



## How Powerful Consumer Advocates Help ObamaCare Succeed in California

**Charlie Eaton**, University of California, Merced  
**Margaret Weir**, Brown University

The state of California has been an early bright spot for the rollout of ObamaCare's health reforms. Since the passage of the Affordable Care Act in 2010, California has expanded health insurance coverage more quickly than any other state. By early 2014, the state had already enrolled 500,000 people in private health insurance plans through its exchange marketplace called Covered California. The next highest total of early enrollees via the exchange, 158,000, occurred in Florida, a state with approximately the same numbers of previously uninsured residents as California. During the same period, California enrolled 1.2 million low-income people in its expanded public Medicaid program known as Medi-Cal.

California's achievements during the ObamaCare enrollment have been all the more impressive given the challenges the state must face. The state has a huge, socially diverse population, and its uninsured proportion exceeded the national average – a fifth of all Californians were uninsured, compared to an average of 17.7% nationally.

How did California emerge as one of the leaders in ObamaCare enrollments? One crucial contributor, our research shows, was the development of a broad coalition of consumer advocates capable of influencing state health policies. Organized advocacy for health care consumers barely existed in California in 1980, but over the following decades a diverse array of organizations grew and formed a broad coalition. Developments happened in three major waves that pulled groups into new partnerships, extended their reach into the grassroots, and gave advocates new leverage in state policymaking. By the time Affordable Care was signed into law, California's well-resourced pro-consumer coalition had become a full partner in health policy.

### Building Groups and Alliances

In the 1980s, a campaign to stop "patient dumping" by hospitals – the denial of emergency care to uninsured patients – brought labor and consumer groups together for the first time. Advocates pieced together the resources they needed by forming a coalition later called Health Access. Participants initially included unions of health care workers and groups advocating for low-income communities and communities of color. At the start of this effort in 1984, even major participants – such as Consumers Union and a San Francisco group called Public Advocates – had little experience with health care issues and no full-time staff focused on such issues. The Consumers Union also lacked a grassroots base, and fellow coalition participants such as the American Association for Retired Persons and the Grey Panthers had no lobbying or grassroots capacities comparable to those of organized labor. Together, however, they were able to win 1986 legislation to stop patient dumping – and they soon began to tackle more daunting reforms of California's health care system such as universal insurance, consumer rights in health maintenance organizations, insurance rate review, and charity care rules for hospitals.

The coalition also looked for ways to build its capacities. An opportunity came when insurance interests sought to obtain billions in tax-subsidized assets as nonprofit health organizations were converted into for-profit companies. Advocates instead convinced state authorities to require the newly converted for-profit companies to provide billions in ongoing funding for grassroots advocates. This launched the California Endowment, an advocate-controlled \$4 billion philanthropic fund that has granted hundreds of millions of dollars for advocacy to popularly rooted health groups.

### Working for Underserved Communities

Between 1999 and 2010, the top 25 recipients of Endowment funds for health policy advocacy included organizations that work primarily with communities of color, women, chronic disease patients, and poor people. Organizations such as Legal Services of Northern California, Asian and Pacific Islander Health Forum, and Planned Parenthood affiliates work on the ground with consumers and grassroots activists on a daily

January 23, 2014

<https://scholars.org>

basis. Some of these groups simultaneously provide services and mobilize communities for policy advocacy. Groups cooperate in inter-racial and cross-class coalitions – at the state level through organizations like Health Access, and at the metropolitan level through groups like the Coalition for Humane Immigrant Rights of Los Angeles. National allies such as Families USA can stay connected to the grassroots by collaborating with these California coalitions and organizations.

Organizations based primarily in underserved communities received \$300.5 million in grant funding – amounting to 69% of all Endowment grants for policy advocacy. Over ten years, some \$187 million in grants flowed to organizations based in poor communities, outpacing grants to all other groups. Grants to organizations working primarily in communities of color received \$75.2 million over the same period. The rest of Endowment monies went to chronic disease groups advocating for people suffering from such ills as obesity and AIDS, as well as advocates for seniors, women, and members of the gay community. The Endowment also seeded the creation of new organizations such as the California Black Health Network.

Bolstered advocates won other measures to better regulate health care from below as well as above. In 1999, California created a Department of Managed Health Care to monitor hospitals and insurers and gather and analyze data on access to care. This agency has provided funds and information to grassroots organizations for consumer assistance. Advocates help consumers to enroll in needed services, and when private or public service providers violate consumers' rights, the advocates can quickly intervene to ensure administrative or legal corrections.

### **Ready for Affordable Care**

In 2013, Covered California gave grants to 48 organizations that would work to facilitate enrollments for Medicaid and help people purchase private plans on the exchange. Twenty-three grants went to community-based organizations, of which 21 had previously been supported by the California Endowment. These groups have vital capacities to reach low-income and minority Californians who speak many languages and live in diverse cultures. But many of the groups would not exist or would not have sufficient capacities to aid efforts to implement Affordable Care, if California's advocacy coalition had not won strategic victories years before. Health advocates with grassroots capacities and resources diverted from insurance giants have been ready to help ObamaCare get off to a fast start in California – and they hold the key to later successes as this complex, monumental set of reforms moves forward.