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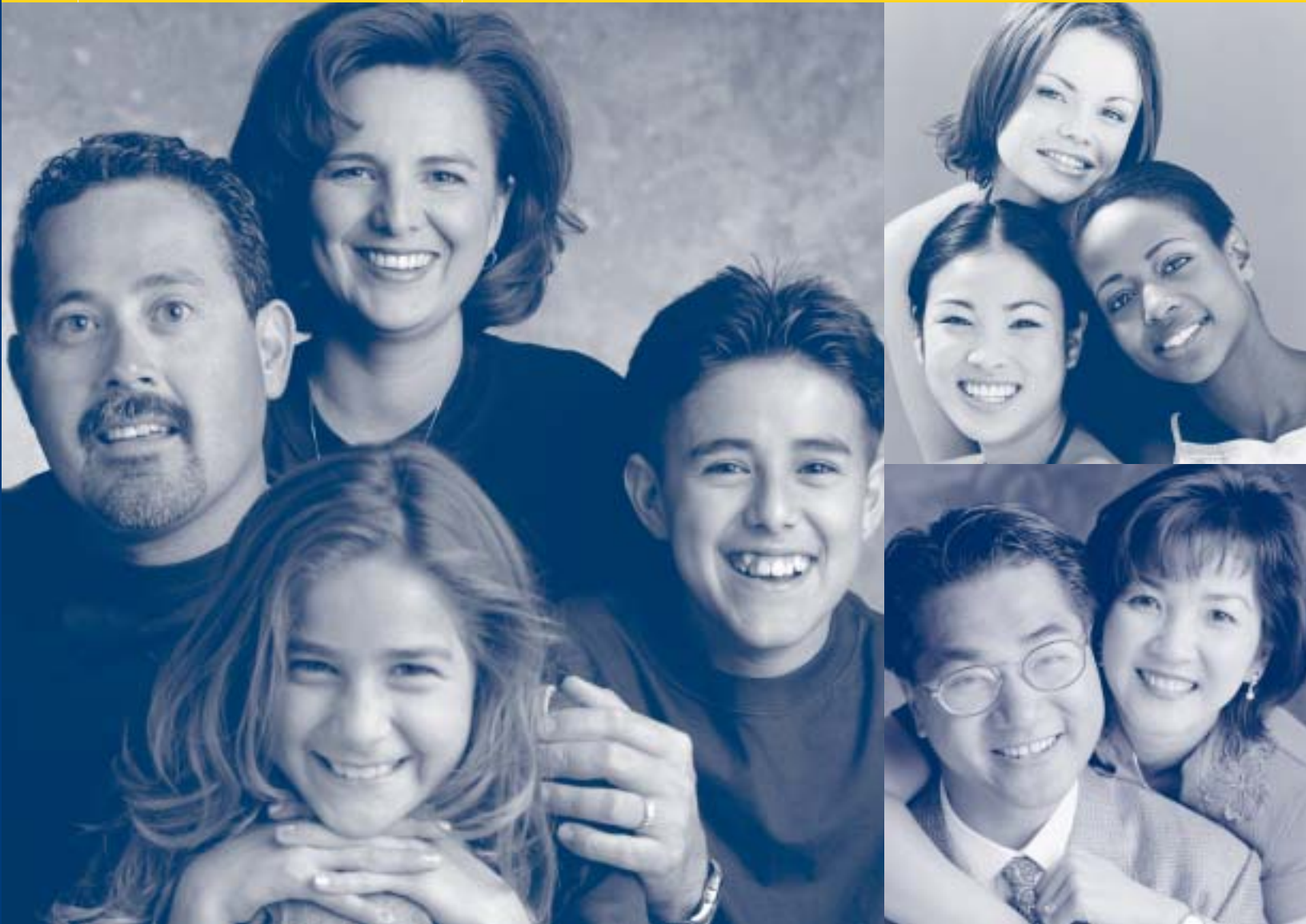
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THE STATE OF  
**HEALTH INSURANCE**  
IN CALIFORNIA:

LONG-TERM AND INTERMITTENT LACK OF  
HEALTH INSURANCE COVERAGE



**FINDINGS FROM THE 2001 CALIFORNIA HEALTH INTERVIEW SURVEY**

**E. RICHARD BROWN, PhD**

**NINEZ PONCE, PhD**

**THOMAS RICE, PhD**

**SHANA ALEX LAVARREDA, MPP**

NOVEMBER 2003

FUNDED BY A GRANT FROM

**THE CALIFORNIA WELLNESS FOUNDATION**



**UCLA CENTER FOR HEALTH POLICY RESEARCH**

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### 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.



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# introduction

## INTRODUCTION

Using data from the 2001 California Health Interview Survey (CHIS 2001), this report examines the issue of long-term and intermittent health insurance coverage and the sources and consequences of resulting periods of uninsurance. The CHIS 2001 survey makes this analysis possible because respondents were asked about their health insurance coverage both at the time of the interview and during the previous 12 months. The findings demonstrate the importance of consistent coverage and of policies that avoid disrupting people's coverage with periods of being uninsured.

### THE CALIFORNIA HEALTH INTERVIEW SURVEY

The report is based on analyses of data from the CHIS 2001 random-digit dial (RDD) telephone survey. Its sample of more than 55,000 randomly selected households was drawn from every county in California. CHIS 2001 is the largest health survey ever conducted in any state and one of the largest in the nation. In each household, one adult was randomly selected for interview (the "sample adult"). In households with children, CHIS 2001 also interviewed one adolescent age 12–17 (the "sample adolescent") and obtained information for one child under age 12 (the "sample child") by interviewing the adult who is most knowledgeable about the child.

CHIS covers a broad range of public health concerns, including health status and conditions, health-related behaviors, health insurance coverage, and access to health care services. To make CHIS 2001 more inclusive and to capture the rich diversity of the California population, the

questionnaires were translated and interviews were conducted in six languages: English, Spanish, Chinese (both Mandarin and Cantonese dialects), Vietnamese, Korean, and Khmer (Cambodian). Questionnaires were also reviewed by expert teams to ensure that question wording was culturally appropriate for a variety of population groups. In addition, special community outreach campaigns were conducted in appropriate languages targeting communities of color to encourage the participation of populations that often have low participation rates in surveys.

CHIS is a collaboration of the UCLA Center for Health Policy Research, the California Department of Health Services, and the Public Health Institute. Funding for CHIS 2001 was provided by the California Department of Health Services, the National Cancer Institute, The California Endowment, the California Children and Families Commission, the Centers for Disease Control and Prevention (CDC), and the Indian Health Service. (For more information on CHIS, please visit [www.chis.ucla.edu](http://www.chis.ucla.edu).)

The RDD survey began at the end of November 2000 and was completed in October 2001. It reflects patterns of coverage during most of 2001 and the experiences of respondents during the 12 months prior to the survey. However, it does not reflect post 9/11 conditions and the national economic decline that engulfed California.



# 1. DURATION OF HEALTH INSURANCE COVERAGE AND LACK OF COVERAGE IN CALIFORNIA

One in five (21.2%) nonelderly Californians—6.3 million in all—lacked health insurance for some or all of 2001. More than half of these Californians—a total of 3.5 million—were uninsured for at least the full year, and another 2.8 million had intermittent coverage with at least one spell of uninsurance (Exhibit 1).

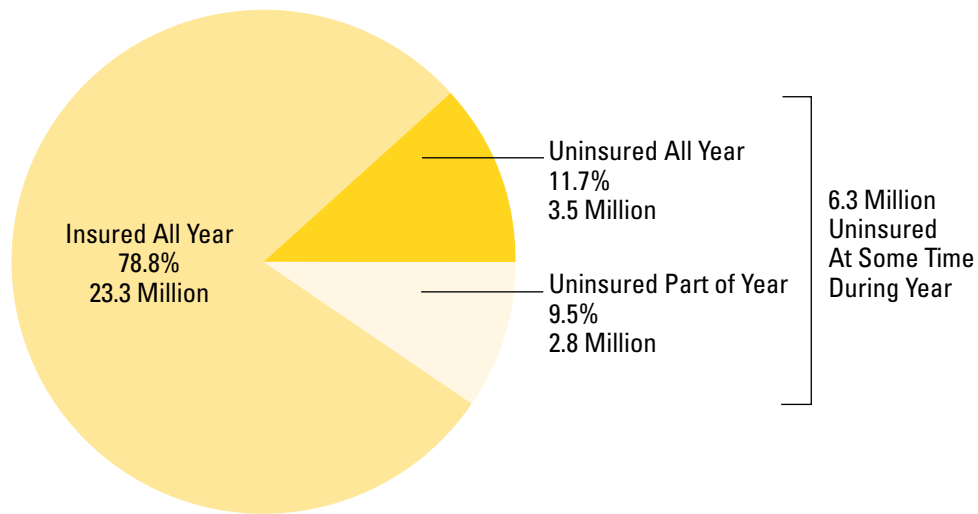
We focus on the nonelderly population because they bear the burden of uninsurance in the United States. The proportion of the nonelderly who are uninsured at some time during a 12-month period (21.2%) is 14 times as large as the proportion for Californians age 65 and over (1.5%)—thanks to Medicare, the federal social security health insurance program which provides nearly universal coverage for the elderly and permanently disabled nonelderly adults.

## DURATION OF UNINSURANCE

For most Californians, uninsurance is not a short-term condition. Among the 6.3 million Californians who were uninsured for all or part of the year, more than half—3.3 million—were uninsured for longer than one year (Exhibit 2), a finding that is consistent with findings from similar national data.<sup>1</sup> Nearly one in five—a total of 1.2 million persons—experienced uninsurance for seven to 12 months, 13.6% (or 853,000) for four to six months, and 15.2% (or 954,000) for just one to three months.

Such long durations of uninsurance cannot be considered “transitional” lack of coverage, which might be the result of changes in employment or short gaps between one coverage ending and another beginning. These long periods without

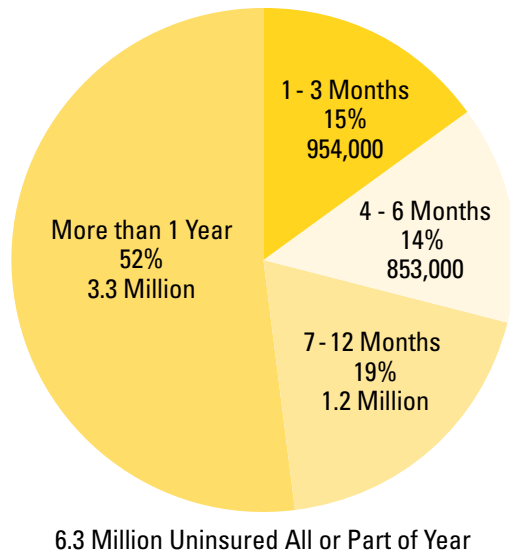
EXHIBIT 1. ALL-YEAR AND PART-YEAR COVERAGE AND LACK OF COVERAGE BY AGE GROUP, AGES 0–64, CALIFORNIA, 2001



Source: 2001 California Health Interview Survey

1 Haley J, Zuckerman S, *Is Lack of Coverage a Short- or Long-Term Condition?* Washington, DC: Kaiser Commission on Medicaid and the Uninsured, June 2003.

**EXHIBIT 2. DURATION OF UNINSURANCE AMONG PERSONS UNINSURED ALL OR PART OF YEAR, AGES 0–64, CALIFORNIA, 2001**



Source: 2001 California Health Interview Survey

coverage reflect, as we will see, the absence of affordable coverage through employment and the on-and-off dynamics that characterize some Medi-Cal beneficiaries' relationship to the program. And when people are uninsured for longer periods of time, their connections to the health care system and their ability to get even minimal care are greatly reduced, as we will see in a later section of this report.

### SOURCES OF UNINSURANCE

Some sources of coverage are less stable than others. Among the more than 4.5 million adults and children who were uninsured at the time they were interviewed, three out of four had been uninsured throughout the year—the all-year uninsured (Exhibit 3). But one in four of these Californians previously had health insurance coverage during the year and lost it. Overall, more uninsured Californians lost employment-based coverage than lost Medi-Cal or Healthy Families coverage.

**EXHIBIT 3. COVERAGE DURING PREVIOUS 12 MONTHS AMONG PERSONS UNINSURED AT TIME OF INTERVIEW BY AGE, AGES 0–64, CALIFORNIA, 2001**

HEALTH INSURANCE STATUS DURING PREVIOUS 12 MONTHS	AGE GROUP (IN YEARS)		
	0–17	18–64	0–64
UNINSURED	74.1	75.7	75.4
MEDI-CAL	9.1	3.6	4.7
HEALTHY FAMILIES	2.2	–	0.6
JOB-BASED INSURANCE	10.8	13.3	12.8
OTHER & MULTIPLE COVERAGE	3.8	7.2	6.5
TOTAL	100%	100%	100%
POPULATION IN 2000	880,000*	3,716,000*	4,597,000*

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

\* Number in each age group who were uninsured at time of interview.

