

Expanding Health Coverage for California Farmworkers

July 2023

THE PROBLEM

The COVID-19 pandemic magnified the role of the low-income, predominantly immigrant agricultural workforce. Farmworkers are the backbone of California’s \$50 billion agricultural industry. Farmworkers are regarded as frontline workers who toiled in the fields through excessive heat, smoke, and contagion in one of the nation’s most dangerous occupations. Yet, California farmworkers are significantly less likely to have health insurance coverage than the general population.¹ Farmworkers are also ineligible for most of the State’s safety-net services. Even with the upcoming Medi-Cal expansion to remove immigration restrictions in 2024, an estimated 44 percent of farmworkers will remain uninsured.¹

SNAPSHOT: Current Landscape of Health Insurance for California’s Farmworker Communities

Nearly **88%** of farmworkers in California are immigrants, primarily from Mexico.²

Approximately **51%** of California farmworkers are undocumented immigrants.²



UNINSURED RATES

Approximately **47%** of farmworkers in California are currently uninsured¹

This figure is in sharp contrast to the

10% of uninsured non-elderly adult (ages 18-64) Californians³ and **16%** of uninsured non-elderly Latinx adult Californians³

UNDOCUMENTED FARMWORKERS

are much more likely to be uninsured than documented farmworkers:

22% of AUTHORIZED workers are uninsured²

62% of UNAUTHORIZED workers are uninsured²

Approximately **31%** of insured farmworkers have employer-based coverage²

Public insurance, primarily Medi-Cal* covers **54%** of insured farmworkers²

THIS PROJECT

Over the past year, researchers with **UC Merced, California Rural Legal Assistance Foundation (CRLAF), Insure the Uninsured Project (ITUP), and Dinger and Associates** explored options to increase coverage and improve healthcare access for California farmworkers. The research team hosted four community stakeholder meetings and conducted 19 key informant interviews. The team also analyzed data from the recently released [UC Merced Farmworker Health Study \(UCM FWHS\)](#)⁴ and the National Agricultural Workers Survey (NAWS). This brief focuses on expanding the availability of coverage for farmworkers, and the companion issue brief examines how to improve enrollment and utilization of Medi-Cal for farmworkers.



* This data includes farmworkers enrolled in both restricted and full scope Medi-Cal.

OVERVIEW: Options for Coverage Expansion and Improvement

Key stakeholders identified three main options for expanding health coverage for farmworkers:

Open Covered California to allow for enrollment of undocumented individuals

Expand Medi-Cal income limits to at least 266% of the Federal Poverty Level (FPL) to cover most farmworkers

Examine subsidized plans to enhance employment-based coverage

Opening Covered California to Undocumented Workers

Currently, most farmworkers cannot access Covered California, the health insurance exchange created under the Affordable Care Act (ACA), due to immigration restrictions.⁵ Allowing undocumented residents into Covered California would put them on the same footing as documented residents, assuming subsidies were available to make the coverage affordable.

Covered California provides options for coverage from up to 13 health and five dental insurance companies throughout California. Plan options, however, are limited in some counties.⁶ Subsidies for health insurance premiums through Covered California are available for individuals with incomes up to 600 percent FPL. Depending on income levels, these generous premium subsidies can reduce premiums to \$0 per month for moderate “Silver” level plans. Cost-sharing reductions to reduce deductibles, co-pays, and coinsurance are also available for those with incomes under 250 percent FPL, and who select a “Silver” plan.⁷

Next Steps: Expanding Covered California to Undocumented Farmworkers

1. Regulatory Authority to Permit Undocumented Immigrants to Access Covered California

For Covered California to enroll immigrants who are not lawfully present, California can either seek a waiver under section 1332 of ACA to permit their enrollment in the Exchange or create a parallel “mirror” Exchange with State funding to offer the same coverage as Covered California. The federal policy environment for granting a Section 1332 waiver has been enhanced with the approval of waivers for Washington State and Colorado to allow undocumented residents access to coverage in their exchanges.^{8,9} California health advocates and policymakers have introduced legislation [AB 4](#) (Arambula) as a legislative vehicle to expand Covered California.

