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## One-Fifth of Nonelderly Californians Do Not Have Access to Job-Based Health Insurance Coverage

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*“Public programs are an effective safety net for children – but not for their parents.”*

**SUMMARY:** Lack of job-based health insurance does not affect just workers, but entire families who depend on job-based coverage for their health care. This policy brief shows that in 2007 one-fifth of all Californians ages 0-64 who lived in households where at least one family member was employed did not have access to job-based coverage. Among adults with no access to job-based coverage through their own or a spouse’s job, nearly two-thirds remained uninsured. In contrast, the majority of

children with no access to health insurance through a parent obtained public health insurance, highlighting the importance of such programs. Low-income, Latino and small business employees were more likely to have no access to job-based insurance. Provisions enacted under national health care reform (the Patient Protection and Affordable Care Act of 2010) will aid some of these populations in accessing health insurance coverage.

According to the 2007 California Health Interview Survey (CHIS 2007), among nonelderly adults and children who lived in families with at least one employee, 20.5% (or 5.7 million people) did not have access to job-based coverage. (See the Types of Insurance Coverage box for definitions.)

Without access to health insurance through their own jobs, less than half of workers are able to get coverage on their own. Among the 4.1 million adults with no access to job-based coverage through their *own* job, less than one-fifth obtained job-based coverage through their spouse (18.6%). Slightly more than one-tenth were able to gain coverage through Medi-Cal (11.3%), and a similarly small proportion bought their own coverage (10.6%), leaving over half of these workers uninsured (54.8%; Exhibit 1).

### Types of Insurance Coverage

#### Not Having Access

The employee is either employed by a company that doesn’t offer health benefits or isn’t eligible for those that are offered.

#### Own Access

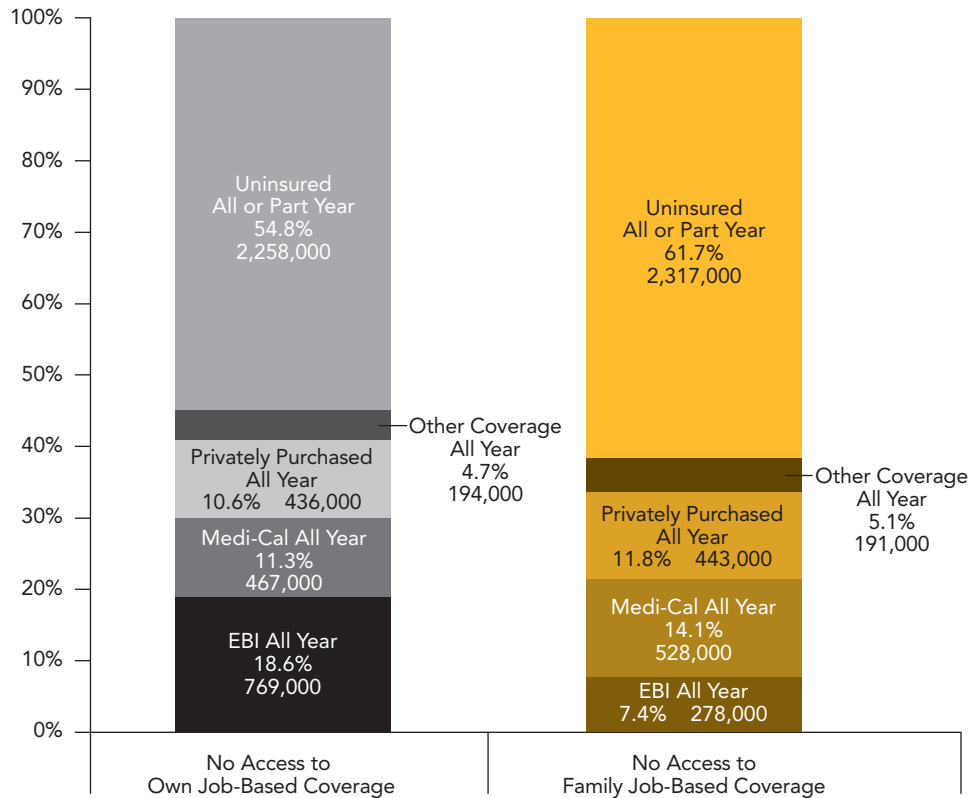
Coverage that a nonelderly adult obtains through their own employer.