– Indicates inadequate sample size with which to make estimate.

Source: 2001 California Health Interview Survey

One in 11 children (9.1%) who were uninsured at the time of the interview had been covered by Medi-Cal (California's Medicaid program) but lost it, and another 2.3% had been covered by Healthy Families (California's version of the State Children's Health Insurance Program) before they became uninsured (Exhibit 3). One in nine uninsured children (10.8%) previously had employment-based health insurance through a parent, but lost that coverage, and still others lost privately purchased insurance and other types. Thus, for children, about equal shares of the uninsured lost previous employment-based coverage and Medi-Cal/Healthy Families coverage.

Among adults who were uninsured at the time of the interview, only 3.6% previously had Medi-Cal and lost it, and another 7.2% had privately purchased health insurance or some other coverage before they became uninsured (Exhibit 3). More than one in eight (13.3%) had employment-based health insurance (either through their own employer or that of a spouse) and lost that coverage.

Although the percentages of adults and children who had and then lost job-based insurance are greater than the percentages for Medi-Cal or Healthy Families, the actual "loss-of-coverage" rates for these public programs are higher. Of the more than two million children who were covered by Medi-Cal during the year at some point, 7% became uninsured (data not shown). Of the more than 450,000 children (ages 0-18)<sup>2</sup> who were enrolled in the Healthy

Families Program sometime during the year, about 15% lost it and became uninsured. Although CHIS 2001 data suggest that the loss-of-coverage rate for Healthy Families is higher than for Medi-Cal, administrative data from these programs suggest the opposite. If the CHIS 2001 estimate is correct, it may be due to the Healthy Families Program's required payment of premiums for these low-income families.<sup>3</sup>

The loss-of-coverage rates for job-based insurance are lower than the rate for Medi-Cal and Healthy Families. Of the 4.5 million children who were covered by employment-based insurance at some point during the year, only about 3% became uninsured. Thus, for children, those who are covered by health insurance through a parent's employment are about half as likely to lose it than those with Medi-Cal and much less likely than those with Healthy Families.

Adults are more likely than children to lose coverage. Of the nearly 13 million nonelderly adults who were covered by job-based insurance at some point during the year, 6% lost it and became uninsured at the time they were interviewed—twice the loss-of-coverage rate for children. And of the more than two million nonelderly adults living in households who were covered by Medi-Cal at some time during the year, 15% became uninsured by the time they were interviewed—also twice the rate for children in Medi-Cal.<sup>4</sup>

Although children retain their eligibility in Healthy Families and Medi-Cal for at least a year, adults were required to

2 The Healthy Families Program covers eligible children up to age 18 who have family incomes above the Medi-Cal eligibility level but not higher than 250% of the Federal Poverty Guidelines.

3 On the reasons for non-retention in the Healthy Families Program, see "How and Why Eligible Children Lose or Leave SCHIP/Healthy Families: California Report" (Washington, DC: Lake Snell Perry & Associates, n.d.). The above numbers of Medi-Cal and Healthy Families enrollees are estimates based on CHIS 2001 data; administrative data commonly yields different numbers. For discussion of this issue, see Leibowitz A, and Pollack ES (eds.), *Data Needs for the State Children's Health Insurance Program*, Committee on National Statistics, Division of Behavioral and Social Sciences and Education, National Research Council, Washington, DC: National Academy Press, 2002.

4 The estimate above is for nonelderly adults living in households; it does not include institutionalized adults covered by Medi-Cal.

file quarterly “recertification” to continue to retain their eligibility in Medi-Cal until this requirement was eliminated in January 2001. Nevertheless, both programs lose enrollees at relatively high rates. In response to the current state budget crisis, California has reverted to semi-annual recertification for adults, which is expected to decrease retention in the program and will, as a result, increase uninsurance. As our findings demonstrate, coverage through employment tends to be more stable than coverage through Medi-Cal or Healthy Families, almost certainly due to policies and practices in these public programs that may create administrative hurdles and barriers to enrolling and staying enrolled.

However, despite the higher loss-of-coverage rates for Medi-Cal and Healthy Families compared to employment-based health insurance, the *number* of Californians who lose job-based insurance is much greater than the number who lose Medi-Cal and Healthy Families coverage. This seeming paradox is due to the fact that employment-based insurance covers far more of the total nonelderly population than is covered by Medi-Cal and Healthy Families.

## DURATION OF UNINSURANCE VARIES ACROSS THE LIFESPAN

The probability of retaining coverage throughout the year and, conversely, lacking coverage for all or part of the year, varies considerably across age groups, across ethnic groups, by income and other social characteristics. Differences in uninsured rates are driven primarily by differences in employment-based insurance and, to a lesser extent, by eligibility rules for public coverage programs like Medi-Cal and Healthy Families. These differences are related to social characteristics, economic factors and public policies and are, for the most part, not based on an individual’s need for health services.

The probability of being covered throughout the year is high among children, lowest among young adults, and then rises gradually through adulthood (Exhibit 4). Among children, 85.8% were insured throughout the year, with stability of coverage somewhat greater among younger children under age 12 than among those ages 12-17. Of the 1.3 million children who were uninsured for some or all of the year, half—a total of 653,000—were uninsured throughout

**EXHIBIT 4. 12-MONTH INSURANCE COVERAGE BY DETAILED AGE GROUP, AGES 0–64, CALIFORNIA, 2001**

	AGE GROUP (IN YEARS)								
	CHILDREN			ADULTS					
	0-11	12-17	0-17	18-24	25-34	35-44	45-54	55-64	18-64
UNINSURED ALL YEAR	6.2	9.1	7.1	20.0	16.5	12.5	9.8	9.4	13.8
UNINSURED PART YEAR	6.9	7.6	7.1	19.6	15.0	7.9	5.8	4.2	10.6
INSURED ALL YEAR	87.0	83.3	85.8	60.4	68.5	79.6	84.4	86.4	75.6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%
POPULATION IN 2000	6,252,000	2,952,000	9,203,000	3,262,000	5,106,000	5,305,000	4,250,000	2,498,000	20,422,000

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey



the year. Among children under age 12, only 6.2% were uninsured all year, but those ages 12 to 17 were one and a half times as likely to lack coverage all year (9.1%).

Three-fourths of nonelderly adults were insured throughout the year, ranging from just 60.4% of young adults ages 18-24 to 86.4% of adults ages 55-64 (Exhibit 4). Among the nearly five million adults who were uninsured at some time during the year, more than half—a total of 2.8 million—were uninsured all year. Four in 10 young adults ages 18-24 experience a lack of coverage during the year, including two in 10 who are uninsured throughout the year—the highest rate among all age groups. Many young adults who enter the workforce lose coverage they had through their parents, but they are least likely to obtain their own coverage through employment. Even adults ages 25-34 experience high rates of uninsurance throughout the year, with 31.5% enduring at least some period of uninsurance, including 16.5% who were uninsured all year long. Although the overall uninsurance rate for adults ages 35-64 is lower than for younger adults, as

many as one in five experience lack of coverage at some time during the year. It is noteworthy that although adults in this age group have low rates of part-year uninsurance, a much larger proportion are uninsured throughout the year, suggesting that long-term uninsurance in this age group may be concentrated among lower-income adults or those with other specific social characteristics that are associated with higher long-term uninsurance rates. Regardless of the duration of uninsurance and any defining social characteristics, this is a part of the lifespan when health problems are gradually increasing and the need for medical care is growing, putting these long-term uninsured adults at increasing risk of not getting needed care.<sup>5</sup>

#### HIGH RATES OF LONG-TERM UNINSURANCE AMONG LOW-INCOME CALIFORNIANS

The stability of health insurance coverage increases dramatically with increasing income. Among nonelderly Californians with family income at or above 300% of the Federal Poverty Level (FPL), 95.5% of children (Exhibit 5)

**EXHIBIT 5. 12-MONTH INSURANCE COVERAGE BY FAMILY INCOME RELATIVE TO FEDERAL POVERTY LEVEL, AGES 0-17, CALIFORNIA, 2001**

	LESS THAN 100% FPL	100% - 199% FPL	200% - 299% FPL	300% + FPL
UNINSURED ALL YEAR	14.4	10.9	6.0	1.3
UNINSURED PART YEAR	10.4	10.9	7.2	3.2
INSURED ALL YEAR	75.2	78.2	86.8	95.5
TOTAL	100%	100%	100%	100%
POPULATION IN 2000	2,077,000	2,052,000	1,376,000	3,698,000

FPL = Federal Poverty Level

Source: 2001 California Health Interview Survey

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

5 Baker DW, Sudano JJ, Albert JM, et al., "Lack of health insurance and decline in overall health in late middle age," *New England Journal of Medicine* 2001; 345:1106-1112.

and 88% of adults (Exhibit 6) were insured throughout the year.<sup>6</sup> Just 1.3% of children and 4.6% of adults were uninsured throughout the year.

The situation is far less favorable among lower-income Californians. Among children with family income below the poverty level, only three in four (75.2%) were insured year-round, 10.4% experienced intermittent coverage and insurance, and 14.4% were uninsured throughout the year (Exhibit 5). The situation is essentially the same for “near poor” children (those with family incomes between 100% and 199% FPL). Even among moderate-income children (between 200% and 299% FPL), nearly one in seven experienced lack of coverage at some time during the year. These high rates of uninsurance among low- and moderate-income children are particularly concerning because six in 10 California children have incomes below 300% FPL.

Among adults with family income below the poverty level, nearly half experienced lack of coverage for all or part of the year, including one in every three (32.1%) who were uninsured all year (Exhibit 6). As with children, the situation

is only marginally better among near-poor adults (100%-199% FPL): only six in 10 (59.5%) had coverage throughout the year, while one in four (26.4%) had no coverage at any time during the year.

Among adults and children with family income at least two to three times the poverty level, intermittent coverage is the larger part of the problem. This is due mainly to changes in employment, in the affordability of health plans offered by the employer, and in eligibility for an employer’s health plan. These disruptions in coverage more often result in temporary, albeit often lengthy, periods of uninsurance, than in very long-term uninsurance. However, even periods of uninsurance that do not extend through the entire year leave an individual or a family vulnerable to high, and sometimes enormous, medical care costs, substantially reduced access to needed medical care, and adverse impacts on both acute and chronic health problems.

Given the high cost of private health insurance and the very limited public coverage programs for nonelderly adults, it is perhaps not surprising that two out of three adults (69%)

**EXHIBIT 6. 12-MONTH INSURANCE COVERAGE BY FAMILY INCOME RELATIVE TO FEDERAL POVERTY LEVEL, AGES 18–64, CALIFORNIA, 2001**

	LESS THAN 100% FPL	100% – 199% FPL	200% - 299% FPL	300% + FPL
UNINSURED ALL YEAR	32.1	26.4	13.5	4.6
UNINSURED PART YEAR	16.5	14.1	12.5	7.4
INSURED ALL YEAR	51.4	59.5	74.0	88.0
TOTAL	100%	100%	100%	100%
POPULATION IN 2000	2,939,000	3,774,000	2,768,000	10,940,000

FPL = federal poverty level

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

Source: 2001 California Health Interview Survey

6 The Federal Poverty Level (FPL) varies by household income and household size. In 2001, the poverty threshold was \$9,044 for one person, \$11,559 for a family of two, \$14,129 for a family of three.

who were uninsured all year had family incomes below 200% of the poverty level (Exhibit 7)—incomes that render privately purchased health insurance coverage clearly unaffordable. Without access to affordable employment-based health insurance or changes in eligibility rules for public programs, it is highly unlikely that many of these uninsured adults will be able to obtain coverage—points which will be covered in later sections of this report.

Among children, eight in 10 who were uninsured all year (80%) had family income below 200% FPL, and two in every three (67.1%) who were uninsured part of the year also had incomes below that level (Exhibit 7). *These high proportions of low-income all-year and part-year uninsured children are particularly disturbing because, as we will see later in this report, many low-income uninsured children are actually eligible for California’s Medi-Cal or Healthy Families*

*programs, although some are excluded due to their immigration status.*

The difference in stability of coverage between children and adults is, in large part, a consequence of public policy. Employment-based health insurance coverage is very low for poor children and adults. Among Californians with family incomes below the poverty level, just 12% of children and 21% of adults had employment-based insurance at any time during a 12-month period. However, Medi-Cal and Healthy Families provided coverage to 68% of poor children but only 39% of poor adults (data not shown). These public programs thus help offset low rates of job-based insurance among children, but not among adults.

