

EXECUTIVE SUMMARY

DURATION OF HEALTH INSURANCE COVERAGE AND LACK OF COVERAGE IN CALIFORNIA

One in five nonelderly Californians—6.3 million in all—lacked health insurance for all or part of 2001. This report, based on data from the 2001 California Health Interview Survey (CHIS 2001), examines long-term and intermittent health insurance coverage, and the sources and consequences of resulting periods of uninsurance.

- Over half of these Californians—a total of 3.3 million—were uninsured for longer than one year.
- 1.2 million were uninsured for seven to 12 months.
- 853,000 were uninsured for four to six months.
- 954,000 were uninsured for just one to three months—15% of all uninsured Californians.

Some sources of coverage are less stable than others. Among adults and children who were uninsured at the time they were interviewed, one in four had health insurance coverage during the year but lost it.

- One in eleven children (9.1%) who were uninsured at the time of the interview had been covered by Medi-Cal but lost it, 2.3% had been covered by Healthy Families, and 10.8% had been covered by job-based insurance before they became uninsured.
- Among adults who were uninsured at the time of the interview, only 3.6% previously had Medi-Cal and lost it, 7.2% had privately purchased health insurance or some other coverage, and 13.3% had job-based coverage before they became uninsured.

The probability of retaining coverage throughout the year and, conversely, lacking coverage for all or part of the year, varies considerably across age groups, by income, across ethnic groups, by citizenship status, by English proficiency levels, and by other social characteristics.

- Young children under the age of 12 were least likely to be uninsured all or part of the year (13.1%), but nearly half of those were uninsured all year. Young adults ages 18-24 were the most likely to be uninsured at least some of the year (39.6%), half of whom were uninsured all year. These rates of uninsurance decrease throughout adulthood, however, to a low of 13.6% among adults ages 55-64, two-thirds of whom were uninsured all year.
- Among children with family income below the Federal Poverty Level (FPL), 24.8% experienced lack of coverage for all or part of the year, including 14.4% of all poor children who were uninsured all year. In contrast, 4.5% of children with family incomes above 300% FPL experienced a lack of coverage.
- Among adults with family income below FPL, 48.6% experienced lack of coverage for all or part of the year, including one in three poor adults who were uninsured all year. Among adults with family incomes above 300% FPL, 12% were uninsured some or all of the year.
- Among children, nearly one in four Latinos were uninsured at least some of the year, including 13.8% who were uninsured all year—the highest rates among all ethnic groups. In contrast, 4.3% of Asian American and Pacific Islander children, 6.8% of American Indian/Alaska Native children, 2.7% of whites, and 2.5% of African Americans were uninsured all year.

- Among adults, 43.5% of Latinos were uninsured at least some of the year, including 28.5% who were uninsured throughout the year, also the highest rates among all ethnic groups. All-year uninsured rates were also high for American Indians/Alaska Natives (17.6%), somewhat lower for Asian Americans and Pacific Islanders (11.8%), and still lower for African Americans (9%) and whites (7.2%).
- Among noncitizen adults without a “green card,” 61.5% were uninsured all or part of the year, including 44.4% who were uninsured all year. Four in 10 noncitizens with a green card were uninsured all or part of the year, including one in four (26.9%) who were uninsured all year. In contrast, 22.6% of naturalized citizens and 17.6% of U.S.-born citizens were uninsured all or part of the year.
- Children whose parents were both born in the United States are least likely to be uninsured for all or part of the year (7.7%). However, 23.4% of children whose parents are noncitizens without a green card and 46.2% of noncitizen children were uninsured all or part of the year, including 34.1% of noncitizen children who were uninsured all year.
- While 19.7% of Californians, ages 0-64, who speak English very well experienced some period of uninsurance, 44.8% of those with limited English proficiency experienced lack of coverage all or part of the year, including 32.2% who were uninsured throughout the year.

The duration and type of coverage also varies greatly across California counties with several counties having over 20% of residents uninsured for all or part of the year.

- Reflecting the strong economy that generated high rates of job-based insurance, in the nine-county Greater Bay Area and four-county Sacramento Area, about one in seven nonelderly residents were uninsured for all or part of the year—the lowest proportions in the state. San Francisco and El Dorado County were outliers in their respective areas, with more than one in five residents uninsured at some time during the year.
- The northern and Sierra counties averaged one in five nonelderly residents who lacked coverage for all or part of the year, but this average was exceeded by the San Joaquin Valley and the Central Coast counties, which averaged more than 22%. Within the latter areas, however, Tulare County and Santa Barbara County stood out with 28.7% and 25.6% of their nonelderly populations experiencing uninsurance during the year.
- Los Angeles County is “ground zero” in the nation’s uninsurance problem with over one-fourth of its nonelderly residents – 2.2 million adults and children – experiencing a lack of coverage during at least some of the year. This includes nearly 1.4 million residents who were uninsured all year round.
- Other Southern California counties averaged about 22% of their nonelderly residents uninsured during the year, with Riverside and Imperial Counties even higher at over 24%.