2. Identify and Secure a Funding Mechanism for Premium Subsidies and Cost Reduction for Undocumented Immigrants

Without financial support, the cost of coverage is out of reach for low-income farmworkers. Neither Washington’s nor Colorado’s 1332 waiver extended federal subsidies to undocumented persons. California advocates will need to seek state funds for subsidies to make the insurance affordable for farmworkers. The possibility of phasing in subsidies for lower-income undocumented Californians, beginning with subsidies up to 250 percent FPL was suggested by stakeholders. Given California’s current projected budget deficit, it may be a several-year effort to extend Covered California subsidies to undocumented workers. Potential sources of subsidies suggested by interviewees were the \$1.8 billion unspent funds amassed by California from the State’s “individual mandate,” as well as the funds appropriated to Covered California for enhanced subsidies that were not necessary with the passage of the Inflation Reduction Act.

SNAPSHOT: California Farmworkers and Covered California

No undocumented workers are eligible for coverage through Covered California, even without subsidies.⁵

INSIGHTS FROM FARMWORKER STAKEHOLDERS

Most stakeholders believe opening Covered California to undocumented residents was the favored policy alternative to expanding Medi-Cal eligibility to cover higher income categories. Stakeholders believe keeping the same coverage structures in place is beneficial because Covered California was designed to cover workers above the Medi-Cal limits with sliding-scale subsidies. It has worked better with employers and has a small business program. Now that immigration restrictions have been removed from the Medi-Cal program beginning in 2024, advocates believe Covered California should do the same. Proponents of removing immigration barriers to Covered California agreed that few immigrants would take advantage of the expanded eligibility without premium subsidies and cost-sharing reductions.



Expanding Medi-Cal's Income Eligibility Limits to Cover More Farmworkers

Medi-Cal now covers 15.2 million Californians, approximately 40 percent of the population.¹⁰ The program budget exceeds \$138 billion, roughly \$100 billion of which is provided by the federal government.¹¹

Medi-Cal has:



Extensive scope of services, including medical, dental, vision, and behavioral health,



No cost burden: no premiums, co-pays, or deductibles,



A provider network that includes community and migrant health centers, and,



Experience serving undocumented Californians (restricted scope Medi-Cal and under recent expansions).

Medi-Cal is becoming increasingly available to undocumented residents, and all immigration restrictions will be removed in 2024. However, with income eligibility for adults on Medi-Cal capped at 138 percent FPL,¹² we estimate that approximately 44 percent of farmworkers will remain uninsured.¹

SNAPSHOT: California Farmworkers and Medi-Cal

Most farmworkers are not eligible for full-scope Medi-Cal benefits due to immigration status and income eligibility requirements.

- » Beginning in 2024, income-eligible undocumented persons in all age groups can enroll in Medi-Cal.¹¹
- » However, our estimates show that nearly half (**44 percent**) of California farmworkers are over the 138% income threshold for Medi-Cal and remain uninsured after current coverage expansion.¹
- » We estimate that approximately **73 percent of farmworkers** and the rest of their families would have health insurance coverage if Medi-Cal were expanded to 266% FPL.¹

INSIGHTS FROM FARMWORKER STAKEHOLDERS

While Medi-Cal has a broad scope of coverage and no fee-sharing, private provider participation in Medi-Cal is lacking, and stakeholders questioned the adequacy of the network to serve both the current and newly eligible populations. Workforce shortages abound in the rural areas where farmworkers live, for both insured and uninsured. Despite primary care access through community health centers, specialty and ancillary services are often difficult to access.



