



## Studies in the News

California Research Bureau, California State Library

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Featured studies:

### **HEALTH**

Four reports outline the impacts of the Affordable Care Act

Contents this week:

### **CRIMINAL JUSTICE & LAW ENFORCEMENT**

School policing can criminalize unruly behavior by poor Latino and black youth

### **CULTURE & DEMOGRAPHY**

CDC reports life expectancy improving for African Americans

### **ECONOMY**

Corporate accounting choices lead to mismeasurement of U.S. productivity

### **EDUCATION**

How offering healthy lunches affects student test scores

### **EMPLOYMENT**

A different way to measure the non-employed

### **ENERGY & ENVIRONMENT**

Concerns over wastewater spill into Tijuana River channel

### **HUMAN SERVICES**

CA colleges provide resources for homeless students

### **SCIENCE & TECHNOLOGY**

AI may help government improve service and productivity

## **HEALTH**

Given the national attention on the repeal and replacement of the Affordable Care Act (ACA) legislation passed by the House of Representatives, the Research Bureau has identified four recent reports that offer key assessments for policymakers.

The Affordable Care Act (ACA) has significantly reduced individual healthcare spending, medical payment issues, and healthcare delays due to cost concerns, according to the State Health Access Data Assistance Center. The California Health Care Foundation found that Californians spent \$2,500 less on health care in 2015 than in 2013, before the ACA was implemented. Without the ACA subsidies and

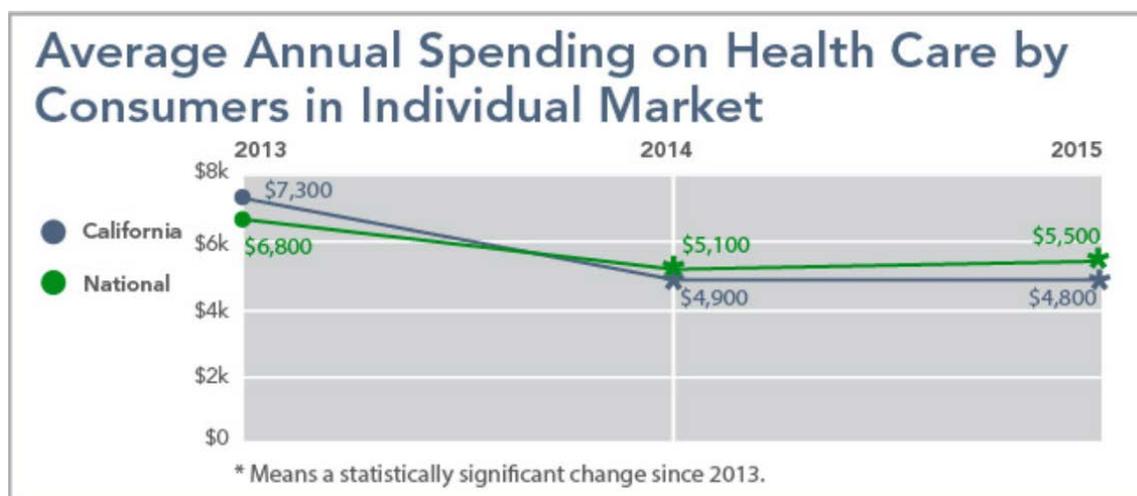
individual mandate, Covered California estimated that insurance premiums would increase by 49% in 2018. However, in a study of Massachusetts's subsidized insurance exchange, Harvard University concluded that low-income individuals are significantly less likely to purchase health insurance even with substantial subsidies, which suggests that subsidized insurance programs like the ACA's exchanges do not offer universal coverage solutions for low-income population.

**Financial Burden and Cost-related Barriers to Care: Changes Since Implementation of the ACA.** By Colin Planalp, et al. State Health Access Data Assistance Center. Apr. 2017. 13 p.  
[http://www.shadac.org/sites/default/files/publications/CHCF\\_financial\\_impacts\\_brief.pdf](http://www.shadac.org/sites/default/files/publications/CHCF_financial_impacts_brief.pdf)

From 2013 to 2015, California experienced a statistically significant 9.1 percentage point decline in share of people with high-burden spending, "as well as significant declines in people reporting trouble paying medical bills and delayed or forgone care due to cost. Additionally, the largest improvements were concentrated mainly among segments of the population targeted by key provisions of the ACA, providing evidence that the law likely contributed to those improvements."