Lack of access to affordable health insurance—either through employment or public programs—is the main barrier that leaves so many Californians uninsured.

- Just under one-half of the nearly 3.5 million Californians who were uninsured *all year* and more than one in four of the 2.8 million who were uninsured part of the year said that the main reason they lacked coverage was that health insurance premiums were unaffordable.

CALIFORNIA'S WORKERS AND STABILITY OF COVERAGE

Most of California's 13.6 million workers (78.6%) were insured continuously in 2001, but nearly 3 million (21.4%) were uninsured for some or all of 2001. Over 1.5 million workers (11%) were uninsured all year. This section discusses the stability of coverage for employees, excluding self-employed workers.

Employees that experience at least some period of uninsurance disproportionately are Latino, have limited English proficiency, are single with no children, and have lower household incomes.

- Although 26.5% of California's employees are Latino, they account for 59.1% of employees uninsured all year and 35.9% of employees uninsured for part of the year. Conversely, although 52.3% of California's employees are white, they account for only 24.6% of employees uninsured all year and 44.9% of those uninsured part of the year.
- A small proportion (7.3%) of California's workers have limited proficiency in English. Yet they account for over 27% of employees uninsured all year and 9% of employees uninsured for part of the year.

- Approximately one-half of workers who were uninsured all or part of the year were single adults with no minor children (49.5% and 52.9%, respectively), disproportionately higher than their share of all employees (36.5%).
- Although adults with family incomes less than 200% FPL account for 27.2% of the workforce, they account for 70.3% of employees uninsured all year and 41.7% of employees insured part of the year. In contrast, although employees with family incomes above 300% FPL account for 58.8% of the workforce, they account for slightly more than 67.3% of employees insured all year.

Stability of coverage varies considerably by labor market characteristics such as hourly wages, hours of work, size of firm, and industry type. Employees who earn low hourly wages, work less than full time, are employed in smaller firms, and work in certain industries tend to account for a disproportionate share of employees that experience uninsurance all or part of the year.

- Employees earning less than \$9.85 per hour comprise only 25.8% of California's employees yet account for over 64% of employees uninsured all year and over 46% of those uninsured part of the year.
- Seven in 10 employees who were uninsured at some time during the year worked 40 or more hours a week, dispelling one myth that uninsured workers are employed mainly part time. However, part-time employees who work *more than half time* (21-39 hours) are disproportionately found among uninsured workers.

- Employees who were uninsured all year were most likely to have worked for establishments with fewer than 10 employees (32.3%), while workers uninsured part of the year were most likely to have been employed in large firms with 1,000 or more employees (35.6%).
- Nearly one in four employees who were uninsured all year (23.9%) or part of the year (22.6%) worked in the retail trade industry, substantially greater shares than their proportion of the labor force (16.1%). Agriculture and construction also account for disproportionately higher shares of uninsured workers.

INTERMITTENT COVERAGE AND THE MEDI-CAL AND HEALTHY FAMILIES PROGRAMS

The Medi-Cal and Healthy Families programs covered 4,866,000 children and adults for all or part of the year in 2001, based on data from CHIS 2001 (although administrative data may yield a somewhat different number). Medi-Cal and Healthy Families form a patchwork quilt of coverage for a large population that would likely be uninsured in the absence of this safety net, although the safety net tends to be fragmented and confusing.

- Nine in 10 children with Medi-Cal coverage at the time of the interview had Medi-Cal coverage all year, compared to eight in 10 nonelderly adults with Medi-Cal. As a result of children's high rate of continuous Medi-Cal coverage, only 7.3% previously had been uninsured in the past year, compared to 15.3% for nonelderly adults.
- One in seven children (16.1%) covered by Healthy Families at the time of the interview and 7.3% of those covered by Medi-Cal previously had been uninsured in the past year. This underscores the Healthy Families program's role in insuring a population of children who had few other options and previously had no health coverage at all.

The role of Medi-Cal and Healthy Families as the only affordable coverage options for low-income Californians is also underscored by the high rates of long-term uninsurance among uninsured children and adults who are eligible for these programs but not enrolled.

- For currently uninsured children who are eligible for either Medi-Cal or Healthy Families, seven in 10 were uninsured all year. For adults who were Medi-Cal eligible, eight in 10 lacked coverage for all of the past 12 months.
- Nearly 650,000 Latino children and adults eligible for Medi-Cal or Healthy Families were uninsured all year, compared to 116,000 white children and even smaller numbers of children in other racial and ethnic groups, suggesting the urgency of intensive targeting of outreach and enrollment efforts to Latino communities.
- Approximately seven to eight in 10 of uninsured eligible children who speak languages other than English, lacked coverage all year regardless of their level of English proficiency. Nearly two-thirds of uninsured eligible adults who speak English very well were without coverage throughout the past year, but 84–86% of those who speak English fairly well or not well/not at all were uninsured all year.

