



ISSUE BRIEF

Profiling California's Insured and Uninsured

December 2008

California's health plans are helping keep Californians healthy by providing high-quality, affordable and accessible coverage to more than 21 million people in the state.

The California Association of Health Plans supports strategies to expand coverage to California's uninsured in a way that promotes high-quality health care, reduces health care costs and increases health care coverage, especially for California's children.

CAHP is working to improve health care outcomes for all Californians. To help accomplish this goal, we seek to increase health care coverage to the estimated 6.4 million uninsured Californians.

California's health plans are seeking to expand the number of Californians who have coverage and to improve the quality of care through the use of new, more affordable products. The state's health plans are keeping health care coverage affordable by providing greater choices for consumers, more information about the cost of care and encouragement to lead healthier lifestyles.

Greater access to health care would create a healthier future for all Californians, increase productivity and lower costs for all residents in the state.

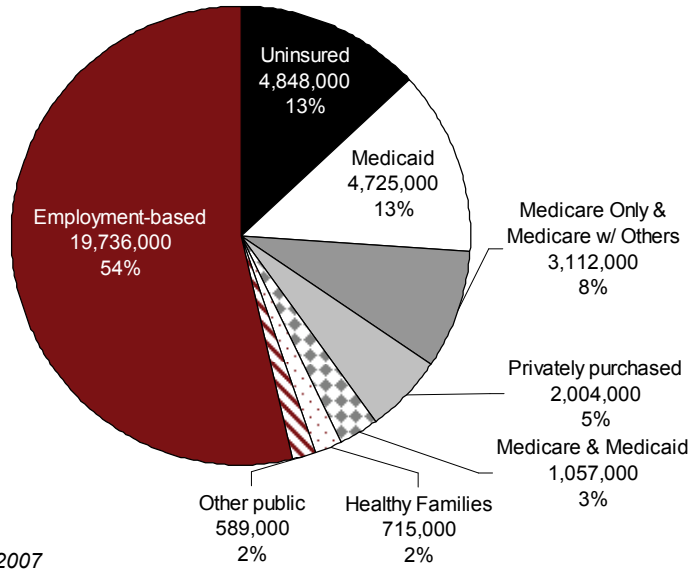
Two reports were released this month profiling the health coverage and status of Californians. The UCLA Center for Health Policy Research released new data from the California Health Interview Survey (CHIS) 2007 and the California HealthCare Foundation (CHCF) reported on trends about insured and uninsured Californians based on the Current Population Survey.

Health Coverage in California

At the time of the survey, 13.2 percent of Californians, or 4.8 million people, responded to CHIS that they were currently uninsured. Throughout 2007, 6.4 million Californians, or 19.5 percent, were without any health insurance coverage for all or some of the year (the Current Population Survey reports 6.6 million uninsured in the state).

The number of insured Californians increased between 2005 and 2007 and the director of the UCLA Center for Health Policy Research attributes the increase to economic expansion in 2007.¹ A policy brief from the center explains that an increase in employer-based coverage is a pattern "likely to be reversed by the recession of 2008."²

Californians' Type of Coverage



Source: CHIS 2007

Please contact Maral Farsi at mfarsi@calhealthplans.org or 916.558.1545 with any questions about this fact sheet.

CAHP Principles for Expanding Coverage to the Uninsured

1. PROMOTE HIGH QUALITY HEALTH CARE by advancing the practice of evidence-based medicine, patient safety, and other quality practices to reduce costs and improve health care quality.
2. DRIVE AFFORDABILITY by increasing the number of Californians that have access to better quality medicine, by using health IT, and by simplifying regulations and eliminating mandates to help lower costs.
3. INCREASE HEALTH CARE COVERAGE by offering products and programs that meet the diverse needs of the uninsured, improve health, and lower costs for the health care system overall.

Eligible but Not Enrolled

Less than seven percent of uninsured adults are eligible for Medi-Cal leaving over 3.9 million uninsured adults ineligible for coverage through any public programs.

California's policy makers need to consider ways to lower costs so more Californians can afford the coverage they need. The cost of doctors, hospitals, prescription drugs and other medical services are rising at two-to-three times the rate of inflation and threatening the health of Californians and the state's economy.

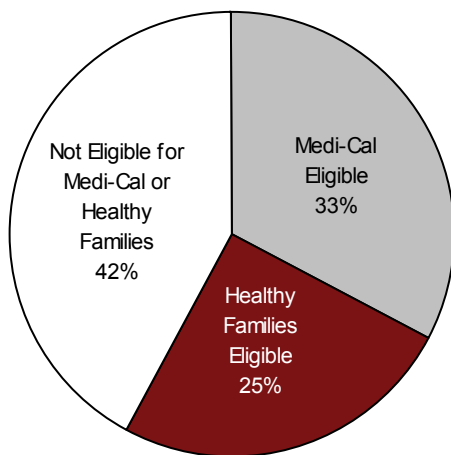
Coverage of California's Children

Of the over 9.9 million children in the state, 5.7 percent were uninsured at the time of the survey (CHIS). Among these children (0 through 17), three-quarters were eligible for a state-sponsored program. However, if the state's budget deficit continues to grow, the Healthy Families program may need to reconsider capping enrollment, which will cause the number of uninsured children to rise dramatically. At present, 27,125 new children enroll in Healthy Families each month.³ Over a six month period, that could amount to 162,750 children.⁴

