that all Americans have access to quality, affordable health care; and

WHEREAS, according to the Congressional Budget Office, the Affordable Care Act is fully paid for and will provide coverage to 94 percent of Americans; and

WHEREAS, under the Affordable Care Act, consumers may choose a health plan and may not be denied or dropped from coverage due to pre-existing conditions; and

WHEREAS, the Affordable Care Act also expanded Medi-Cal coverage to include individuals and families under 138 percent of the federal poverty level; and

WHEREAS, the Affordable Care Act specifically denies health care coverage to undocumented immigrants; and

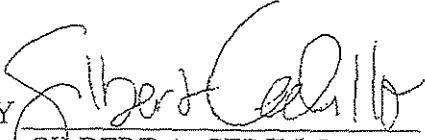
WHEREAS, on February 13, 2014, Senator Ricardo Lara introduced Senate Bill (SB) 1005 which would expand access to health care coverage to all Californians, regardless of immigration status; and

WHEREAS, recent estimates by the proposer of the bill indicate that up to four million Californians will be uninsured after full implementation of the Affordable Care Act; and

WHEREAS, according to the author of SB 1005, access to preventive care keeps people healthier by providing regular check-ups and screenings, and early diagnosis of health problems; and

WHEREAS, the City of Los Angeles should support legislation that provides health insurance and access to medical care to all sectors of our communities;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles, hereby includes in its 2013-2014 State Legislative Program, SUPPORT of Senate Bill 1005 (Lara) which would expand access to health care coverage for all Californians, regardless of immigration status.

PRESENTED BY 
GILBERT A. CEDILLO
Councilmember, 1st District

SECONDED BY 

fvc
MAR 28 2014