

## Stabilize the California Health Insurance Market

**Position:** Support SB 175 (Pan) and AB 414 (Bonta) which would re-establish an individual mandate in California.

**Without further action, more than 4 million non-elderly Californians may be without health insurance by 2023.**

- ❖ Until this year, the Affordable Care Act required everyone to have health insurance or pay a penalty (aka “individual mandate”).
- ❖ The 2018 repeal of the federal individual mandate has led to a decrease in the number of young, healthy people in the individual insurance market, leaving more people with expensive health care needs in the health insurance risk pool.
- ❖ Both the individual and employer health insurance markets will be affected with coverage costs increasing.
- ❖ Uncompensated care at California hospitals is projected to grow between \$420 million and \$1 billion in 2019, as the newly uninsured population seeks medical care at hospitals.

### Benefits to Establishing a State Individual Mandate

- ❖ With more young and healthy people enrolled in individual insurance plans, premiums and out-of-pocket costs will be lower.
- ❖ Enforcement of a state penalty could generate an estimated \$500 to \$700 million annually.
- ❖ Revenue from a state penalty could be used for subsidy assistance for families earning between \$48,560 and \$72,840 or a family of four with a household income of less than \$150,000.

**The nonpartisan Legislative Analyst’s Office said a state individual mandate could be “one of the state’s most effective policy options” to increase the number of insured Californians and lower coverage costs by using the threat of a penalty to increase the pool of healthy people paying into the system.**

