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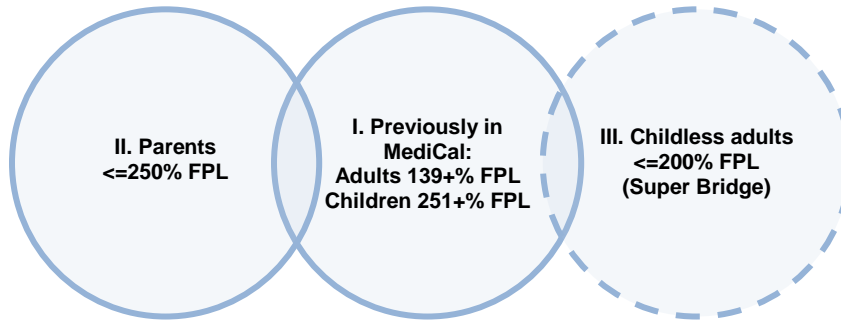
## Memorandum

To: Covered California  
 From: Miranda Dietz and Ken Jacobs  
 Re: Eligibility estimates for Medi-Cal Managed Care Bridge Plans, April-Dec 2014  
 Date: February 19, 2013

Covered California is considering offering Medi-Cal Managed Care Bridge Plans to encourage continuity of care and provide low cost options on the Exchange for low income Californians. Starting in April 2014, these plans would be offered to:

- I. Individuals who were previously in Medi-Cal but whose incomes have increased such that they are no longer eligible for Medi-Cal;
  - II. Parents in families with children enrolled in Medi-Cal/CHIP;<sup>1</sup>
- and, under the so-called “Super Bridge” option,
- III. Childless adults with income at or below 200% FPL.<sup>2</sup>

### Medi-Cal Bridge and Super Bridge Eligible Populations



From April to December 2014, we estimate 670,000—840,000 Californians would enroll in Covered California and be eligible for a Bridge Plan, and an additional 240,000—420,000 would be eligible under the Super Bridge option, for a total of 920,000—1,310,000. To make our estimate, we predict the number of people in each of the three groups over the course of the nine months in which the Bridge is available in 2014, and then subtract the overlap, i.e. making sure that a parent whose income goes from 100% FPL to 150% FPL is only counted once, even though she would fall into both group I. and group II. This estimate includes those who are predicted to enroll in the Exchange in 2014 and would ever be *eligible* to choose a Bridge Plan in the course 2014, but does not estimate the number of people expected to *enroll* in a Bridge Plan instead of choosing another Qualified Health Plan. Because this population involves transitions from one income group to another, the estimate is for over the course of 2014, not a point in time. As such, the estimate includes people who would only be eligible for the Bridge option for a short amount of time.

<sup>1</sup> We assume that the existence of a new plan in April would count as a qualifying event, so that those already enrolled in Covered California who would be eligible for the Bridge Plan could switch when the plan becomes available in April 2014.

<sup>2</sup> In the Super Bridge income range, children would be in Medi-Cal and parents would be in the family member of a child in Medi-Cal/CHIP eligibility category

This analysis relies on Exchange enrollment estimates from CalSIM,<sup>3</sup> but does not include estimates of the number of additional people who might enroll in the Exchange due to lower premiums. Analysis of the Basic Health Plan, which assumes even lower premiums than those anticipated for Bridge Plans, provides an upper bound point-in-time estimate of 60,000-120,000 *extra* enrollees in the Exchange that this low-cost offer may attract.

### **I. Previously in MediCal**

Analysis based on the Survey on Income and Program Participation and CalSIM suggests that, of likely MediCal enrollees at a point in time, 14.6% of them have income increases to 139-400% FPL over the course of 12 months and would be eligible for subsidies in the Exchange.<sup>4</sup> Assuming that this income volatility occurs at a constant rate, April – December would yield  $\frac{3}{4}$  as much volatility, or 11.0% with income increases to 139-400% FPL over the course of the nine months. For this analysis we assume the vast majority of those who lose eligibility for Medi-Cal due to income increases will enroll in the Exchange; the actual take up rate will depend in part on the strength of outreach to this population. Accounting for the different threshold for adults (138% FPL) and children (250% FPL) but assuming similar rates of income volatility, and accounting for volatility among those who join MediCal throughout the nine months, we estimate **570,000 – 630,000** people who were in MediCal at some point April – December 2014 will transition to a higher income and become eligible for the Exchange with subsidies, including the Bridge Plan.