This disparity is the result of expansions of public coverage programs for children over the past two decades, and especially the last five years. During this period, the

**EXHIBIT 7. FAMILY INCOME RELATIVE TO FEDERAL POVERTY LEVEL BY 12-MONTH INSURANCE COVERAGE AMONG ADULTS AND CHILDREN, AGES 0–64, CALIFORNIA, 2001**

FAMILY INCOME	12-MONTH INSURANCE COVERAGE					
	CHILDREN, AGES 0-17			ADULTS, AGES 18-64		
	UNINSURED ALL YEAR	UNINSURED PART YEAR	INSURED ALL YEAR	UNINSURED ALL YEAR	UNINSURED PART YEAR	INSURED ALL YEAR
LESS THAN 100% FPL	45.7	33.0	19.8	33.6	22.3	9.8
100% – 199% FPL	34.3	34.1	20.3	35.4	24.5	14.5
200% - 299% FPL	12.7	15.1	15.1	13.3	15.9	13.3
300% + FPL	7.3	17.8	44.8	17.7	37.3	62.4
TOTAL	100%	100%	100%	100%	100%	100%
POPULATION IN 2000	653,000	656,000	7,895,000	2,812,000	2,171,000	15,439,000

FPL = Federal Poverty Level

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

Source: 2001 California Health Interview Survey

programs' very restrictive eligibility provisions have been made more generous for children, while they have remained largely intact for adults. Eligibility for children who are citizens or legal immigrants is now based on income alone in California, but adults must both meet narrower income requirements *and* strict asset limits *and* have dependent children, be disabled or blind, or be age 65 or over. These are very limiting criteria for adults, reflecting Medicaid's welfare origins that were essentially designed to be stigmatizing. For children, however, the welfare-related requirements have been largely eliminated and replaced by

a political consensus that all children should have health insurance and that financial assistance in obtaining it should be based on low income alone.

### ETHNIC AND RACIAL DISPARITIES IN STABILITY OF COVERAGE

California's ethnic diversity, celebrated in public statements, is highly related to social and economic disparities between ethnic groups. One of the clearest examples of such disparities is the difference between ethnic groups in the duration of insurance coverage and uninsurance.

**EXHIBIT 8. HEALTH INSURANCE COVERAGE BY RACE AND ETHNIC GROUP, AGES 0-17, CALIFORNIA, 2001**

	WHITE	LATINO	ASIAN AMERICAN & PACIFIC ISLANDER	AFRICAN AMERICAN	AMERICAN INDIAN & ALASKA NATIVE
UNINSURED ALL YEAR	2.7	13.8	4.3	2.5	6.8
UNINSURED PART YEAR	5.5	10.1	4.8	3.6	10.0
INSURED ALL YEAR	91.8	76.1	90.9	93.9	83.2
TOTAL	100%	100%	100%	100%	100%
POPULATION IN 2000	4,001,000	3,416,000	881,000	610,000	42,000

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

**EXHIBIT 9. HEALTH INSURANCE COVERAGE BY RACE AND ETHNIC GROUP, AGES 18-64, CALIFORNIA, 2001**

	WHITE	LATINO	ASIAN AMERICAN & PACIFIC ISLANDER	AFRICAN AMERICAN	AMERICAN INDIAN & ALASKA NATIVE
UNINSURED ALL YEAR	7.2	28.5	11.8	9.0	17.6
UNINSURED PART YEAR	8.6	15.0	9.9	9.7	10.5
INSURED ALL YEAR	84.1	56.5	78.3	81.3	71.9
TOTAL	100%	100%	100%	100%	100%
POPULATION IN 2000	10,663,000	5,420,000	2,418,000	1,187,000	74,000

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

Among children, nearly one in seven Latinos (13.8%) is uninsured throughout the year, which is twice the rate for American Indians and Alaska Natives (6.8%, a difference with Latinos that is marginally statistically significant), three times the rate for Asian Americans and Pacific Islanders (4.3%), and five times the rate for whites (2.7%) and African Americans (2.5%; Exhibit 8). Latino children are correspondingly the least likely to be *insured* all year, and white, Asian Americans and Pacific Islander (AAPI) and African American children are the most likely to have coverage throughout the year. These disparities are driven by differences in access to affordable employment-based insurance and the extent to which Medi-Cal and Healthy Families compensate for low employment-based coverage. For example, only 34% of Latino children have health insurance throughout the year through a parent’s employment, compared to 74% of white children (data not shown).

Among adults, more than one in four Latinos (28.5%) are uninsured year round, a rate that is far higher than any other group and nearly four times the rate for whites (7.2%;

Exhibit 9). Latino adults are also much more likely than other adults to be uninsured for part of the year. These high rates of part-year and all-year uninsurance are driven mainly by differences in year-round employment-based coverage since adults are less likely than children to be eligible for Medi-Cal or Healthy Families. Only 41% of Latino adults have job-based insurance throughout the year, compared to 68% of white adults (data not shown). American Indian and Alaska Native children and adults have long-term uninsured rates that are lower than those for Latinos, but higher than for whites, African Americans, and Asian American/Pacific Islanders; their higher uninsured rates are due to low rates of year-round job-based insurance.

#### EVEN LARGER DISPARITIES IN COVERAGE BY CITIZENSHIP AND IMMIGRATION STATUS

Long-term uninsurance is extraordinarily high among adults who are noncitizens. Among noncitizens without a “green card,” 44.4% were uninsured all year—more than one and a half times the proportion of noncitizens with a green card (26.9%) and well over five times the rate for U.S.-born citizens (7.9%, Exhibit 10). These disparities are driven by

**EXHIBIT 10. HEALTH INSURANCE COVERAGE OF NONELDERLY ADULTS BY OWN CITIZENSHIP AND IMMIGRATION STATUS, AGES 18–64, CALIFORNIA, 2001**

	U.S.-BORN CITIZEN	NATURALIZED CITIZEN	NONCITIZEN WITH GREEN CARD	NONCITIZEN WITHOUT GREEN CARD
UNINSURED ALL YEAR	7.9	13.1	26.9	44.4
UNINSURED PART YEAR	9.7	9.6	12.9	17.1
INSURED ALL YEAR	82.5	77.4	60.2	38.5
TOTAL	100%	100%	100%	100%
POPULATION IN 2000	13,610,000	2,894,000	2,156,000	1,765,000

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

differences in employment-based coverage. Only 29% of noncitizens without a green card obtained job-based insurance at *any time* during the year, compared to 48% of noncitizens with a green card and 71% of U.S.-born citizens (data not shown). Differences in access to job-based insurance, plus related differences in income, are mainly responsible for the very large disparities in the proportion of each group that has coverage throughout the year. The limited eligibility for Medi-Cal that generally characterizes nonelderly adults is compounded for noncitizen adults because Medi-Cal rules are even more restrictive for noncitizens (a problem that is partially ameliorated in California compared to national Medicaid policy).

Children’s employment-based insurance coverage is influenced by their *parents’* citizenship and immigration status, but children’s own citizenship status affects their access to Medi-Cal and the Healthy Families Program. Children whose parents were both born in the United States

are least likely to be uninsured for all or part of the year (see Exhibit 11) due to their high rate of year-round employment-based coverage (70%, data not shown). Among the 1.2 million children who are citizens themselves but have a noncitizen parent *with* a green card, only 33% have year-round employment-based insurance. However, due to lower incomes than children with U.S.-born parents, 40% have Medi-Cal or Healthy Families coverage all year. Their all-year uninsurance rate is six times the rate for children with U.S.-born parents, but it is far lower than the rate for noncitizen children. The state’s half million noncitizen children have lower rates of employment-based coverage and Medi-Cal and Healthy Families coverage, which leaves one in three uninsured throughout the year.

Noncitizens without a green card include people with a variety of immigrant statuses, including undocumented immigrants whose uncertain legal status greatly disadvantages them in the labor market. Many noncitizens

**EXHIBIT 11. HEALTH INSURANCE COVERAGE OF CHILDREN BY FAMILY CITIZENSHIP AND IMMIGRATION STATUS, AGES 0–17, CALIFORNIA, 2001**

	CHILD AND BOTH PARENTS U.S.-BORN CITIZENS	CHILD CITIZEN, PARENT NATURALIZED CITIZEN	CHILD CITIZEN, PARENT NONCITIZEN WITH GREEN CARD	CHILD CITIZEN, PARENT NONCITIZEN WITHOUT GREEN CARD	CHILD IS NONCITIZEN
UNINSURED ALL YEAR	2.3	5.8	13.0	10.7	34.1
UNINSURED PART YEAR	5.4	7.2	8.8	12.7	12.1
INSURED ALL YEAR	92.3	87.0	78.2	76.6	53.8
TOTAL	100%	100%	100%	100%	100%
POPULATION IN 2000	5,978,000	799,000	1,196,000	604,000	501,000

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

7 Pourat N, Lessard G, Lulejian A, Becerra L, Chakraborty R, *Demographics, Health, and Access to Care of Immigrant Children in California: Identifying Barriers to Staying Healthy*, Los Angeles: UCLA Center for Health Policy Research, March 2003.

**EXHIBIT 12. HEALTH INSURANCE COVERAGE BY ENGLISH PROFICIENCY, AGES 0–64, CALIFORNIA, 2001**

	SPEAK OTHER LANGUAGE AT HOME*		
	SPEAK ENGLISH VERY WELL	SPEAK ENGLISH FAIRLY WELL	SPEAK ENGLISH NOT WELL OR NOT AT ALL
UNINSURED ALL YEAR	9.1	15.6	32.2
UNINSURED PART YEAR	10.6	11.3	12.6
INSURED ALL YEAR	80.3	73.1	55.2
TOTAL	100%	100%	100%
POPULATION IN 2000	4,930,000	3,320,000	3,222,000

\* Asked of all respondents who speak languages other than English. For adults and for children ages 12-17, English proficiency is for themselves; for children under age 12, English proficiency is for responding adult.

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

Source: 2001 California Health Interview Survey

have especially low educational attainment or limited English proficiency, increasing their disadvantage. Nearly half of noncitizen adults have less than a high school education, two and a half times the proportion of naturalized citizens and about eight times the proportion of U.S.-born citizens (data not shown). About two-thirds of noncitizen children are themselves undocumented immigrants with undocumented parents; these children, like their parents, have very high uninsured rates and very little access to health care.<sup>7</sup>

The effect of English-language proficiency, in combination with other factors that influence health insurance coverage, is suggested by Exhibit 12, which focuses only on those who speak a language other than English at home. Among those who speak English very well or fairly well, 80.3% and 73.1%, respectively, have year-round insurance coverage, compared to just 55.2% of those do not speak English well or at all (Exhibit 12). One in three of this latter group with very limited English proficiency is completely uninsured all year.

Limited English proficiency and noncitizen status cluster together, of course, among immigrant Latinos and Asians, but these barriers to obtaining employment-based health insurance and avoiding long-term uninsurance are experienced by white and black immigrants as well.