#### Family Access

Coverage obtained through their own or a family member’s employment, which can have different meanings for adults and children. For ages 18-64, family access refers to a spouse’s coverage. For ages 0-17, family access refers to coverage through a parent.

## Exhibit 1

### Nonelderly Adults Without Access to Job-Based Coverage by Insurance Status, Ages 19-64, California, 2007



Notes: Rates may not add up to 100% due to rounding.  
Other Coverage All Year includes other government health insurance programs, such as Medicare, and any combination of insurance during the past year in which a person was never uninsured.

Source: 2007 California Health Interview Survey

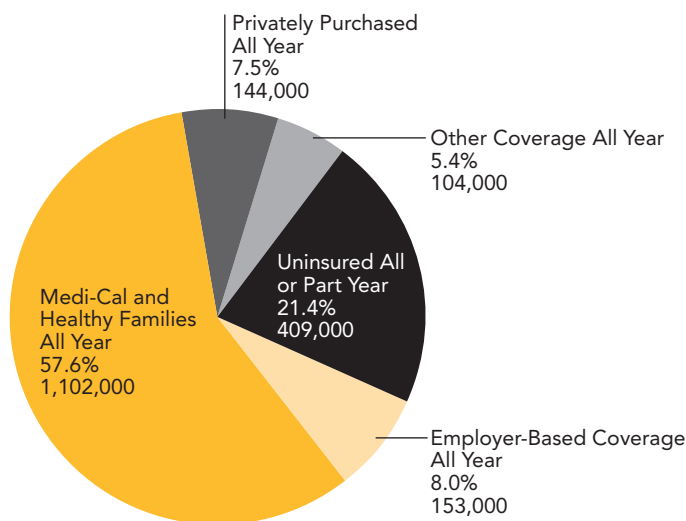
*“Over 60% of adults without access to their own or a spouse’s job-based coverage become uninsured.”*

The situation is even worse, though, for adults who lack access to job-based coverage from either their own or a spouse’s job. Out of the 3.8 million nonelderly adults in California who did not have access to either their own or a spouse’s job-based coverage, only 14.1% obtained public insurance through the Medi-Cal program (Exhibit 1). Privately-purchased insurance was out of reach for most of these adults as well, as shown by the small percentage (11.8%) that bought individual coverage for themselves. An additional 7.4% of young adults had coverage through a parent’s job-based plan. The remaining 61.7% – or three out of five adults without access to their own or a spouse’s job-based coverage – became uninsured for all or part of 2007.

In stark contrast, children without access to job-based coverage through their parents’ employment fared much better, in large part due to coverage provided by public programs. In 2007, only one-fifth of the children in families with no access to job-based insurance (21.4%) were uninsured, while nearly three-fifths (57.6%) were insured through either the Medi-Cal or the Healthy Families programs. Similar to adults, only 7.5% had coverage through privately-purchased insurance (Exhibit 2). Because Medi-Cal and Healthy Families limit eligibility by household income, public insurance programs are filling in the gaps for lack of access to job-based coverage for children of lower-income workers.

## Children Without Access to Job-Based Coverage by Insurance Status, Ages 0-18, California, 2007

Exhibit 2



Total number of Children with No Access to Job-Based Coverage = 1,912,000

Notes: Rates may not add up to 100% due to rounding.

Other Coverage All Year includes other government health insurance programs, such as Medicare, and any combination of insurance during the past year in which a person was never uninsured.

Source: 2007 California Health Interview Survey

### Lower-Income Adults and Children Have Less Access to Job-Based Coverage

Poverty plays a significant role in determining whether an individual has access to job-based coverage. Among those without access from either an employer or a family member, over one-third (36.2%; Exhibit 3) lived in households with incomes less than 100% of the Federal Poverty Level (FPL) – which is less than \$20,650 annually for a family of four in 2007.\* The next largest proportion includes those with household incomes less than 199% FPL (28.2%) – less than \$41,300 annually for a family of four in 2007. These were much larger than similar income groups among the total population (12.5% and 16.3%, respectively).

