

Expanded Premium Assistance and a State-Based Individual Shared Responsibility Requirement Will Make Health Care More Affordable.

Why are expanded premium assistance and the Individual Shared Responsibility Requirement supported by Governor Newsom, Covered California, consumer and provider groups, California's Health Plans, and many others?



An Individual Shared Responsibility Requirement to have health coverage generates **hundreds of millions in new state funding** annually that can be used to help make health coverage more affordable for low-income and working families and individuals in California.

- **It stabilizes California's health care marketplace.** If fewer healthy people participate in the marketplace, the cost of medical care rises, creating serious market disruptions and increasing premiums for everyone else with insurance coverage. Requiring everyone to have health insurance helps ensure everyone has access to primary and preventative care, and consumers don't end up subsidizing expensive care in the emergency room for the uninsured.
- **It is key to achieving universal health coverage.** California has made great strides since the Affordable Care Act (ACA) was implemented — with 93% of California's population currently covered by health insurance. However, a recent study by the UC Berkeley Labor Center estimates that ending the requirement to have health insurance will increase premiums in the individual market by 8%-10% and significantly increase the number of uninsured Californians — up to 790,000 more uninsured in the next five years, and 1.7 million more uninsured in the next ten years.

Without a requirement to carry health insurance in place, new enrollments in the individual marketplace are down 23.7% for 2019. Total enrollment is projected to decline by 10.1 percent in 2020 and 14.4 percent in 2023.



California is uniquely positioned to lead the way toward providing affordable, universal health coverage for all Californians – The first crucial step toward achieving that goal is to enact a state-based Individual Shared Responsibility Requirement.