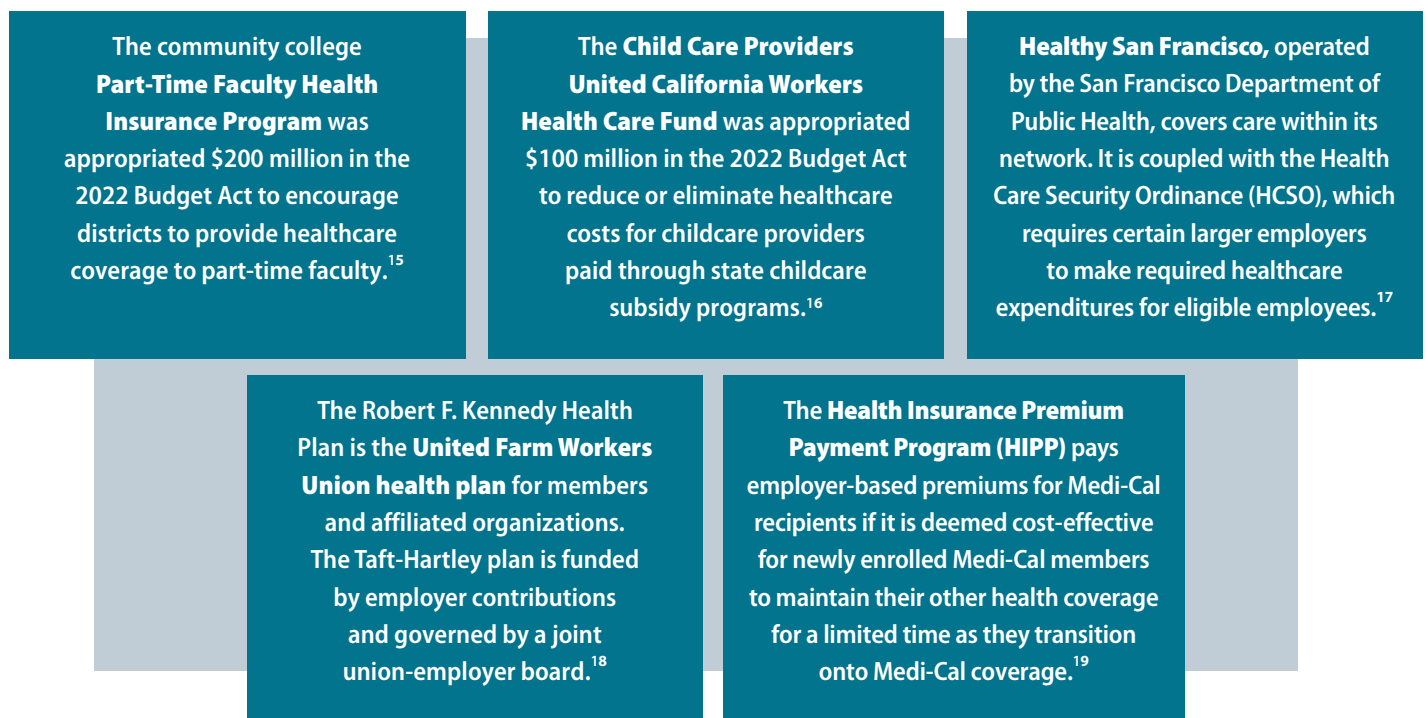
Enhancing Employer Plans

Under the ACA, larger employers with 50 or more full-time equivalent employees must offer full-time employees minimal essential health coverage that is “affordable.”¹³ The NAWS and UC Merced Farmworker Health Survey report that fewer than **1 in 5** farmworkers have employer-based coverage. Comparatively, in California, 58 percent of non-elderly adults have employment-based insurance.³

Some larger growers (employers) offer comprehensive coverage at affordable costs and include employer-sponsored clinics for farmworkers. However, farmworkers often find the insurance provided by employers to be too expensive when considering the deductibles and costsharing of the plans offered by employers.¹⁴

With Medi-Cal expansions, more farmworkers will likely opt for Medi-Cal rather than employer-supplied insurance. Medi-Cal can provide much broader benefits at no cost and deliver corresponding cost savings to employers who no longer need to pay for insurance. Nevertheless, several models of joint public-employer health coverage programs exist that might increase the utilization of employer-based coverage for farmworkers.