**Californians in Individual Market Spent \$2,500 Less on Care in 2015 Than Before the ACA.** By Amy Adams. California Health Care Foundation. Apr. 17, 2017. 3 p.  
<http://www.chcf.org/aca-411/insights/californians-individual-market-spent-less>  
Current Population Survey data available on [ACA 411](#)

California's healthcare spending decline beats the national trend by \$1,200. "Two years into the Affordable Care Act (ACA), Californians who bought health insurance on the individual market spent \$2,500 less on health care compared to 2013, the year before the ACA was fully implemented ... This decline was likely driven primarily by the premium tax credits and cost-sharing reductions provided through the ACA's health insurance marketplaces." The figure below, featured in the report, shows California consumers spent more on health care than the national average before the ACA (\$500 more/year), but after the ACA, California consumers spent less than the national average (\$700 less/year).



**Analysis of Impact to California's Individual Market if Federal Policy Changes Are Implemented.** By John Bertko, et al. Covered California. Apr. 27, 2017. 10 p.  
[http://hbex.coveredca.com/data-research/library/CoveredCA\\_Impact\\_to\\_CA\\_ind\\_market\\_4-27-17%20\(1\).pdf](http://hbex.coveredca.com/data-research/library/CoveredCA_Impact_to_CA_ind_market_4-27-17%20(1).pdf)

Covered California found that "[f]ailure to directly fund cost-sharing reductions and enforce the mandate could result in an estimated premium rate increase of 42% on average in California for 2018, and as high as 49% for enrollees in Silver plans, with over 1.2 million on and off the exchange receiving no federal subsidy to soften the impact of the large increase." In addition, failure to enforce the individual mandate

could increase total premium by over 28% and up to 350,000 Californians [who would otherwise get coverage] would likely go uninsured in 2018.

***Subsidizing Health Insurance for Low-Income Adults: Evidence from Massachusetts.*** By Amy Finkelstein, et al. Harvard University. Apr. 2017. 60 p.

[https://scholar.harvard.edu/files/mshepard/files/finkelstein\\_hendren\\_shepard\\_SubsidizingInsurance.pdf](https://scholar.harvard.edu/files/mshepard/files/finkelstein_hendren_shepard_SubsidizingInsurance.pdf)

Data from Massachusetts's subsidized insurance exchange from 2009 to 2013 were used to analyze low-income individuals' willingness to pay for health insurance and the implications for insurance markets. The results show that insurance take-up falls rapidly as subsidies decline, for example a \$40 increase in monthly premiums would result in 25% of the low-income eligible population dropping coverage. "We estimate that ... even if insurers could offer actuarially fair, type-specific prices, at least 70 percent of the market would be uncovered.... Our results point to substantial challenges in generating universal coverage via partially subsidized insurance programs like the ACA's exchanges....[I]f individuals had to pay the full cost imposed on the insurer, mandating these low-income individuals to buy health insurance does not make them better off."

## CRIMINAL JUSTICE & LAW ENFORCEMENT

***Bullies in Blue: The Origins and Consequences of School Policing.*** By Megan French-Marcelin, et al. ACLU. Apr, 2017. 95 p.

[https://www.aclu.org/sites/default/files/field\\_document/aclu\\_bullies\\_in\\_blue\\_4\\_11\\_17\\_final.pdf](https://www.aclu.org/sites/default/files/field_document/aclu_bullies_in_blue_4_11_17_final.pdf)

"Over the past 50 years, schools—particularly in poor Black and Latino communities—have become sites of increased criminalization of young people. ... Politicians, law enforcement, and the media created a false panic about youth crime epidemics that justified the targeted and punitive policing of low-income Black and Latino youth. ... The permanent presence of police in schools does little to make schools safer, but can, in fact, make them less so."

## CULTURE & DEMOGRAPHY

***African American Health: Creating Equal Opportunities for Health.*** Vital Signs. Centers for Disease Control and Prevention. May 2017. 4 p.

<https://www.cdc.gov/vitalsigns/aahealth/index.html>

"African Americans have made significant gains in life expectancy, and the mortality gap between white and black Americans has been cut in half since 1999, the Centers for Disease Control and Prevention reported Tuesday. Blacks experienced a 25 percent drop in their overall death rate, compared to a 14 percent decrease for whites, between 1999 and 2015. Deaths from heart disease, cancer and stroke declined sharply among blacks 65 and older, and in that age group, blacks now have a lower death rate than whites, the CDC said. But its report shows that the United States has a long way to go before it achieves health equity. Blacks in every age group under 65 continue to have significantly higher death rates than whites. Black life expectancy at birth is about 3½ years lower than that of whites." ([Washington Post](#), May 2, 2017).

## ECONOMY

***Offshore Profit Shifting and Domestic Productivity Measurement.*** By Faith Guvenen, et al. National Bureau of Economic Research. Mar. 27, 2017. 39 p.  
<https://www.nber.org/papers/w23324> (Available to .gov accounts or from the California State Library)

“Profit shifting causes part of the economic activity generated by these multinationals to be attributed to their foreign affiliates, leading to an understatement of measured U.S. gross domestic product. Profit-shifting activity has increased significantly since the mid-1990s, resulting in an understatement of measured U.S. aggregate productivity growth. We construct adjustments to correct for the effects of profit shifting on measured gross domestic product. The adjustments raise aggregate productivity growth rates by ... as much as 8.0% annually in the mid-2000s.”