Those children not eligible for a state-sponsored program may be eligible for a Children's Health Initiative program. CHIs are presently in 29 counties and insure almost 80,000 children who are not eligible for Medi-Cal or Healthy Families.⁵ CHIs are locally funded (often through grants and community support) and have also been impacted by the economic downturn and the state budget deficit.

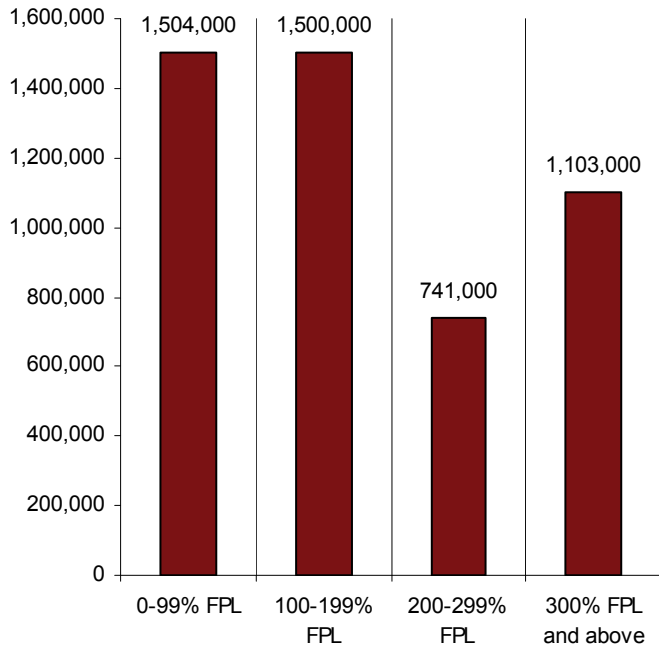
California's health plans are committed to making sure all children in the state have health insurance coverage. In order to expand coverage to all of California's uninsured, a public-private approach will be necessary: combining federal and state resources to build upon the employer-based health insurance system.

Eligibility of Uninsured Children, 2007



Source: CHIS 2007

Uninsured Californians by Income



Source: CHIS 2007

California's Uninsured by Income Level

Nearly two-thirds (62 percent) of California's uninsured are individuals who reside in households earning less than 200 percent of the Federal Poverty Level (FPL). Nearly one-quarter (22.8 percent) of California's uninsured are in households earning more than 300 percent of the FPL.

The rapidly rising cost of medical care drives the health care affordability crisis which, in turn, forces employers and individuals to avoid or discontinue purchasing health care coverage. Without clear affordability strategies, commitments to cover the uninsured will be unsustainable.

Calculating Federal Poverty Level (2008)

	One Person (Annual)	Family of Four (Annual)
100% FPL ⁶	\$10,590	\$20,650
250% FPL*	26,475	53,004
300% FPL	31,770	63,609

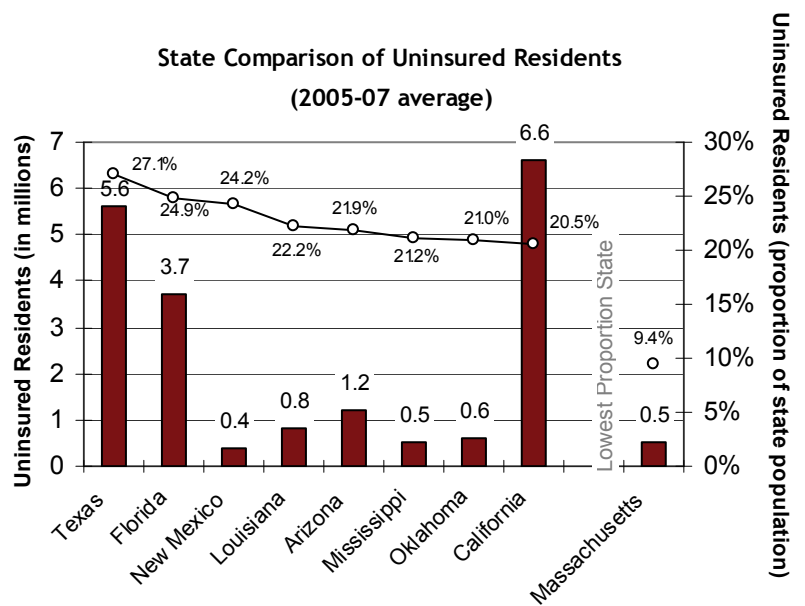
* Children are currently eligible for state-run programs if they are in households earning up to 250 percent of the FPL and meet residency requirements

California's Uninsured Compared to Other States

While California has the highest number of uninsured residents, it ranking eighth highest in the U.S. per capita (20.5 percent), based on national survey data. These figures reflect a 3-year average of states' uninsured populations.

