



HEALTH REFORM IN CALIFORNIA: The Need is Greater

The need for health reform in California is more urgent, more acute, and in some ways different, than in many other states:

▶ **THE UNINSURED: Californians are more likely to be uninsured than residents of all but six states.¹**

- California has 6.5 million uninsured. *California has more uninsured (6.5 million) than Massachusetts has people (6.3 million).*
- More than one in seven uninsured Americans lives in California.
- Most uninsured Californians are in working families (80%) and in low- or moderate-income families (80%) earning less than 300 percent of the Federal Poverty Level (FPL).²
- California's uninsured are disproportionately persons of color (70%).

Uninsured Rate (2006-07)	
U.S.	CA
17.2%	20.4%

▶ **EMPLOYER-BASED COVERAGE: Californians are less likely to be offered health coverage at work.**

- California has one of the lowest rates of employer-based coverage in the country.
- Lack of employer-based coverage is strongly correlated with a lack of health insurance: *the lower employer-based coverage, the higher the percentage of uninsured.*
- Californians who get coverage through their employer often face high health care costs for share of premium as well as co-pays, deductibles and other out of pocket costs.
- The average premium for employment-based coverage in California grew more than eight percent in 2008, compared to less than five percent growth nationally.³

Employer Coverage Rate (2006-07)	
U.S.	CA
60.9%	54.7%

▶ **LOW-WAGE WORKERS: California has a greater percentage of low-wage workers, who need financial help to afford coverage.**

- Health coverage is regressive: those who make less often pay more.
- A quarter of Californians with employer-based coverage and incomes below 300% FPL spend more than 7.5 percent of their income on health care.

▶ **INDIVIDUAL INSURANCE MARKET: Californians are more likely to be left alone in the individual market, and be denied for pre-existing conditions.**

- About two million Californians buy coverage in the individual market, and half of them have high deductible coverage with deductibles over \$1,000.⁴
- A quarter of all Californians who buy their own coverage spend 14 percent of income on premiums, co-pays and deductibles.⁵
- For those below 300% FPL, individual coverage is even less affordable: 10 percent of those below 300% FPL spend over 30 percent of their income on health care, meaning that an individual making less than \$31,000 a year is spending \$9,300 on health care.
- Like 45 other states, California allows insurers to deny individuals coverage for pre-existing conditions and to base premiums on health status.

Individual Coverage Rate (2006-07)	
U.S.	CA
5.5%	7.4%



PUBLIC PROGRAMS: California has more people on Medicaid (Medi-Cal) and SCHIP (Healthy Families), despite average eligibility criteria.

Public Coverage Rate (2006-07)	
U.S.	CA
13.9%	16.0%

- About 7 million Californians depend on Medi-Cal and Healthy Families: about half of them are in working families and the other half are low-income seniors and persons with disabilities.
- Children are eligible for public coverage up to 250% FPL; working parents are eligible up to 133% FPL (about \$18,000 annual income for family of three); seniors and persons with disabilities are eligible if they make less than \$870 a month.; and adults without children under 18 at home are generally not eligible for Medi-Cal, no matter how poor.
- *Although California covers a higher proportion of its population with Medicaid/SCHIP, eligibility levels are lower than in many states.*

POPULATION DIVERSITY: California is the most populous state and has one of the most diverse populations.

- California has over 36 million people, more than any other state, and it's expected to grow by 7 to 11 million people by 2025.⁶
- More than one in ten adults in California reported having a disability in 2007.⁷
- There is no "majority" ethnic group in California. Communities of color, primarily Latinos and Asians, account for a large and growing portion of California's population.⁸
- California has a large number of immigrants, and by 2030, immigrants and their children will account for 45 percent of the state's population.⁹
- California's diverse population raises issues such as the cultural competency of providers and access to language/translation services.

Why does California need health reform?

- Compared to most other states, California has more uninsured, lower rates of employer-based coverage, lower levels of Medicaid eligibility, and exposes more consumers to a broken individual market.
- Health reform is a critical component to strengthening the health care system and ensuring economic security for Californian families.

¹ California and national coverage data for non-elderly based on Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2007 and 2008 Current Population Survey from www.statehealthfacts.org

² Characteristics by coverage type based on data from the California Health Interview Survey at <http://www.chis.ucla.edu/>

³ California HealthCare Foundation, "California Employer Health Benefits Survey," (December 2008).

⁴ See letter on SB 1522 from the California Health Benefits Review Program, University of California (2008) at www.chbrp.org

⁵ Data on affordability from Jacobs, *et al.*, "Health Coverage Expansion in California: What Can Consumers Afford to Spend?," UC Berkeley/UCLA (Sept. 2007) available at www.laborcenter.berkeley.edu

⁶ Public Policy Institute of California, "California's Future Population," (September 2008) from www.ppic.org

⁷ Bjelland, *et al.* analysis of the American Community Survey by Cornell University Rehabilitation Research and Training Center on Disability Demographics and Statistics (November 2008) at <http://www.disabilitystatistics.org>

⁸ California Immigrant Policy Center, "Looking Forward: Immigrant Contributions to the Golden State," (January 2008), available at <http://www.caimmigrant.org/ICSinglePages.pdf>

⁹ Myers, *et al.*, "California Demographic Future," (February 2005) School of Policy, Planning, and Development, University of Southern California, available at www.usc.edu/schools/sppd/research/popdynamics