Existing Models of Joint Public-Employer Health Coverage Programs:



INSIGHTS FROM FARMWORKER STAKEHOLDERS

Expanding employer-supplied insurance could cover more farmworkers at less cost to the State, but it has yet to meet its potential. Farmworkers work seasonally, often for multiple employers, so year-round coverage is generally unavailable.

In addition, the usually high deductibles and co-pays for employer-based plans also make plans unaffordable for low-income farmworkers.

ADDITIONAL POLICY CONSIDERATIONS

1. What necessary supports are needed from the State to support effective outreach and enrollment to farmworker communities, especially undocumented farmworkers who have never had access to publicly funded or subsidized insurance?
2. Despite 58 percent of Californians getting coverage from their employers, among farmworkers, employer-based coverage accounts for less than 20 percent. What policy solutions can enable agricultural employers to serve their employees with affordable and viable coverage options?
3. How can California ensure better continuity of health care coverage for farmworkers and other seasonal workers with income variation throughout the year?
4. Considering California's long implementation timelines on coverage expansion efforts, what short-term solutions can be leveraged to ensure better access to coverage and care for farmworkers and their families?

CONCLUSION

The State of California has been committed to assuring universal health insurance coverage. Following full implementation of the Medi-Cal coverage expansion for all undocumented Californians, 44 percent of California's farmworkers will still be left without affordable coverage options.¹

Opening up Covered California, with subsidies, to undocumented Californians or expanding Medi-Cal income eligibility to at least 266 percent FPL would cover at least 73 percent of farmworkers. The achievement of this lofty vision requires building partnerships with community-based organizations and working on solutions to cover farmworkers who are an integral part of the state economy.



Endnotes

1. These projections were developed by UC Merced using estimates of the number of California farmworkers from the UC Berkeley Labor Center, distribution of farmworkers by income level from the American Community Survey, and the incidence of health coverage from the National Agricultural Workers Survey. The citations for the sources used to make these projections are included as citations 1a, 1b, and 1c.
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 - 1b. U.S. Census Bureau; American Community Survey, [2021 American Community Survey 1-Year Estimates, 2021](#), Accessed: July 17, 2023.
 - 1c. The National Agricultural Workers Survey (CA sample 2015-2019) (NAWS) is an employment-based, random-sample survey of US crop workers that collects demographic, employment, and health data in face-to-face interviews. Izzac Ornelas, Wenson Fung, Susan Gabbard, and Daniel Carroll, [California Findings from the National Agricultural Workers Survey \(NAWS\) 2015-2019](#), January 2022, Accessed: June 27, 2023.
2. Izzac Ornelas, Wenson Fung, Susan Gabbard, and Daniel Carroll, [California Findings from the National Agricultural Workers Survey \(NAWS\) 2015-2019](#), January 2022, Accessed: June 27, 2023. (See endnote 1c for more information on this data source)
3. UCLA Center for Health Policy Research, [2021 California Health Interview Survey](#), Public Use File, Accessed: July 21, 2023
4. The [UC Merced Farmworker Health Study \(UCM\)](#) is a community based study of 1200 interviews conducted in 2021 and 2022. By design, the study oversampled women and indigenous farmworkers. Accessed: June 27, 2023.
5. Residents who are not "lawfully present" under [45 CFR section 155.305\(a\)\(1\)](#) are not eligible to enroll in Covered California plans, even without subsidies, though they can purchase the coverage plans on the private market.
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About ITUP

ITUP is an independent, nonprofit, health policy institute that has been a central voice in the California health landscape for more than two decades. ITUP serves as a trusted expert, grounded in statewide and regional connections with a network of policymakers, health care leaders, and stakeholders. The mission of ITUP is to promote innovative and workable policy solutions that expand health care access and improve the health of all Californians.

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