Noncitizens are disproportionately more likely than citizens to go without job-based coverage. Noncitizens (26.9%; Exhibit 3) are less likely to have access to coverage through a family member's job-based plan when compared to their proportion in the total population

(13.8%). In comparison, a majority of those without access to job-based health insurance (64.2%) are U.S.-born citizens, which is lower than their proportion in the total population (74.3%). Latinos are overrepresented in not having family access to job-based coverage among all racial/ethnic groups, when compared to their proportion in the total population. Over half of adults and children with no access to insurance through employment are Latino (54.7%) compared to only about a third of the total population (37.3%; Exhibit 3).

### Low Access to Job-Based Coverage in Southern California

Most workers and their families without job-based coverage live in Southern California. More than half of individuals who do not have family access to job-based coverage (57.8%; Exhibit 3) reside in Southern California with Los Angeles County having the highest percent of individuals that do not have access

*“More than one-third of the poorest households did not have access to job-based coverage.”*

\* *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147-3148.

## Nonelderly Adults and Children With No Access to Family Job-Based Coverage by Citizenship, Race/Ethnicity, Household Income and Region, Ages 0-64, California, 2007

Exhibit 3

	No Access to Family Job-Based Coverage		Total Population	
	Number	Percent	Number	Percent
<b>Household Income</b>				
0-99% FPL	2,050,000	36.2%	3,446,000	12.5%
100-199% FPL	1,597,000	28.2%	4,496,000	16.3%
200-299% FPL	726,000	12.8%	3,768,000	13.7%
300% FPL and Above	1,297,000	22.9%	15,887,000	57.6%
TOTAL	5,670,000	100.0%	27,597,000	100.0%
<b>Citizenship</b>				
U.S.-Born Citizen	3,639,000	64.2%	20,512,000	74.3%
Naturalized Citizen	505,000	8.9%	3,299,000	12.0%
Noncitizen with Green Card	632,000	11.1%	2,084,000	7.6%
Noncitizen without Green Card	894,000	15.8%	1,702,000	6.2%
TOTAL	5,670,000	100.0%	27,597,000	100.0%
<b>Race/Ethnicity</b>				
White	1,528,000	27.0%	11,607,000	42.1%
Latino	3,102,000	54.7%	10,284,000	37.3%
African American	332,000	5.9%	1,501,000	5.4%
Asian-American*	604,000	10.7%	1,248,000	4.5%
Other**	103,000	1.8%	2,957,000	10.7%
TOTAL	5,669,000	100.0%	27,597,000	100.0%
<b>Region</b>				
Northern/Sierra Counties	230,000	4.1%	919,000	3.3%
Greater Bay Area	752,000	13.3%	5,382,000	19.5%
Sacramento Area	233,000	4.1%	1,548,000	5.6%
San Joaquin Valley	797,000	14.1%	2,901,000	10.5%
Central Coast	380,000	6.7%	1,659,000	6.0%
Los Angeles County	1,807,000	31.9%	7,402,000	26.8%
Other Southern California	1,470,000	25.9%	7,785,000	28.2%
TOTAL	5,669,000	100.0%	27,596,000	100.0%

Note: Numbers may not add up to 100% due to rounding.

Source: 2007 California Health Interview Survey

\* Includes Native Hawaiian/Pacific Islander.

\*\* Includes American Indian/Alaska Native and two or more races.

to family job-based coverage (31.9%). This is higher than the 26.8% of the state's total population that lives in the county indicating that Los Angeles County has a higher concentration of workers and their families without access to job-based coverage. Similarly, in the San Joaquin Valley, 14.1% of individuals do not have family access to job-based coverage, which is higher than the

proportion in the total population living in that region (10.5%: Exhibit 3).