### **II. Parents at or below 250% FPL**

Using CalSIM we estimate that in 2014 at a point in time, 160,000 – 260,000 parents will have incomes at or below 250% FPL and be enrolled in the Exchange with subsidies.<sup>5</sup> Monthly churn for the Exchange has been estimated at 5-6%. Applying this rate of churn results in **230,000 – 400,000** parents who are ever at or below 250% FPL and enrolled in the Exchange with subsidies in April – December 2014. These parents are expected to enroll in the Exchange and would be eligible for the Bridge Plan.

Next we estimate how much overlap there is among this population of parents in the Exchange with incomes at or below 250% FPL and people who were previously in MediCal (groups II and I). Using 2014 CalSIM estimates of the number of parents in MediCal and the estimate that 12.5% of those starting under 139% FPL have income fluctuations to 139-250% FPL over the course of a full year, we predict that **120,000 – 140,000** parents will transition from MediCal to 139-250% FPL from April – December 2014 and will thus be part of both groups.

### **III. Childless Adults 139-200% FPL**

Using CalSIM we estimate 220,000 – 340,000 childless adults will have incomes at or below 200% FPL and be enrolled in the Exchange with subsidies in 2014 at a point in time.<sup>6</sup> Applying the monthly churn estimate of 5-6% to this population, we expect that **320,000 – 520,000** childless adults would ever be within the 139-200% income range and enrolled in the Exchange with subsidies in April – December 2014. These childless adults are expected to enroll in the Exchange and would be eligible for the Super Bridge Plan.

Next we estimate how much overlap there is among this population of childless adults with incomes at or below 200% FPL and people who were previously in MediCal (groups III and I). In 2014 using CalSIM estimates of the number of childless adults in MediCal and the estimate that 10.1% of those starting under 139% FPL have income fluctuations to 139-200% FPL over the course of a full year, we predict that **80,000 – 100,000** childless adults will transition from MediCal to 139-200% FPL from April – December 2014 and will thus be part of both groups.

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<sup>3</sup> UC Berkeley–UCLA California Simulation of Insurance Markets (CalSIM) model, version 1.8

<sup>4</sup> All estimates are for subsidy eligible individuals. An additional 1.8% have income increases above 400% FPL; if we include these people as eligible for the Bridge Plan, total estimates increase by about 100,000.

<sup>5</sup> This includes roughly 10,000 – 30,000 Legal Permanent Residents of less than five years with incomes at or below 138% FPL, and assumes that their children will be eligible for state-only MediCal and they will be eligible for the Bridge Plan.

<sup>6</sup> This includes roughly 20,000 – 40,000 Legal Permanent Residents of less than five years with incomes at or below 138% FPL, and assumes that they will be eligible only under the Super Bridge Plan.

**Table: Ever enrolled in the Exchange or transitioning out of MediCal and eligible for the Bridge or Super Bridge, April – December 2014**

	Base / Low Estimate	Enhanced / High Estimate
I. Previously in MediCal	570,000	630,000
II. Parents <=250% FPL	230,000	400,000
Overlap of I. & II.	(120,000)	(140,000)
<b>BRIDGE ESTIMATE</b>	<b>680,000</b>	<b>890,000</b>
III. Childless Adults <=200% FPL	320,000	520,000
Overlap of I. & III.	(80,000)	(100,000)
<b>ADDITIONAL SUPER BRIDGE</b>	<b>240,000</b>	<b>420,000</b>
<b>TOTAL WITH SUPER BRIDGE</b>	<b>920,000</b>	<b>1,310,000</b>