### STABILITY OF COVERAGE VARIES DRAMATICALLY BY COUNTY AND REGION

The percentages of nonelderly residents who are uninsured during the year vary widely across California counties. In 2001, when a strong economy generated high rates of job-based insurance, the nine-county Greater Bay Area and four-county Sacramento Area had the lowest percentages of residents who were uninsured all year (6.3% and 6.1%, respectively; Exhibit 13). Including those who were uninsured part of the year, a smaller share of Sacramento and Bay Area residents experienced uninsurance at some time during the year (15.6% and 14.1%, respectively, who were uninsured all or part of the year). Three counties in the Bay Area tended to have high rates of uninsurance at some time during the year: San Francisco, 20.9%; Napa County,

**EXHIBIT 13. PERCENT UNINSURED ALL OR PART OF THE YEAR BY COUNTY, AGES 0-64, CALIFORNIA, 2001**

	UNINSURED ALL YEAR		UNINSURED PART YEAR		TOTAL UNINSURED ALL OR PART YEAR		TOTAL NONELDERLY POPULATION
	%	(95% RANGE)	%	(95% RANGE)	%	(95% RANGE)	(AGES 0-64)
<b>NORTHERN AND SIERRA COUNTIES</b>	<b>11.4</b>	(10.4-12.3)	<b>9.3</b>	(8.5-10.1)	<b>20.6</b>	(19.5-21.8)	<b>1,065,000</b>
BUTTE	<b>10.2</b>	(7.7-12.7)	<b>10.6</b>	(7.9-13.2)	<b>20.8</b>	(17.4-24.2)	<b>169,000</b>
SHASTA	<b>10.0</b>	(7.4-12.6)	<b>10.3</b>	(7.7-12.8)	<b>20.2</b>	(16.8-23.6)	<b>136,000</b>
HUMBOLDT, DEL NORTE	<b>11.2</b>	(8.6-13.8)	<b>8.1</b>	(6.0-10.3)	<b>19.3</b>	(16.2-22.5)	<b>128,000</b>
SISKIYOU, LASSEN, TRINITY, MODOC	<b>13.4</b>	(10.6-16.2)	<b>8.1</b>	(5.8-10.4)	<b>21.5</b>	(18.1-24.9)	<b>76,000</b>
MENDOCINO, LAKE	<b>14.4</b>	(11.5-17.3)	<b>10.1</b>	(7.5-12.6)	<b>24.5</b>	(20.9-28.0)	<b>119,000</b>
TEHAMA, GLENN, COLUSA	<b>13.1</b>	(10.4-15.8)	<b>10.4</b>	(7.9-12.8)	<b>23.5</b>	(20.1-26.8)	<b>85,000</b>
SUTTER, YUBA	<b>10.2</b>	(7.6-12.8)	<b>8.3</b>	(6.1-10.5)	<b>18.5</b>	(15.3-21.8)	<b>121,000</b>
NEVADA, PLUMAS, SIERRA	<b>11.1</b>	(8.1-14.1)	<b>6.9</b>	(5.0-8.9)	<b>18.0</b>	(14.7-21.4)	<b>95,000</b>
TUOLUMNE, CALAVERAS, AMADOR, INYO, MARIPOSA, MONO, ALPINE	<b>10.5</b>	(8.0-13.1)	<b>9.7</b>	(6.9-12.4)	<b>20.2</b>	(16.7-23.7)	<b>137,000</b>
<b>GREATER BAY AREA</b>	<b>6.3</b>	(5.6-7.0)	<b>7.8</b>	(7.1-8.6)	<b>14.1</b>	(13.2-15.1)	<b>5,920,000</b>
SANTA CLARA	<b>6.0</b>	(4.3-7.7)	<b>8.0</b>	(6.2-9.7)	<b>14.0</b>	(11.7-16.3)	<b>1,500,000</b>
ALAMEDA	<b>6.8</b>	(5.2-8.4)	<b>7.0</b>	(5.3-8.8)	<b>13.8</b>	(11.5-16.1)	<b>1,276,000</b>
CONTRA COSTA	<b>4.4</b>	(2.9-5.8)	<b>6.6</b>	(4.9-8.3)	<b>11.0</b>	(8.8-13.1)	<b>835,000</b>
SAN FRANCISCO	<b>8.7</b>	(7.1-10.3)	<b>12.2</b>	(10.1-14.2)	<b>20.9</b>	(18.5-23.3)	<b>655,000</b>
SAN MATEO	<b>5.4</b>	(3.6-7.2)	<b>6.6</b>	(4.4-8.8)	<b>12.0</b>	(9.2-14.7)	<b>612,000</b>
SONOMA	<b>9.2</b>	(6.6-11.7)	<b>8.2</b>	(5.7-10.7)	<b>17.4</b>	(14.0-20.8)	<b>392,000</b>
SOLANO	<b>4.0</b>	(2.9-5.1)	<b>6.7</b>	(5.2-8.1)	<b>10.7</b>	(8.9-12.4)	<b>343,000</b>
MARIN	<b>5.2</b>	(3.3-7.1)	<b>6.7</b>	(4.2-9.3)	<b>11.9</b>	(8.9-14.9)	<b>204,000</b>
NAPA	<b>7.3</b>	(4.8-9.7)	<b>11.0</b>	(7.4-14.6)	<b>18.3</b>	(14.2-22.3)	<b>102,000</b>
<b>SACRAMENTO AREA</b>	<b>6.1</b>	(4.9-7.3)	<b>9.5</b>	(8.1-10.8)	<b>15.6</b>	(13.8-17.3)	<b>1,566,000</b>
SACRAMENTO	<b>6.4</b>	(4.8-8.1)	<b>9.5</b>	(7.6-11.4)	<b>16.0</b>	(13.6-18.3)	<b>1,069,000</b>
PLACER	<b>2.1</b>	(1.0-3.2)	<b>7.8</b>	(5.6-9.9)	<b>9.9</b>	(7.5-12.2)	<b>215,000</b>
YOLO	<b>8.3</b>	(5.7-10.9)	<b>7.9</b>	(5.8-10.1)	<b>16.3</b>	(13.0-19.5)	<b>146,000</b>
EL DORADO	<b>7.3</b>	(5.3-9.4)	<b>13.3</b>	(9.9-16.6)	<b>20.6</b>	(16.9-24.3)	<b>136,000</b>

continued on next page



**EXHIBIT 13. PERCENT UNINSURED ALL OR PART OF THE YEAR BY COUNTY, AGES 0–64, CALIFORNIA, 2001 (CONTINUED)**

	UNINSURED ALL YEAR		UNINSURED PART YEAR		TOTAL UNINSURED ALL OR PART YEAR		TOTAL NONELDERLY POPULATION
	%	(95% RANGE)	%	(95% RANGE)	%	(95% RANGE)	(AGES 0-64)
<b>SAN JOAQUIN VALLEY</b>	<b>12.1</b>	(11.1-13.1)	<b>10.6</b>	(9.7-11.6)	<b>22.7</b>	(21.5-24.0)	<b>2,881,000</b>
FRESNO	12.6	(9.9-15.3)	10.0	(7.6-12.4)	22.5	(19.2-25.8)	706,000
KERN	12.3	(10.1-14.5)	12.4	(10.3-14.5)	24.7	(21.9-27.5)	572,000
SAN JOAQUIN	10.2	(8.0-12.4)	9.7	(7.5-11.9)	19.8	(16.9-22.7)	489,000
STANISLAUS	10.2	(7.5-12.8)	8.2	(5.9-10.4)	18.3	(15.0-21.6)	396,000
TULARE	16.1	(12.9-19.2)	12.6	(9.9-15.3)	28.7	(24.9-32.4)	328,000
MERCED	12.1	(9.5-14.6)	11.0	(8.6-13.5)	23.1	(19.8-26.4)	188,000
KINGS	10.0	(7.7-12.3)	11.4	(8.9-13.8)	21.4	(18.2-24.5)	100,000
MADERA	14.0	(10.8-17.3)	11.8	(9.1-14.5)	25.9	(22.0-29.7)	102,000
<b>CENTRAL COAST</b>	<b>12.0</b>	(10.7-13.3)	<b>10.5</b>	(9.3-11.7)	<b>22.5</b>	(20.9-24.2)	<b>1,811,000</b>
VENTURA	11.2	(8.7-13.7)	9.8	(7.4-12.2)	21.0	(17.8-24.1)	667,000
SANTA BARBARA	16.6	(13.6-19.6)	9.0	(6.6-11.3)	25.6	(22.1-29.1)	335,000
SANTA CRUZ	7.8	(5.8-9.8)	12.9	(9.9-16.0)	20.7	(17.3-24.2)	223,000
SAN LUIS OBISPO	11.9	(9.1-14.8)	7.9	(5.8-10.1)	19.9	(16.5-23.2)	197,000
MONTEREY, SAN BENITO	12.0	(9.1-14.9)	12.9	(10.1-15.7)	24.9	(21.2-28.6)	390,000
<b>LOS ANGELES</b>	<b>16.5</b>	(15.4-17.0)	<b>9.5</b>	(8.9-10.1)	<b>26.0</b>	(24.8-26.6)	<b>8,464,000</b>
LOS ANGELES	16.5	(15.4-17.0)	9.5	(8.9-10.1)	26.0	(24.8-26.6)	8,464,000
<b>OTHER SOUTHERN CALIFORNIA</b>	<b>11.8</b>	(11.0-12.7)	<b>10.3</b>	(9.5-11.1)	<b>22.1</b>	(21.1-23.2)	<b>7,918,000</b>
ORANGE	11.7	(10.1-13.2)	10.4	(8.8-12.0)	22.0	(20.0-24.1)	2,537,000
SAN DIEGO	11.5	(10.0-12.9)	9.6	(8.3-11.0)	21.1	(19.2-23.0)	2,417,000
SAN BERNARDINO	12.6	(10.7-14.6)	9.4	(7.8-11.1)	22.0	(19.6-24.4)	1,524,000
RIVERSIDE	11.9	(9.8-13.9)	12.3	(10.2-14.3)	24.1	(21.5-26.8)	1,322,000
IMPERIAL	13.1	(10.6-15.5)	11.5	(8.6-14.4)	24.6	(21.1-28.0)	118,000

Note: The “95% range” (more commonly called a “confidence interval”) provides a more reliable estimate of the uninsured rate for persons in the population group than does the “point estimate.” Point estimates with narrower 95% ranges are more precise or reliable than those with wider ranges.

Population estimate is weighted to Census 2000 data.  
Source: 2001 California Health Interview Survey

18.3%; and Sonoma County, 17.4%. El Dorado County also had a moderately high rate of uninsurance at some time during the year (20.6%).

At least one in five residents of the northern and Sierra counties lacked coverage at some time during the year. In Mendocino, Lake, Tehama, Glenn, and Colusa counties (grouped together due to the small sizes of their populations and samples), the average was about one in four.

San Joaquin Valley counties ranged from one in five to one in four—or more—residents who lacked coverage at some time during the year. Thus, a total of about 654,000 residents in these eight counties lacked coverage during the year, including nearly 350,000 who were uninsured all year. In Tulare County, with a total nonelderly population of about 328,000 (at the time of the 2000 Census), about 94,000 residents experienced uninsurance some time during the year, including about 53,000 who were uninsured throughout the year. These are very substantial numbers of residents in this area who lack the financial means to obtain medical care without some assistance from community and county health services.

The magnitude of the uninsurance problem was similar in the Central Coast. In Santa Barbara County and Monterey-San Benito counties, one in four residents lacked coverage at some time during the year. Altogether, well over 400,000

Central Coast residents experienced lack of coverage over a 12-month period, including more than 200,000 who were uninsured all year long.

Southern California counties include about half of the nonelderly population in California, but they account for more than half of the uninsured. More than one in five residents in all these counties experience lack of coverage some time during the year. The resulting numbers who are uninsured—and thus to a considerable extent depend on the health care safety net—are overwhelming. More than 300,000 were uninsured some time during the year in Riverside and San Bernardino Counties, and about half of those in each county were uninsured all year. Well over a half million residents in Orange County and a similar number in San Diego County lacked coverage some time during the year, including nearly 300,000 in each county who were without coverage throughout the year.

Los Angeles County is “ground zero” in the nation’s uninsurance problem. Nearly 2.2 million residents—one in four nonelderly residents—lacked coverage during at least some of the year. Los Angeles’ uninsured population included nearly 1.4 million residents who were uninsured all year round. With such a large share of its population lacking financial access to medical care, it is hardly surprising that

county health services, community clinics, and community hospitals that serve this low-income population are staggering under the financial burden.

In 2003, the magnitude of each geographic area's uninsurance problem may be different from these estimates based on data collected in 2001, when the economy was stronger and health insurance costs lower. The uninsured rate in 2003 is likely to be considerably higher in some areas, especially those counties hardest hit by the economic collapse of the "dot-com" industries, such as in Santa Clara County, and the economic downturn more generally, such as in the larger Bay Area. (Changes in coverage and the shifting of relative burdens among the counties will be clearer when the results of the 2003 California Health Interview Survey become available late in 2004.)

The reader should pay close attention to the "95% range" in Exhibit 13. These are called "confidence intervals," which are a measure of the precision of the estimate shown, based on its sample size and the extent of variation among the respondents who comprise that population group. A wider range, or confidence interval, indicates a less precise estimate. In cases where the range is fairly wide, we encourage the reader to rely on the range because the "true" estimate has a 95% chance of falling within that range.

## ADDRESSING THE PROBLEM OF UNINSURANCE

Just under half of the nearly 3.5 million Californians (45.8%) who were uninsured *all year* said that the main reason they lacked coverage was that health insurance premiums were unaffordable. Lack of affordability was cited at least as frequently by those with incomes 200% of the poverty level or higher as it was by those with incomes below 200% of poverty. This consistency underscores the high cost of health insurance that faces many working

families whose employers offer health benefits as well as those whose only option is to buy it in the nongroup private insurance market.

One in four of the more than 2.8 million adults and children (27.4%) who were uninsured *part of the year* also cited unaffordability as the main reason for their lack of coverage. But among those with intermittent coverage, a change in employment (such as becoming unemployed or changing employer) was also a key factor, cited by one in five of those with incomes below 200% of the poverty level and by one in three of those with incomes above that level. The large number of people who lose their health care coverage as a result of changes in employment is a consequence of the voluntary nature of employers' responsibility for health insurance coverage.

Clearly, access to affordable health insurance—either through employment or public programs—is the primary barrier facing the largest portion of the uninsured population, conclusions that are reinforced by findings in the next two sections.