## EDUCATION

***School Lunch Quality and Academic Performance.*** By Michael L. Anderson, et al. National Bureau of Economic Research. Mar. 2017. 47 p.  
<http://papers.nber.org/tmp/68249-w23218.pdf> (Available to .gov accounts or at the California State Library)

“In this paper, we test whether offering healthier lunches affects student achievement as measured by test scores. Our sample includes all California (CA) public schools over a five-year period. We estimate difference-in-difference style regressions using variation that takes advantage of frequent lunch vendor contract turnover. Students at schools that contract with a healthy school lunch vendor score higher on CA state achievement tests, with larger test score increases for students who are eligible for reduced price or free school lunches. We do not find any evidence that healthier school lunches lead to a decrease in obesity rates.”

## EMPLOYMENT

***Measuring Labor Utilization: The Non-Employment Index.*** By Marianna Kudlyak. Federal Reserve Bank of San Francisco. Mar. 27, 2017. 6 p.  
<http://www.frbsf.org/economic-research/publications/economic-letter/2017/march/measuring-labor-utilization-non-employment-index/>

“The Non-Employment Index provides an alternative measure of resource utilization in the labor market that takes into account all of the non-employed, not only those actively looking for work. Importantly, the index acknowledges that not all non-employed people are the same—different groups have different probabilities of transitioning to employment and make up different shares of the working-age population. The NEI suggests that the increase in underutilized labor resources during the 2007-09 recession may have been smaller than the boost in unemployment as estimated by the BLS [Bureau of Labor Statistics].”

## ENERGY & ENVIRONMENT

***Report of Transboundary Bypass Flows into the Tijuana River.*** International Boundary Water Commission, United States and Mexico. Apr. 2017. 56 p.  
[https://www.ibwc.gov/Files/Report\\_Trans\\_Bypass\\_Flows\\_Tijuana\\_033117.pdf](https://www.ibwc.gov/Files/Report_Trans_Bypass_Flows_Tijuana_033117.pdf)

“A sewer line break in Tijuana resulted in the bypass of approximately 28 million gallons (105,000 cubic meters) of wastewater into the Tijuana River channel on February 1-4, 2017.... In addition, other sewer

line problems in the Mexican city affected the Tijuana River Valley in both countries. These included blocked or collapsed pipes and the overflow of sanitary sewers after rainwater entered the sewer system.... A binational task force ... aside from gathering the facts surrounding the sewage spill, made a series of recommendations that include acquiring equipment to prevent or manage spills, establishment of a communication and notification protocol, and an enhancement of data collection and information exchange to assist in speedy detection and response to transboundary sewage spills.” ([Press Release](#), Apr. 3, 2017).

## HUMAN SERVICES

***Resources Supporting Homeless Students at California’s Public Universities and Colleges.***

**By Nancy Au, et al. California Homeless Youth Project. Apr. 2017. 48 p.**

<http://cahomelessyouth.library.ca.gov/docs/pdf/CollegeSupportsReportPDF4-27-17.pdf>

“This research examines resources at California’s public campuses that support homeless undergraduate students.... The most commonly offered resources on California public campuses include: mental health services, discounted/free child care, foster youth advisors, and discounted/free bus passes. While advisors and supportive programs for foster youth are common in all three systems, they are rare for homeless students. On average, University of California (UC) campuses offer the most programs and services, followed by CSUs, while California Community Colleges (Community Colleges) are significantly less well-resourced. While the supply certainly does not meet the demand, all of the UCs and CSUs offer student housing compared to only 20% of the Community Colleges examined.”

## SCIENCE & TECHNOLOGY

***AI-Augmented Government: Using Cognitive Technologies to Redesign Public Sector Work.***

**By William Eggers, et al. Deloitte Center for Government Insights. Apr. 26, 2017. 28 p.**

<https://dupress.deloitte.com/dup-us-en/focus/artificial-intelligence-in-government.html>

“Artificial intelligence already helps run government, with cognitive applications doing everything from reducing backlogs and cutting costs to handling tasks we can’t easily do on our own.... [Our report] conservatively estimates that simply automating tasks that computers already routinely do could free up 96.7 million federal government working hours annually, potentially saving \$3.3 billion. At the high end, we estimate that AI technology could free up as many as 1.2 billion working hours every year, saving \$41.1 billion.... Assessing different options’ business implications involves four main approaches to automation: relieve, split up, replace, and augment.”

### ***About the California Research Bureau***

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