The data also showed that the likelihood of being uninsured is greater in California than in the U.S. for all income levels. CHCF found that families with incomes below \$25,000 have a 37.1 percent chance of being uninsured in California, compared to 33.3 percent in the rest of the United States.

State Comparison of Uninsured Residents (2005-07 average)



Source: EBRI 2008⁷

Trends in Health Insurance Coverage

More than half of Californians receive their health insurance coverage through their employers; however, that number has declined considerably in the last twenty years. According to CHCF, 64.6 percent of Californians received health insurance coverage through their employers in 1987 and 56.7 percent in 2007. The number of those who received their coverage through public programs or purchased their health insurance privately, as well as the uninsured, have all risen but not as drastically.

Coverage Source	1987	2007	+/-
Employer-based	64.6%	56.7%	- 7.9%
Uninsured	17.6%	20.2%	2.6%
Public Program	15.7%	18.4%	2.7%
Individually Purchased	6.8%	8.0%	1.2%

Source: CHCF 2008

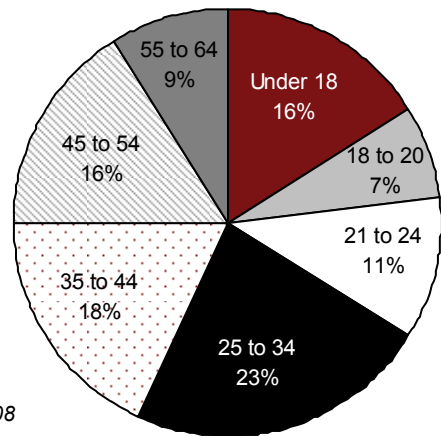
California has lower rates of employer-based coverage and a higher rate of uninsured compared to the national averages. However, the trend has been consistent over the last twenty years. In 1987, the nation had a 5.5 percent higher rate of employer-based coverage (70.1 percent) and in 2007 the difference is identical (62.2 percent of Americans receive employer-based health insurance).

Likelihood of Being Uninsured

California's "young invincibles" continue to be the most likely to be uninsured (30.6 percent of those between 18 and 34). Young Californians also account for 41 percent of California's total uninsured.

Since 2000, the likelihood of being uninsured has risen for all Californians but those under 20 years old and those over 55 years, with the largest increase among 45 to 54-year-olds who now have a 20.4 percent chance of being uninsured compared to 15.9 percent just seven years ago.

Ages of California's Uninsured



Source: CHCF 2008

SOURCES:

- 1 UCLA Center for Health Policy and Research. "Nearly 6.4 Californians Lack Health Insurance." Press release 15 Dec 2008. www.healthpolicy.ucla.edu/news_12152008.html. Accessed 16 Dec 2008.
- 2 Brown, ER, SA Lavarreda, E Peckham, YJ Chia. "Nearly 6.4 Million Californians Lacked Health Insurance in 2007 – Recession Likely to Reverse Small Gains in Coverage." Health Policy Research Brief. Dec 2008. www.healthpolicy.ucla.edu/pubs/files/CAs_Lack_Insurance_PB_121508.pdf. Accessed 16 Dec 2008.
- 3 Cummings, L. Memo to MRMIB Board Members. "Healthy Families Program Current Year Deficiency and the Need to Establish a Waiting List." 7 November 2008. http://www.mrmib.ca.gov/MRMIB/executive_director_memo_with_amendments.pdf
- 4 Ibid.
- 5 California Children's Health Initiatives. http://www.cchi4kids.org/docs/CCHI_Enrollment_October_2008.xls. Accessed 16 December 2008.
- 6 US Census Bureau. <http://www.census.gov/hhes/www/poverty/threshld/thresh07.html>. Accessed 16 December 2008.
- 7 Employee Benefit Research Institute. "Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2008 Current Population Survey." Figure 21, page 20. http://www.ebri.org/pdf/briefspdf/EBRI_IB_09a-2008.pdf. Accessed 18 December 2008.

METHODS: Data was retrieved from [askCHIS](#) on December 16, 2008. Search methods are as follows: 1– Californians' Coverage Type: Type of current health insurance coverage - all ages; 2– Eligibility of Uninsured Children: Eligibility of Uninsured under 65 for Medi-Cal/Healthy Families compared by Age groups - 4 categorical levels; 3– Uninsured Californians by Income: Currently Insured compared by Poverty Level; [CHCF data](#) from their 2008 report, "Snapshot: California's Uninsured" was also drawn upon. CHCF data is sourced to the Employee Benefit Research Institute's (EBRI) [analysis](#) of the Current Population Survey from the US Census Bureau.

Please contact Maral Farsi at mfarsi@calhealthplans.org or 916.558.1545 with any questions about this fact sheet.