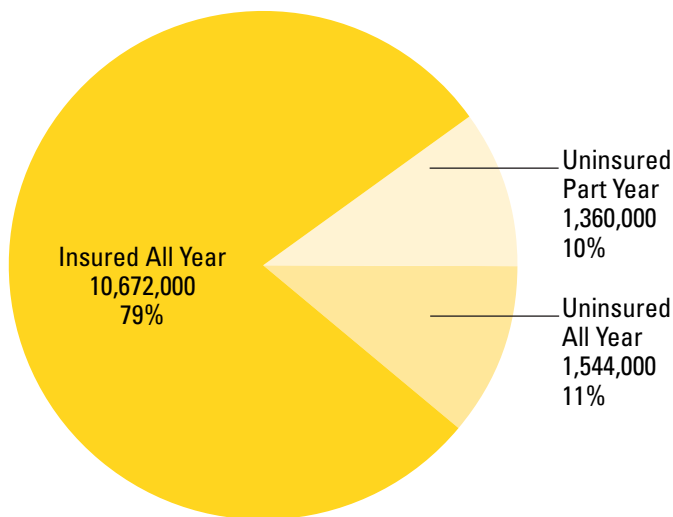


## 2. CALIFORNIA'S WORKERS AND STABILITY OF COVERAGE

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 (Exhibit 14). Over 1.5 million workers (11%) were uninsured all year, and 1.4 million (10%) experienced a lapse in coverage during part of 2001.

This section discusses the socio-demographic and labor force characteristics of workers by the stability of their coverage. Specifically, we examine nonelderly adult workers who were uninsured all year, uninsured part of the year, and *insured* all year. "Workers" and "employees" includes adults who are employed for wages by another person or company; it does not include the self-employed.

**EXHIBIT 14. DURATION OF INSURANCE COVERAGE, EMPLOYEES AGES 18-64, CALIFORNIA, 2001**



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

Source: 2001 California Health Interview Survey

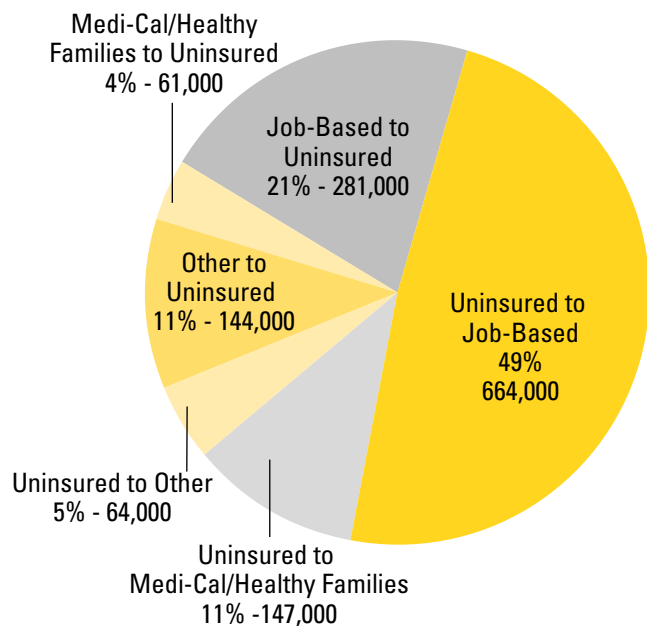
Nearly half of the 1.4 million workers (48%) who had intermittent coverage had been uninsured and obtained job-based coverage, either through their own or a spouse's employment (Exhibit 15). Another 147,000 (11%) became covered by Medi-Cal or Healthy Families, and 64,000 obtained some other coverage.

Despite the good news for the workers who gained coverage, more than one-third of these workers with intermittent coverage *lost* coverage they previously had during the year. One in five workers with intermittent coverage—a total of 281,000—became uninsured after losing job-based coverage. Another 4% (64,000) lost Medi-Cal or Healthy Families coverage and became uninsured. And 11% (144,000) lost some other public or privately purchased coverage, and were left uninsured.

Thus, the largest loss of coverage among working adults is due to losing employment-based health insurance, which covers the greatest part of the workforce. We have little information about the specific reasons that led to individuals becoming uninsured, but it is likely that the reasons include unemployment, shifts to part-time and temporary employment, and rising premiums for employer-based plans. These would either discourage employers from offering coverage or encourage them to limit the number of workers who would be eligible, which also discourages workers from participating in (or "taking up") employer-sponsored benefits.

The approximately two-to-one ratio of workers who gained coverage compared to those who lost coverage reflects the booming economy of the late 1990s that lasted through the first half of 2001. Since the period covered by the CHIS 2001 interviews (which were conducted from November 2000 to

**EXHIBIT 15. CHANGES IN INSURANCE COVERAGE AMONG WORKERS WITH INTERMITTENT COVERAGE, EMPLOYEES AGES 18-64, CALIFORNIA, 2001**



Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

September 2001), high unemployment rates and rapidly rising costs of employment-based insurance have likely altered this pattern and probably reversed the ratio. It is likely that with the downturn of the economy after 2001 and with rising unemployment, more workers have been losing coverage than gaining it.

### SOCIO-DEMOGRAPHIC CHARACTERISTICS

There are socio-demographic differences between workers who are insured all year, those with intermittent coverage, and those who are uninsured all year. We examined the characteristics of each insurance-status group by race, English-language proficiency, family composition, and

household income as a percentage of poverty level. We focus mainly on the differences between workers who were uninsured the entire year and those uninsured for part of the year. Because our focus in this section is on understanding differences between all-year uninsured workers and part-year uninsured workers, we present the distributions of each insurance status group by selected socio-economic and labor market characteristics, rather than uninsured rates for each characteristic. Understanding the similarities and differences in the composition of these groups could inform policies that are specifically tailored to expand coverage for California's workers.

#### Differences by Race and Ethnicity

Latinos are disproportionately represented among workers who are uninsured at any time; 26.5% of California's employees are Latino, but Latinos account for 59.1% of employees uninsured all year and 35.9% of those with intermittent coverage (Exhibit 16). Among Latino employees, Mexican- and Guatemalan-origin employees are over-represented among workers who were uninsured all year (data not shown).

White workers, on the other hand, are disproportionately insured all year, and underrepresented among workers with intermittent coverage and especially among those who are uninsured all year. Like white employees, a smaller proportion of African Americans are uninsured all year than their share of the labor force (3.7% of the all-year uninsured vs. 5.9% of all workers).

Asian American and Pacific Islander employees also are underrepresented among employees who are uninsured all year (9.1% of the all-year uninsured vs. 11.8% of all employees). Among Asian Americans, Korean-origin employees are over-represented among workers who

**EXHIBIT 16. RACE AND ETHNIC GROUP BY INSURANCE COVERAGE AMONG EMPLOYEES,  
AGES 18-64, CALIFORNIA, 2001**

RACE AND ETHNIC GROUP	INSURANCE TYPE			
	UNINSURED ALL YEAR	UNINSURED PART YEAR	INSURED ALL YEAR	POPULATION IN 2000
	NUMBER (%)	NUMBER (%)	NUMBER (%)	NUMBER (%)
WHITE	380,000 (24.6)	611,000 (44.9)	6,106,000 (57.2)	7,097,000 (52.3)
LATINO	912,000 (59.1)	489,000 (35.9)	2,194,000 (20.6)	3,594,000 (26.5)
ASIAN AMERICAN & PACIFIC ISLANDER	140,000 (9.1)	134,000 (9.9)	1,320,000 (12.4)	1,595,000 (11.8)
AFRICAN AMERICAN	58,000 (3.7)	71,000 (5.2)	666,000 (6.2)	795,000 (5.9)
AMERICAN INDIAN & ALASKA NATIVE	8,000 (0.6)	5,000 (0.4)	34,000 (0.3)	48,000 (0.4)
OTHER & MULTIPLE RACE	45,000 (2.9)	50,000 (3.7)	351,000 (3.3)	447,000 (3.3)
POPULATION IN 2000	1,544,000 (100%)	1,360,000 (100%)	10,672,000 (100%)	13,576,000 (100%)

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

Source: 2001 California Health Interview Survey

**EXHIBIT 17. ENGLISH PROFICIENCY BY INSURANCE COVERAGE AMONG EMPLOYEES,  
AGES 18-64, CALIFORNIA, 2001**

ENGLISH PROFICIENCY	INSURANCE TYPE			
	UNINSURED ALL YEAR	UNINSURED PART YEAR	INSURED ALL YEAR	POPULATION IN 2000
	NUMBER (%)	NUMBER (%)	NUMBER (%)	NUMBER (%)
LIMITED ENGLISH PROFICIENT	423,000 (27.4)	124,000 (9.1)	446,000 (4.2)	993,000 (7.3)
<i>SPANISH SPEAKER</i>	393,000 (25.4)	121,000 (8.9)	355,000 (3.3)	869,000 (6.4)
<i>ASIAN LANGUAGE SPEAKER</i>	30,000 (2.0)	—	91,000 (0.9)	124,000 (0.9)
ENGLISH PROFICIENT	1,121,000 (72.6)	1,236,000 (90.9)	10,226,000 (95.8)	12,583,000 (92.7)
POPULATION IN 2000	1,544,000 (100%)	1,360,000 (100%)	10,672,000 (100%)	13,576,000 (100%)

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

Source: 2001 California Health Interview Survey

— Indicates inadequate sample size with which to make estimate.

were uninsured all year and Koreans and Filipinos over-represented among workers with intermittent coverage.

**The Disadvantages of Limited English Proficiency**

A small proportion (7.3%) of California’s workers have limited proficiency in English, including 6.4% who are Spanish-

speaking limited English proficient (LEP) and another 0.9% who are LEP Asian-language speakers (Exhibit 17). The ability to speak English “well” or “very well” can be an asset in securing jobs that offer employment-based health insurance. English proficiency is associated with higher-wage job skills, as well as better bargaining and negotiation skills

**EXHIBIT 18. FAMILY TYPE BY INSURANCE COVERAGE AMONG EMPLOYEES,  
AGES 18-64, CALIFORNIA, 2001**

FAMILY TYPE	INSURANCE TYPE			
	UNINSURED ALL YEAR NUMBER (%)	UNINSURED PART YEAR NUMBER (%)	INSURED ALL YEAR NUMBER (%)	POPULATION IN 2000 NUMBER (%)
SINGLE, NO CHILDREN	765,000 (49.5)	720,000 (52.9)	3,473,000 (32.5)	4,957,000 (36.5)
SINGLE, WITH CHILDREN	113,000 (7.3)	128,000 (9.4)	749,000 (7.0)	989,000 (7.3)
MARRIED, NO CHILDREN	165,000 (10.7)	159,000 (11.7)	2,475,000 (23.2)	2,799,000 (20.6)
MARRIED, WITH CHILDREN	498,000 (32.3)	351,000 (25.8)	3,940,000 (36.9)	4,788,000 (35.3)
DON'T KNOW/REFUSED	3,000 (0.2)	3,000 (0.3)	36,000 (0.3)	42,000 (0.3)
POPULATION IN 2000	1,544,000 (100%)	1,360,000 (100%)	10,672,000 (100%)	13,576,000 (100%)

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

in acquiring health insurance coverage. Indeed, English-proficient workers accounted for 92.7% of all employees and 95.8% of those who were insured all year, but only 72.6% of those who were uninsured all year.

Workers with limited English proficiency tend to be restricted to employment opportunities in the less formal sector of the economy and thus work in “peripheral” jobs—jobs that typically do not offer health insurance. One in four workers (27.4%) who were uninsured all year were LEP, nearly four times their proportion of the workforce (7.3%). The higher uninsured rate for LEP workers is primarily a result of their employers not offering affordable health insurance to any employees. Employers face few incentives to offer health insurance to this segment of California’s workers because of their limited labor market bargaining power compared to English-proficient workers.

### Differences by Family Composition

Approximately half of workers who were uninsured all or part year were single adults with no minor children (49.5% and 52.9%, respectively; Exhibit 18)—nearly 1.5 million uninsured persons in all—which is a disproportionately higher share than the rate of childless single adults’ in the total population of all employees (36.5%; Exhibit 18). The high uninsured rates of single adults without children reflect the fact that they are, compared to other workers, younger and more recent entrants to the labor force. In addition, however, single adults have only one opportunity to obtain job-based insurance, while married couples have two such opportunities if both adults are working.

