UCLA CENTER FOR HEALTH POLICY RESEARCH

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JOB-BASED HEALTH COVERAGE DROPS FOR ALL CALIFORNIANS

Los Angeles, CA – California’s job-based health insurance system is rapidly eroding according to a new report released today by the UCLA Center for Health Policy Research. The study, entitled Job-based Coverage Drops for Adults and Children, but Public Programs Boost Children’s Coverage, is based on data from the 2003 California Health Interview Survey (CHIS 2003) and provides a profile of nonelderly (ages 0-64) Californians’ health insurance coverage and lack of coverage.

“We found that job-based insurance declined significantly among all income groups between 2001 and 2003.” said E. Richard Brown, founding director of the center and lead author of the study. “Over six and a half million nonelderly Californians were uninsured at some time during the year in 2003—more people than the entire populations of Connecticut, Maine, Rhode Island and Vermont combined.”

Over half were uninsured for at least a full year, and seven out of ten of them had incomes below 200% of the federal poverty level, less than $30,000 a year for a family of three. “The uninsured are overwhelmingly working Californians whose low incomes put health insurance out of financial reach,” said Brown.

CHIS 2003 data, released to the public today, provides the most recent information available on health insurance coverage of Californians, both statewide and at the county level. The study was funded by grants from The California Endowment and The California Wellness Foundation and is available at www.healthpolicy.ucla.edu under “What’s New.” People interested in exploring the CHIS 2003 findings should click on CHIS and those wanting to create their own searches can go straight to AskCHIS.

Adults and children lost employment-based health insurance coverage between 2001 and 2003. As job-based insurance fell, the percent of adults who were uninsured increased slightly (but not significantly). However, the uninsured rate for children fell as a result of expanded enrollment in Medi-Cal and Healthy Families, offsetting children’s loss of employment-based coverage. Approximately 321,000 fewer children were uninsured in 2003 than in 2001.

According to the study, three-fourths of the uninsured are workers and their family members. They include four million adults and children (60.3%) who were in families headed by at least one adult who worked full-time for an employer.

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The great majority of the working uninsured had no access to employment-based insurance coverage because they worked for employers that didn’t offer health insurance or they were not eligible for benefits from their employer. Many could not afford the required employee share of cost.

“The continuing decline in job-based coverage is the result of the rapidly rising costs of health insurance and the weak labor market” says co-author, Shana Alex Lavarrada, a senior research associate at the Center. “As unemployment rose in 2003, fewer workers had access to health benefits. It is clear that government programs will be key components of any effective strategy to cover more of the uninsured.”

The study also provides estimates of insurance rates by racial and ethnic group. All groups experienced declines in job-based coverage between 2001 and 2003.

- Latinos’ already low rate of all-year job-based insurance fell another 1.9 percentage points to 33.9%, the lowest rate among all groups.
- Asian Americans lost job-based coverage during this period with some Asian ethnic groups experiencing particularly high rates of uninsurance for all or part of the year, including Koreans at 34.1% and Vietnamese at 22.2%.
- African Americans have lower rates of insurance than whites.
- American Indians/Alaska Natives (AIAN) plummeted eight percentage points between 2001 and 2003, resulting in high uninsured rates.

The study also found that 60.8% of uninsured children are eligible for public programs, but only 6% of uninsured adults are eligible for these programs. More than two-thirds of uninsured adults who are ineligible for Medi-Cal or Healthy Families are citizens or permanent residents.

The California Health Interview Survey (CHIS) is a collaboration of the UCLA Center for Health Policy Research, the California Department of Health Services and the Public Health Institute.

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For more information on CHIS 2003 data and to create your own CHIS data estimates, visit:

www.chis.ucla.edu and click on AskCHIS