### One-Third of Employees in Small Businesses Have No Access to Job-Based Coverage

Nonelderly adults working in small businesses and those earning low wages are the least likely to have access to job-based coverage. Roughly one-third of adults who do not have access to

(Continued on page 5)

“Most workers and their families without job-based coverage live in Southern California.”

## No Access to Family Job-Based Coverage Among Nonelderly Adults by Firm Size and Minimum Wage, Ages 19-64, California, 2007

Exhibit 4

	No Access to Family Job-Based Coverage		Total Population	
	Number	Percent	Number	Percent
<b>Firm Size</b>				
Fewer than 10 Employees	1,126,000	32.7%	3,082,000	18.8%
10-50 Employees	881,000	25.6%	2,783,000	17.0%
51-99 Employees	131,000	3.8%	687,000	4.2%
100-999 Employees	510,000	14.8%	2,759,000	16.8%
1,000 or More Employees	797,000	23.1%	7,098,000	43.3%
TOTAL	3,445,000	100.0%	16,409,000	100.0%
<b>Minimum Wage</b>				
<1X Minimum Wage	1,641,000	47.6%	3,523,000	21.5%
1X - <2X Minimum Wage	1,160,000	33.7%	4,119,000	25.1%
2X - <3X Minimum Wage	279,000	8.1%	2,617,000	15.9%
3X - <4X Minimum Wage	155,000	4.5%	2,256,000	13.7%
4X - <5X Minimum Wage	50,000	1.5%	1,221,000	7.4%
5X+ Minimum Wage	159,000	4.6%	2,672,000	16.3%
TOTAL	3,444,000	100.0%	16,408,000	100.0%

Note: Numbers may not add up to 100% due to rounding.

Source: 2007 California Health Interview Survey

job-based coverage through their own employer (32.7%) work in firms with fewer than 10 employees, a much higher proportion compared to the total percent of employees of small businesses in California (18.8%; Exhibit 4).

Adults earning minimum wage were also less likely to have access to employer-based insurance. Nearly half of those without access to their own or a spouse's job-based coverage (47.6%) earned less than the minimum wage in 2007 (\$7.50 per hour) and roughly one-third (33.7%) earn between \$7.50 and \$15 per hour (Exhibit 4).

### Discussion and Policy Implications

This policy brief provides analysis of nonelderly adults and children without access to job-based coverage, using data from CHIS 2007 collected prior to the recession of 2009. Although the economy has undergone a massive shift since the time of this data collection, the overall insights gained from this research still remain

vital to understanding the underlying factors that keep families from accessing job-based coverage.

Through provisions enacted under national health care reform (the Patient Protection and Affordable Care Act of 2010), small businesses are able to take advantage of tax credits for offering health insurance to their employees if they have fewer than 25 employees and the average wage is \$50,000 or less. This economic stimulus for small businesses might have the desired effect of encouraging more small employers to offer coverage to their workers. However, it is likely that the major shift upwards in coverage will not come until January 2014, with the new state-based health insurance exchanges. These exchanges will be new, highly regulated, easily accessible marketplaces for buying health insurance coverage directly from insurance companies. When they become operational, businesses with less than 100 employees will be able to

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*“Health care reform may encourage more small employers to offer coverage to their workers.”*



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purchase coverage through the local  
exchange.

Also, employees that are not offered  
affordable job-based coverage will be  
eligible to purchase coverage in the new  
exchange. Those with household incomes  
less than 400% FPL will be eligible to  
receive subsidies to purchase that  
insurance. The lowest-income families  
(under 133% FPL) will become eligible for  
coverage through the Medi-Cal program,  
regardless of whether or not there are  
dependent children in the household.  
These provisions will provide new options  
for the over 2.5 million adults and children  
who became uninsured in 2007 due to lack  
of access to job-based coverage.

#### Data Source

This policy brief reports data from the 2007  
California Health Interview Survey. CHIS 2007  
is the latest dataset available from this biennial  
population-based survey. For more information  
on CHIS 2007, please see [www.chis.ucla.edu](http://www.chis.ucla.edu).

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