Single employees with children somewhat disproportionately experience intermittent coverage (9.4%) compared to their share of all workers (7.3%). Like single adults without children, their access to employment-based coverage is limited, and their incomes tend to be low. However, single



**EXHIBIT 19. HOUSEHOLD INCOME RELATIVE TO POVERTY LEVEL BY INSURANCE COVERAGE AMONG EMPLOYEES, AGES 18-64, CALIFORNIA, 2001**

INCOME RELATIVE TO POVERTY LEVEL	INSURANCE TYPE			
	UNINSURED ALL YEAR NUMBER (%)	UNINSURED PART YEAR NUMBER (%)	INSURED ALL YEAR NUMBER (%)	POPULATION IN 2000 NUMBER (%)
LESS THAN 100% FPL	497,000 (32.2)	242,000 (17.8)	661,000 (6.2)	1,399,000 (10.3)
100% - 199% FPL	588,000 (38.1)	325,000 (23.9)	1,375,000 (12.9)	2,288,000 (16.9)
200% - 299% FPL	223,000 (14.5)	236,000 (17.4)	1,451,000 (13.6)	1,910,000 (14.1)
300% + FPL	236,000 (15.3)	557,000 (41.0)	7,185,000 (67.3)	7,979,000 (58.8)
POPULATION IN 2000	1,544,000 (100%)	1,360,000 (100%)	10,672,000 (100%)	13,576,000 (100%)

FPL = Federal Poverty Level

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

Source: 2001 California Health Interview Survey

adults with dependent children are more likely to be eligible for Medi-Cal, but this only partially offsets their limited access to job-based insurance.

Married workers with children account for a little more than one in three working adults. Thus even their approximately proportionate share of workers who were uninsured all year (32.3%) and their disproportionately small share of employees with intermittent coverage (25.8%) represent a large portion of the uninsured—a total of 849,000 individual workers who lack coverage for some or all of the year (Exhibit 18), and additional uninsured spouses and children as well. These workers meet the “categorical” requirement for Medi-Cal of having dependent children and many of them have few financial resources, but not low enough to meet the very restrictive income and asset limits set for adult eligibility. Thus, even policies that are favorable to families with minor children continue to exclude many adults in California’s working families. If the approved Healthy Families expansion of eligibility to parents of

enrolled children is eventually implemented, this could dramatically help this group.

Married couples without children are in the most favorable position of all family types. They are disproportionately found among employees who are insured all year, and they are substantially underrepresented among employees with intermittent coverage and those who are uninsured all year. Their more advantaged coverage is due exclusively to higher rates of job-based insurance.

**Differences by Household Income**

Given the strong relationship between income and health insurance coverage in the United States, it is not surprising that low-income employees (those with family income less than 200% FPL) account for 70.3% of workers who were uninsured all year, two and a half times their share of all employees (Exhibit 19). Employees with intermittent coverage consist of a mixed group, with low-income employees somewhat disproportionately represented and

**EXHIBIT 20. HOURLY WAGE BY INSURANCE COVERAGE AMONG EMPLOYEES,  
AGES 18-64, CALIFORNIA, 2001**

WAGES PER HOUR LAST MONTH	INSURANCE TYPE			
	UNINSURED ALL YEAR	UNINSURED PART YEAR	INSURED ALL YEAR	POPULATION IN 2000
	NUMBER (%)	NUMBER (%)	NUMBER (%)	NUMBER (%)
LESS THAN \$6.25	504,000 (33.2)	288,000 (21.6)	920,000 (8.8)	1,712,000 (12.9)
\$6.25-\$9.85	472,000 (31.1)	336,000 (25.2)	1,254,000 (12.0)	2,062,000 (12.9)
\$9.86-\$12.50	128,000 (8.4)	163,000 (12.3)	970,000 (9.3)	1,261,000 (15.5)
\$12.51-\$17.42	113,000 (7.4)	224,000 (16.8)	1,727,000 (16.5)	2,064,000 (15.5)
\$17.43-\$20.88	37,000 (2.4)	75,000 (5.6)	892,000 (8.5)	1,004,000 (7.5)
\$20.89 OR MORE	74,000 (4.9)	150,000 (11.3)	3,339,000 (31.9)	3,563,000 (26.7)
DON'T KNOW/REFUSED	191,000 (12.6)	97,000 (7.3)	1,373,000 (13.1)	1,662,000 (12.5)
POPULATION IN 2000	1,520,000 (100%)	1,334,000 (100%)	10,474,000 (100%)	13,328,000 (100%)

Note: Smaller population size estimates are because of respondents who skipped this question in the CHIS 2001 survey.

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

employees with household incomes at least 300% FPL accounting for 41%, somewhat less than their proportion of all employees.

### LABOR MARKET CHARACTERISTICS

Stability of coverage varies considerably by labor market characteristics such as hourly wages, size of firm, and selected industries. Public policy strategies that would expand job-based coverage may warrant exceptions or formulation of special rules related to some of these labor market characteristics. For example, if an employer mandate were enacted requiring employers to offer and pay for health benefits, the type of mandate may be influenced by the needs of workers in industries that rely heavily on seasonal workers, such as the agricultural industry. Different types of employer mandates may affect part-time and temporary

employees differently than full-year, full-time workers. In addition, different policies may be needed to address the needs of employees who are uninsured all year and the needs of those who are uninsured part year. As the previous section has shown, these groups are distinctly different by socio-economic characteristics, and, as we will see below, they differ also by labor market characteristics.

### Hourly Wage

As is evident in Exhibit 20, the probability of being uninsured either part or all of the year is far greater for low-wage workers than for moderate- and higher-wage employees. The hourly wage categories represent cutoffs by minimum wage in 2001 (\$6.25), and minimum “living wage” earnings thresholds estimated by the California Budget Project in 2001, by family composition.<sup>8</sup> For

<sup>8</sup> *Making Ends Meet: How Much Does It Cost to Raise a Family in California?* California Budget Project, September 2001, available on-line: <http://www.cbp.org/2001/r0109mem.htm>

**EXHIBIT 21. HOURS WORKED PER WEEK BY INSURANCE COVERAGE AMONG EMPLOYEES,  
AGES 18-64, CALIFORNIA, 2001**

HOURS WORKED PER WEEK	INSURANCE TYPE			
	UNINSURED ALL YEAR	UNINSURED PART YEAR	INSURED ALL YEAR	POPULATION IN 2000
	NUMBER (%)	NUMBER (%)	NUMBER (%)	NUMBER (%)
0-20 HOURS	139,000 (9.1)	128,000 (9.6)	844,000 (8.0)	1,111,000 (8.3)
21-34 HOURS	218,000 (14.3)	168,000 (12.5)	936,000 (8.9)	1,322,000 (9.9)
35-39 HOURS	110,000 (7.2)	85,000 (6.3)	523,000 (5.0)	718,000 (5.4)
40+ HOURS	1,062,000 (69.5)	961,000 (71.6)	8,197,000 (78.1)	10,220,000 (76.4)
POPULATION IN 2000	1,528,000 (100%)	1,342,000 (100%)	10,501,000 (100%)	13,372,000 (100%)

Note: Smaller population size estimates are because of respondents who skipped this question in the CHIS 2001 survey.

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

example, \$9.85 per hour is the minimum “living wage” for a single adult. The higher thresholds correspond to the minimum “living wage” estimates for a family with two adults, a single-parent family, and a two-parent family with one or both parents working. Policies that would target workers earning less than \$9.85, the living wage for a single adult, would affect about two-thirds (64.1%) of employees uninsured the entire year and somewhat less than half (46.8%) of those insured for part of 2001.

Employees earning less than \$9.85 are very disproportionately represented among workers who are uninsured at some time: they comprise only one in four of California’s employees yet account for over six in 10 of those who were uninsured the entire year and nearly one in two of those uninsured part year. A substantial proportion (16.8%) of employees with intermittent coverage earn wages between \$12.51 and \$17.42 per hour, the minimum “living wage” for a two-parent family with one working parent. These findings suggest that if policies that extend health benefits to workers

are targeted to low-wage employees, consideration should be given to basing any wage thresholds on “living wages” rather than the official minimum wage or other very low thresholds.

**Hours of Work**

More than two million employees (seven in 10) 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 (Exhibit 21). However, part-time employees who work *more than half time* (21-39 hours) are disproportionately found among uninsured workers. Approximately one in five workers who were uninsured all year (21.5%) or uninsured part of the year (18.8%) worked 21-39 hours a week, compared to their much lower proportions in the working population (Exhibit 21).

**Firm Size**

Our findings on the size of the establishment where employees work can inform policies that could differentially

**EXHIBIT 22. FIRM SIZE BY INSURANCE COVERAGE AMONG EMPLOYEES, AGES 18-64,  
CALIFORNIA, 2001**

FIRM SIZE	INSURANCE TYPE			
	UNINSURED ALL YEAR NUMBER (%)	UNINSURED PART YEAR NUMBER (%)	INSURED ALL YEAR NUMBER (%)	POPULATION IN 2000 NUMBER (%)
FEWER THAN 10 EMPLOYEES	498,000 (32.3)	180,000 (13.3)	945,000 (8.9)	1,624,000 (12.0)
10-50 EMPLOYEES	436,000 (28.2)	326,000 (24.0)	1,492,000 (14.0)	2,253,000 (16.6)
51-99 EMPLOYEES	85,000 (5.5)	84,000 (6.2)	493,000 (4.6)	663,000 (4.9)
100-999 EMPLOYEES	165,000 (10.7)	234,000 (17.2)	1,828,000 (17.1)	2,226,000 (16.4)
1000+ EMPLOYEES	265,000 (17.2)	484,000 (35.6)	5,601,000 (52.5)	6,350,000 (46.8)
DON'T KNOW/REFUSED	94,000 (6.1)	53,000 (3.9)	312,000 (2.9)	459,000 (3.4)
POPULATION IN 2000	1,544,000 (100%)	1,360,000 (100%)	10,672,000 (100%)	13,576,000 (100%)

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

target the coverage needs of the part-year and all-year uninsured. 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 and more employees (35.6%; Exhibit 22). Thus policies that aim to reach very small firms (firms with fewer than 10 employees) would benefit the workers who are uninsured all year. And similarly, other types of policies aimed at very large firms could benefit employees with partial-year coverage. Recent strategies to increase workers' coverage have targeted firm size, such as SB 2 (see discussion in chapter 5). Still, a disproportionately large share of these workers with partial coverage (37.3%) was employed in firms with 50 or fewer employees. Policies that target small firms (say, 50 or fewer employees) and encourage or require

them to offer coverage to their employees could benefit up to 1.4 million workers – both all-year and partial-year uninsured. But such policies would not cover approximately 700,000 of the 1.4 million workers who had partial-year coverage, and the more than 500,000 out of 1.5 million who were without coverage all year.

**Industry**

Exhibit 23 provides data on selected industries that employ over 80% of California's workers. Nearly one in four employees who were uninsured all year (23.9%) or part year (22.6%) worked in the retail trade industry, substantially greater shares than their proportion of the labor force. Agriculture also accounts for a disproportionately higher share of workers who are uninsured all year (7.9%) and part year (4.1%). Construction has a relatively higher proportion

**EXHIBIT 23. SELECTED INDUSTRIES BY INSURANCE COVERAGE AMONG EMPLOYEES,  
AGES 18-64, CALIFORNIA, 2001**

INDUSTRY	INSURANCE TYPE			
	UNINSURED ALL YEAR NUMBER (%)	UNINSURED PART YEAR NUMBER (%)	INSURED ALL YEAR NUMBER (%)	POPULATION IN 2000 NUMBER (%)
AGRICULTURE	108,000 (7.9)	48,000 (4.1)	141,000 (1.8)	297,000 (2.8)
CONSTRUCTION	204,000 (15.0)	82,000 (7.0)	447,000 (5.6)	733,000 (7.0)
MANUFACTURING OF DURABLE GOODS	84,000 (6.2)	96,000 (8.3)	757,000 (9.5)	937,000 (9.0)
EDUCATIONAL SERVICES	15,000 (1.1)	31,000 (2.7)	259,000 (3.3)	305,000 (2.9)
BUSINESS AND REPAIR SERVICES	155,000 (11.4)	152,000 (13.0)	897,000 (11.3)	1,204,000 (11.5)
RETAIL TRADE	326,000 (23.9)	264,000 (22.6)	1,096,000 (13.8)	1,685,000 (16.1)
POPULATION IN 2000	1,360,000 (100%)	1,166,000 (100%)	7,936,000 (100%)	10,462,000 (100%)

Note: Subcategories in columns will not add to totals because of other industries not presented in the table.

Note: Total populations are slightly smaller estimates due to "not ascertained" data in the original variable.

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

Source: 2001 California Health Interview Survey

of workers uninsured all year (15%), but a proportionate share among workers who were uninsured part year (7%).