THE CONSEQUENCES OF HAVING INTERMITTENT OR NO COVERAGE

Health status among children and adults varied substantially by health insurance coverage.

- Nonelderly adults with all-year Medi-Cal coverage (including a small number in Healthy Families) reported the worst health status of any group, reflecting Medi-Cal's role in serving the disabled population. Among adult Medi-Cal beneficiaries, 39.6% reported being in fair or poor health, compared to 19.3% of those uninsured part of the year, 27.4% of those who were uninsured the entire year, and less than 11% of those with job-based or privately purchased coverage.
- Among children, 18.3% of those who were uninsured the entire year were reported to be in fair or poor health, compared to 14% of those uninsured part of the year and those who had Medi-Cal or Healthy Families coverage all year, and less than 5% of those with job-based or privately purchased coverage.

Californians who were uninsured all or part of the previous year were less likely to have a usual source of care (or “medical home”), were more likely to report experiencing delays in or not getting care, and were less likely to report taking medication for certain chronic conditions compared to those insured all year.

- Among adults, nearly half who were uninsured the entire year (45.9%) and about a third of those uninsured part of the year (31.6%) lacked a usual source of care, in contrast to the less than 13% of persons with stable coverage.

- Three in 10 children (29.8%) who were uninsured the entire year were without a usual source of care, more than twice the proportion of those uninsured part of the year (12.4%) and less than 7% of children with stable coverage.
- The health care safety net—community and public clinics and public and community hospitals—play a very important role in the health care of children and adults who are either uninsured or covered by Medi-Cal or Healthy Families.

Insurance coverage was very related to experiencing delays in health care or not getting care at all. Approximately one in five of those uninsured part of the year (21.4%) and those uninsured all year (18.2%) reported delaying or not getting care, compared to less than 14% of those with continuous coverage. Health insurance coverage was also related to whether adults with chronic illnesses were taking prescription medication to help them control their condition.

- Among nonelderly adults with asthma, half of those who were uninsured all year reported taking medications for asthma, compared to three-fifths of those uninsured part of the year or having job-based coverage and three-quarters of those with Medi-Cal or Healthy Families.
- Among nonelderly adults with diabetes, 57% of those uninsured all year and 64.6% of those uninsured part of the year were taking any medication for diabetes, in contrast with over 75% of those with Medi-Cal, Healthy Families or job-based coverage.
- Among those with high blood pressure, less than 30% who were uninsured all or part of the year were taking any blood pressure medication, compared to 54.6% of those with job-based coverage and 65.5% for those with Medi-Cal.

- Among those with heart disease, less than 30% of those who were uninsured all or part of the year were taking medication for their condition, compared to 62.7% of those with Medi-Cal or Healthy Families and 44% of those with job-based coverage.

PUBLIC POLICIES TO EXPAND COVERAGE FOR CHILDREN AND ADULTS

Lack of coverage results from not having access to affordable health insurance and has real consequences for the health of Californians and their access to health services. Sharp differences in the duration of uninsurance and health insurance coverage were found by race and ethnicity, by family income, and by citizenship and immigration status.

Despite these disparities, there are at least two sources from which some relief may be forthcoming. One source is the new Health Insurance Act of 2003 (Senate Bill 2), and the other is the spreading movement at the local level to expand health care coverage.

Senate Bill (SB) 2, signed in October 2003, will enable one million uninsured workers and dependents to obtain health insurance through their employers or a new State program. Employers may meet the obligation of this “pay or play” program either by providing health benefits or by paying into a State-administered fund that will contract for the mandated coverage for workers and, if eligible, their families.

- Beginning January 1, 2006, employees who work for employers with 200 or more workers will be able to obtain coverage for themselves and their families, with the employer paying at least 80% of the cost and the employee the balance.

- Beginning in 2007, employees in firms with 50-199 workers will be eligible for coverage, with the employer required to pay at least 80% for coverage only for the worker.

- Employers in firms with 20-49 workers will also be required to offer worker-only coverage in 2007, but only if the State provides subsidies to help offset their costs. SB 2 does not affect firms with fewer than 20 workers.

- Altogether, when fully implemented, SB 2 will cover 698,000 workers and 372,000 spouses and children who were uninsured in 2001. Of the 4.52 million persons who were uninsured at the time they were interviewed for CHIS 2001, one in four – a total of 1.07 million – would gain coverage.

Local-level coalitions to expand health insurance have been organized in a number of counties in California. These initiatives are targeted at maximizing enrollment of uninsured eligible children into Medi-Cal, Healthy Families, and other programs, and also at expanding coverage options for those who do not qualify for federal and state programs. All of these local efforts to expand eligibility for public programs ultimately will depend on changes in state and federal programs.

The magnitude of the problem of uninsurance and the added burden it places on state and local public resources, as well as on the individuals and families who are directly affected, underscore the urgency of California adopting and implementing policies to provide coverage to all its residents.