## CONCLUSION

This analysis differentiated between the 1.5 million employees who were uninsured all year and the 1.4 million who were uninsured part year. About half of those with partial-year coverage (48%) secured job-based coverage after a period of being uninsured, reflecting gains they made during the strong economy that ended in 2001. However, one in five (21%) lost their job-based coverage and reported being uninsured at the time of interview. A total of 945,000 California workers moved between job-based coverage and uninsurance during the year, over 200,000 lost or gained Medi-Cal/Healthy Families coverage and were uninsured the remainder of the time, and the remaining more than

200,000 had some other coverage, such as privately purchased insurance, but also experienced a coverage gap.

Across several socio-demographic and labor market characteristics, there were considerable differences between the part-year uninsured and the all-year uninsured. SB 2 will have important implications and expand worker coverage, but it will still leave many uninsured because of the specific requirements in the bill. Thus, policies that aim to address chronic uninsurance might especially target the groups that comprised the largest percentages of workers who were uninsured all year: Latinos, those who are limited in English proficiency, single adults without children, those with family income less than 200% FPL, those earning less than an hourly wage of \$9.85, those who work less than full time, those who work in retail trade, construction, or agriculture,

and those working in firms with 50 or fewer employees. In addition to assuring coverage to those who had none at all during the year, coverage strategies need to also promote continuous coverage, including requirements or incentives that target industries with disproportionately high rates of intermittent coverage, such as retail trade and business and repair services. Each of these policies could also benefit, to some extent, workers who experienced coverage gaps during the year. However, policies that address the reasons why many employees working in large firms experienced discontinuous coverage could specifically benefit workers with partial-year coverage.

### 3. THE MEDI-CAL AND HEALTHY FAMILIES PROGRAMS: LONG- AND SHORT-TERM COVERAGE AND UNINSURANCE

Approximately 4.4 million children under age 19 and adults ages 19–64 were enrolled in Medi-Cal at some time in past 12 months, according to CHIS 2001.<sup>9</sup> Another 464,000 children had Healthy Families coverage for all or part of the year. In addition, 23,000 children were enrolled in both programs at some time during the year—that is, their parent reported that the child was enrolled in either Healthy Families or Medi-Cal for part of the year and in the other program for the remainder of the year. Combined, based on the CHIS 2001 data, the Medi-Cal and Healthy Families programs covered 4,866,000 children and adults for all or part of the year in 2001.

Medi-Cal and Healthy Families form a patchwork quilt of coverage, together with other state and local health insurance safety net programs. Although fragmented and confusing, this quilt provides coverage to a large population that would likely be uninsured in the absence of this safety net. Exhibit 24 shows income eligibility for the Medi-Cal and Healthy Families programs for families with children and for eligible categories of adults.<sup>10</sup> These eligibility provisions were in effect in California in 2001 when this survey was conducted and remained in effect through 2002.

This section focuses on coverage during the 12 months preceding the CHIS 2001 interview, both among children and adults who are Medi-Cal and Healthy Families enrollees and for those currently uninsured but eligible for either program.

#### CONTINUITY OF COVERAGE FOR MEDI-CAL AND HEALTHY FAMILIES ENROLLEES

Children under age 19 who had Medi-Cal coverage at the time they were interviewed were much more likely than their adult counterparts to have had continuous coverage during the past 12 months. Nine in 10 children with Medi-Cal coverage at the time of interview (90.7%) had Medi-Cal coverage all year, compared to eight in 10 nonelderly adults (81.2%; Exhibit 25). For comparison, 94.6% of children and 91.4% of adults with employer-based insurance had continuous job-based coverage for the full year. As a result, children with Medi-Cal coverage at the time of interview were only half as likely as adults to have been uninsured before qualifying for Medi-Cal during the previous year (7.3% for children vs. 15.3% for nonelderly adults). Very few children or adults enrolled in Medi-Cal at the time of interview previously had some other coverage in the past year, underscoring Medi-Cal’s role as the only health care coverage option for these very low-income Californians.

Only 77.1% of children with Healthy Families at the time of interview were continuously covered by the program throughout the entire past 12 months, compared to 90.7% for children with Medi-Cal (Exhibit 25), most likely reflecting Healthy Families’ rapid growth in enrollment as this relatively new program expanded. Over twice the proportion of children covered by Healthy Families

9 The above numbers of Medi-Cal and Healthy Families enrollees are estimates based on CHIS 2001 data; administrative data commonly yields larger numbers than do surveys of the population. See discussion of this issue in Leibowitz A, and Pollack ES (eds.), *Data Needs for the State Children’s Health Insurance Program*, Committee on National Statistics, Division of Behavioral and Social Sciences and Education, National Research Council, Washington, DC: National Academy Press, 2002.

10 Income eligibility is shown as a percent of the Federal Poverty Guidelines (FPG), which are used to determine eligibility for a number of federally supported public programs and are similar to the Census Bureau’s “poverty threshold.” For further information on the distinction between poverty guidelines and thresholds, see: <http://www.census.gov/hhes/www/poverty.html>.

**EXHIBIT 24. MEDI-CAL AND HEALTHY FAMILIES INCOME ELIGIBILITY AS A PERCENT OF FEDERAL POVERTY GUIDELINES (FPG) FOR FAMILIES WITH CHILDREN AND FOR PREGNANT WOMEN, ALL AGES, CALIFORNIA, 2001**

300% FPG	Not Eligible*	Not Eligible**		Not Eligible			
250% FPG		Healthy Families eligible			Not Eligible		
200% FPG	Medi-Cal eligible	Up to 1 Year	Healthy Families eligible		Healthy Families eligibility authorized, not implemented		
133% FPG			1-5 Years	6-18 Years			Medi-Cal eligible
100% FPG			Medi-Cal eligible		19-64 Years, with Children	Medi-Cal eligible	
75% FPG					19-20 Years, Medically Indigent/Needy	Disabled and Aged	All Other Adults
	Pregnant Women	Children		Adults			

FPG = Federal Poverty Guidelines  
 Medi-Cal = "full scope" Medi-Cal only, excluding eligibility for the share-of-cost program

\* Pregnant women with household incomes up to 300% FPL are, however, eligible for the Access for Infants and Mothers program (AIM).  
 \*\* Children up to two years old with household incomes under 300% FPL with mothers in the AIM program may also be enrolled in the AIM program. California's state fiscal year 2004 budget calls for moving children currently enrolled in AIM but eligible for Healthy Families into the Healthy Families program.



**EXHIBIT 25. PAST 12-MONTH COVERAGE BY INSURANCE TYPE AT TIME OF INTERVIEW AMONG CURRENT MEDI-CAL AND HEALTHY FAMILIES ENROLLEES, AGES 0–64, CALIFORNIA, 2001**

INSURANCE OVER PAST 12 MONTHS	INSURANCE TYPE AT INTERVIEW		
	MEDI-CAL		HEALTHY FAMILIES
	AGES 0-18	AGES 19-64	AGES 0-18
MEDI-CAL OR HEALTHY FAMILIES ONLY	90.7	81.2	77.1
MEDI-CAL OR HEALTHY FAMILIES + UNINSURED	7.3	15.3	16.1
MEDI-CAL OR HEALTHY FAMILIES + OTHER INSURANCE	2.0	3.5	6.8
TOTAL	100%	100%	100%
POPULATION IN 2000	2,199,000	1,999,000	458,000

Source: 2001 California Health Interview Survey

previously had been uninsured in the past year, compared to children on Medi-Cal (16.1% compared to 7.3%). This important finding underscores Healthy Families’ role in insuring a population of children who had few other options and previously had no health coverage at all.

**DURATION OF UNINSURANCE AMONG MEDI-CAL AND HEALTHY FAMILIES ELIGIBLES**

The roles of Medi-Cal and Healthy Families as the only affordable coverage option for very low-income Californians

is further underscored by the high rates of continuous uninsurance among currently uninsured children and adults who are eligible for these programs but not enrolled. For these children who are eligible for either Medi-Cal or Healthy Families, seven in 10 were uninsured all year (70.8% and 70.1%, respectively; Exhibit 26). For adults who were Medi-Cal eligible, eight in 10 lacked coverage for all of the past 12 months (Exhibit 26).

**EXHIBIT 26. PAST 12-MONTH COVERAGE BY ELIGIBILITY FOR MEDI-CAL AND HEALTHY FAMILIES AMONG CURRENTLY UNINSURED PERSONS, AGES 0–64, CALIFORNIA, 2001**

DURATION OF UNINSURANCE	PERSONS WHO WERE UNINSURED BUT ELIGIBLE FOR MEDI-CAL OR HEALTHY FAMILIES AT INTERVIEW		
	MEDI-CAL		HEALTHY FAMILIES
	AGES 0-18	AGES 19-64	AGES 0-18
UNINSURED ALL OF LAST 12 MONTHS	70.8	81.0	70.1
UNINSURED PART OF LAST 12 MONTHS	29.2	19.0	29.9
TOTAL	100%	100%	100%
POPULATION IN 2000	360,000	464,000	309,000

Note: Numbers may not add to totals due to rounding.

Source: 2001 California Health Interview Survey

Examining the duration of uninsurance in detail further illustrates the magnitude of the problem. Among uninsured children and adults who were uninsured at the time of their interview but eligible for either Medi-Cal or Healthy Families, only 15% were uninsured for less than six months (Exhibit 27), and only three in 10 had been uninsured for a year or less.

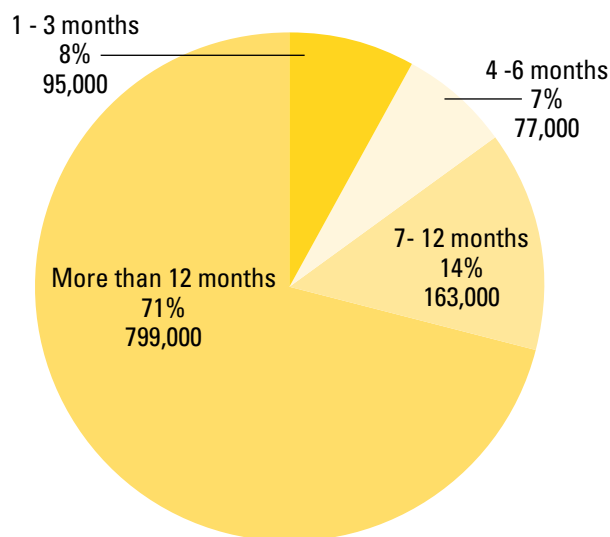
More than seven in 10 uninsured Californians eligible for either Medi-Cal or Healthy Families had no insurance at all for *longer than a year*, including two-thirds of eligible children and three-fourths of eligible adults—nearly 800,000 in all (Exhibit 27). This high level of persistent lack of coverage underscores the need for outreach and enrollment efforts to increase coverage among these uninsured children and adults who are eligible for Medi-Cal or Healthy Families.<sup>11</sup>

#### DURATION OF UNINSURANCE AMONG UNINSURED ELIGIBLE CALIFORNIANS BY RACE AND ETHNIC GROUP

The majority of uninsured children eligible for Medi-Cal or Healthy Families was uninsured for the entire 12 months before their interview across all racial and ethnic groups (Exhibit 28). Approximately two out of three children in each ethnic group had been uninsured all year, except for Latino children, three-fourths of whom were uninsured for the entire 12 months. Thus, Latino children are more likely to be uninsured and more likely to be eligible for public programs, as we noted in our report last year,<sup>12</sup> and they are

also uninsured for a longer period of time. Nearly 350,000 Latino children eligible for Medi-Cal or Healthy Families were uninsured all year, compared to 75,000 white children and even smaller numbers of children in other racial and

**EXHIBIT 27. MONTHS UNINSURED IN THE PAST YEAR AMONG CHILDREN AND ADULTS WHO ARE CURRENTLY UNINSURED BUT ELIGIBLE FOR MEDI-CAL OR HEALTHY FAMILIES,\* AGES 0-64, CALIFORNIA, 2001**



\* Children ages 0-18 are eligible for either Medi-Cal or Healthy Families, but adults ages 19-64 are eligible for Medi-Cal only.

Source: 2001 California Health Interview Survey

11 Enrollment in Medi-Cal and Healthy Families has increased since 2001, as shown by recent administrative data. This increase will most likely be accompanied by a corresponding decrease in the number of persons estimated to be uninsured but eligible for either program; these changes are likely to be reflected in CHIS 2003 data, available in late 2004.

12 ER Brown, N Ponce, T Rice, and SA Lavarreda. *The State of Health Insurance in California: Findings from the 2001 California Health Interview Survey*. Los Angeles, CA: UCLA Center for Health Policy Research, 2002.

**EXHIBIT 28. PERCENT UNINSURED ALL YEAR BY RACE AND ETHNIC GROUP AMONG UNINSURED CHILDREN AND ADULTS ELIGIBLE FOR MEDI-CAL OR HEALTHY FAMILIES, AGES 0–64, CALIFORNIA, 2001**

<b>RACE AND ETHNIC GROUP</b>	<b>UNINSURED ALL YEAR</b>	<b>UNINSURED PART YEAR</b>	<b>TOTAL (POPULATION IN 2000)</b>
<b>CHILDREN, AGES 0-18</b>			
LATINO	74.0	26.0	100% (467,000)
WHITE	60.3	39.7	100% (124,000)
<b>ADULTS, AGES 19-64</b>			
LATINO	81.5	18.5	100% (353,000)
WHITE	69.9	30.1	100% (58,000)

Note: Numbers may not add to 100% due to rounding.  
 Source: 2001 California Health Interview Survey

ethnic groups, suggesting the urgency of intensive targeting of outreach and enrollment efforts to Latino communities.

Uninsured adults who are eligible for Medi-Cal across all racial and ethnic groups were even less likely than children to have had any health insurance coverage during the year (Exhibit 28). Seven in 10 white adults (69.9%) who were eligible for Medi-Cal had been uninsured all year, as were eight to nine in 10 of adults in other racial and ethnic groups. Nevertheless, Latino adults are the largest group of Medi-Cal eligibles and the largest group who were uninsured for the entire previous 12 months, including nearly 300,000 Latinos compared to 41,000 whites, the next largest group.

#### **DURATION OF UNINSURANCE AMONG UNINSURED ELIGIBLE CALIFORNIANS BY LANGUAGE AND ENGLISH FLUENCY**

Outreach for those eligible but not enrolled in Medi-Cal or Healthy Families can be improved by targeted information and campaigns in languages spoken by the eligible population, especially for those with limited-English proficiency. The intermittently uninsured and those uninsured all year include different proportions of different language and English fluency groups, and consequently require different outreach strategies.

Among uninsured children (ages 0-18) who are eligible for Medi-Cal or Healthy Families and whose family speaks only

**EXHIBIT 29. PERCENT UNINSURED ALL YEAR BY LANGUAGE SPOKEN AT HOME AND ENGLISH PROFICIENCY AMONG UNINSURED CHILDREN ELIGIBLE FOR MEDI-CAL OR HEALTHY FAMILIES, AGES 0-18, CALIFORNIA, 2001**

<b>LANGUAGE(S) SPOKEN AT HOME</b>	<b>UNINSURED ALL YEAR</b>	<b>UNINSURED PART YEAR</b>	<b>TOTAL (POPULATION IN 2000)</b>
ENGLISH ONLY	53.3	46.8	100% (141,000)
ENGLISH AND SPANISH	74.1	25.9	100% (357,000)
SPANISH ONLY	80.0	20.0	100% (119,000)
ASIAN OR OTHER LANGUAGES	70.3	29.7	100% (52,000)
<b>ENGLISH FLUENCY*</b>			
SPEAK ENGLISH VERY WELL	70.7	29.3	100% (161,000)
SPEAK ENGLISH FAIRLY WELL	73.9	26.1	100% (130,000)
SPEAK ENGLISH NOT WELL/NOT AT ALL	78.5	21.5	100% (227,000)

\* Asked of respondents who speak languages other than English at home. For children ages 12-18, English proficiency is for themselves; for children under age 12, English proficiency is for responding adult.

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

English at home, 53.3% were uninsured for the entire previous year, but among those who speak other languages, 70-80% were uninsured all year (Exhibit 29). Approximately seven to eight in 10 of those who speak languages other than English, lacked coverage all year regardless of their level of English proficiency (Exhibit 29).

The language and English-proficiency patterns among uninsured eligible adults (ages 19-64) is similar to that of children, but the disparities are at least as large. Nearly two-thirds of uninsured eligible adults who speak only English at home were uninsured for all of the past 12 months, compared to 80.1% of those who speak English and Spanish, 85.8% of those who speak only Spanish at home were uninsured for the entire year, and 90.5% of those who speak Asian or other languages (Exhibit 30).

Among adults who speak languages other than English, limited English proficiency is associated with longer duration of uninsurance (Exhibit 30). 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, not well or not at all were uninsured all year. This finding underscores the need for culturally appropriate in-language outreach for both Medi-Cal and Healthy Families to enroll uninsured eligible children and adults in these coverage programs.

The long duration of uninsurance among all groups of children and adults who are eligible for Medi-Cal or Healthy Families raises serious concerns for their health. The lack of health insurance coverage and the consequent limited access to medical care is a concern whether the person has a

**EXHIBIT 30. PERCENT UNINSURED ALL YEAR BY LANGUAGE SPOKEN AT HOME AND ENGLISH PROFICIENCY AMONG UNINSURED ADULTS ELIGIBLE FOR MEDI-CAL, AGES 19-64, CALIFORNIA, 2001**

<b>LANGUAGE(S) SPOKEN AT HOME</b>	<b>UNINSURED ALL YEAR</b>	<b>UNINSURED PART YEAR</b>	<b>TOTAL (POPULATION IN 2000)</b>
ENGLISH ONLY	64.3	35.7	100% (70,000)
ENGLISH AND SPANISH	80.1	20.0	100% (166,000)
SPANISH ONLY	85.8	14.2	100% (184,000)
ASIAN OR OTHER LANGUAGES	90.5	**	100% (45,000)
<b>ENGLISH FLUENCY*</b>			
SPEAK ENGLISH VERY WELL	63.7	36.3	100% (31,000)
SPEAK ENGLISH FAIRLY WELL	84.2	15.8	100% (74,000)
SPEAK ENGLISH NOT WELL/NOT AT ALL	86.2	13.8	100% (173,000)

\* Asked of respondents who speak languages other than English at home.  
 \*\* Estimate is unstable because the coefficient of variation is greater than 0.3.

Note: Numbers may not add to 100% due to rounding.  
 Source: 2001 California Health Interview Survey

chronic condition (such as asthma, high blood pressure, or diabetes) that requires medical management, or an acute condition (such as a communicable disease or an injury) that requires more occasional medical care, or simply needs preventive care (such as development monitoring for children or cancer screening for adults). The very high proportions of non-English speakers and especially persons with limited English proficiency suggest that outreach efforts among these communities should be greatly intensified.



## 4. THE CONSEQUENCES OF LONG- AND SHORT-TERM COVERAGE AND UNINSURANCE

This report has focused on the numbers of Californians with all-year coverage, intermittent coverage, and all-year lack of coverage, differences in duration of uninsurance and stability of coverage by social and economic characteristics, and by employment. We also examined how stability of coverage differs by eligibility for and enrollment in the Medi-Cal and Healthy Families programs.

But what are the consequences for access to health care of how long a person is uninsured and different sources of stable coverage? In this section of the report, we examine the relationship between 12-month health insurance status and several measures of access to care: whether Californians have a usual source of care, perceive delays in receiving treatment, and whether those with selected chronic illnesses take medications that are recommended by the medical community. We pay particular attention to those who had intermittent health insurance coverage. Because understanding an individual's health status is critical in assessing the adequacy of access to care, however, we begin with examining self-assessed health status, a measure of

health that is widely used in health services research because it has been shown to be predictive of need for and use of health care.

### SELF-ASSESSED HEALTH STATUS

Among nonelderly adults, those with job-based or privately purchased coverage indicate they are the healthiest, and those on Medi-Cal or Healthy Families, the least healthy (Exhibit 31). The two groups of uninsured fall in between, but those who are uninsured only part of the year indicate a better health status than those who are uninsured all year. To a large extent, the four in 10 in Medi-Cal/Healthy Families who indicate that they are in fair or poor health reflect the disproportionate number of disabled individuals who are enrolled in Medi-Cal. (The category includes only a relatively small number of adults in Healthy Families, which covers only adults who are age 18.) Medi-Cal remains a major insurer of the permanently disabled, since that is the only means by which nonelderly adults without children can enroll in the program.

**EXHIBIT 31. SELF-REPORTED HEALTH STATUS BY INSURANCE TYPE, AGES 18–64, CALIFORNIA, 2001**

	SELF-REPORTED HEALTH STATUS				
	EXCELLENT	VERY GOOD	GOOD	FAIR OR POOR	TOTAL
UNINSURED ALL YEAR	13.8	19.3	39.5	27.4	100%
UNINSURED PART YEAR	16.5	30.2	34.0	19.3	100%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	9.9	16.5	34.0	39.6	100%
JOB-BASED INSURANCE ALL YEAR	23.5	38.2	28.1	10.3	100%
PRIVATELY PURCHASED INSURANCE ALL YEAR	30.3	38.9	23.1	7.8	100%

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

**EXHIBIT 32. SELF-REPORTED HEALTH STATUS BY INSURANCE TYPE,  
AGES 0–17 CALIFORNIA, 2001**

	SELF-REPORTED HEALTH STATUS				
	EXCELLENT	VERY GOOD	GOOD	FAIR OR POOR	TOTAL
UNINSURED ALL YEAR	21.6	21.5	38.7	18.3	100%
UNINSURED PART YEAR	27.9	27.4	30.7	14.0	100%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	30.2	23.9	31.9	14.0	100%
JOB-BASED INSURANCE ALL YEAR	44.1	31.6	19.5	4.8	100%
PRIVATELY PURCHASED INSURANCE ALL YEAR	51.1	30.3	15.0	3.6	100%

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey

The pattern for children (as reported by their parents or guardians) is somewhat different. As is the case with adults, children covered by either job-based or privately purchased insurance have much higher self-assessed health status, with less than 5% reported as having fair or poor health (Exhibit 32). But children who were uninsured the entire year indicate the worst health status of any group: 18.3% report fair or poor health, compared to 14% for those uninsured part of the year, or who have Medi-Cal or Healthy Families coverage. Thus, the health status of children who have

intermittent insurance coverage is comparable to those with Medi-Cal or Healthy Families.

It is clear from Exhibits 31 and 32 that children and adults who are uninsured all year have poorer health status than those who have coverage for even part of the year. Here we examine the relationship between self-assessed health status and the number of months in the year in which a respondent was uninsured. Adults and children show the same pattern, with those uninsured one to three months

**EXHIBIT 33. SELF-REPORTED HEALTH STATUS BY MONTHS UNINSURED,  
AGES 18–64 CALIFORNIA, 2001**

MONTHS UNINSURED	SELF-REPORTED HEALTH STATUS				
	EXCELLENT	VERY GOOD	GOOD	FAIR OR POOR	TOTAL
1–3 MONTHS	20.0	35.8	28.6	15.6	100%
4–6 MONTHS	15.5	30.3	33.8	20.4	100%
7–12 MONTHS	16.0	25.1	36.9	22.0	100%
12+ MONTHS	13.1	18.9	40.2	27.7	100%

Note: Numbers may not add to 100% due to rounding.  
Source: 2001 California Health Interview Survey



**EXHIBIT 34. SELF-REPORTED HEALTH STATUS BY MONTHS UNINSURED, AGES 0–17 CALIFORNIA, 2001**

MONTHS UNINSURED	SELF-REPORTED HEALTH STATUS				TOTAL
	EXCELLENT	VERY GOOD	GOOD	FAIR OR POOR	
1–3 MONTHS	31.1	29.9	28.9	10.1	100%
4–6 MONTHS	26.7	28.7	30.2	14.4	100%
7–12 MONTHS	26.4	24.7	31.2	17.8	100%
12+ MONTHS	21.4	21.1	39.3	18.2	100%

Note: Numbers may not add to 100% due to rounding.  
 Source: 2001 California Health Interview Survey

reporting much better health than those uninsured the whole year. Among adults, for example, 15.6% who were uninsured one to three months report fair or poor health, compared to 27.7% of those uninsured the entire year (Exhibit 33). Among children, 10.1% who were uninsured one to three months report fair or poor health, compared to 18.2% for those uninsured the entire year (Exhibit 34).

In summary, self-assessed health status is highly correlated with whether and how long a person has been uninsured and, among those with stable coverage, health status is related to insurance type. Among uninsured children and adults, the longer the period of uninsurance, the poorer the person’s self-assessed health status. Those with all-year job-based and private coverage report the best health status. Adults with Medi-Cal coverage have the worst health status, reflecting the substantial proportion of Medi-Cal beneficiaries who are disabled. Children with Medi-Cal or Healthy Families coverage have poorer health status than those with employment-based or privately purchased health insurance, but better health status than children who are

uninsured for even part of the year. These figures do not allow us to draw conclusions about causation, however. Uninsurance may be causing poor self-assessed health status, and those in poor health may find it more difficult to obtain affordable coverage. Indeed, both of these pathways may be occurring simultaneously.

#### USUAL SOURCE OF CARE

Having a usual source of care, sometimes called a “medical home,” is a key aspect of good access to care, providing a place for receipt of preventive services as well as somewhere to go when ill. The uninsured are by far the least likely to have such a source. Among adults, nearly half of Californians who are uninsured the entire year (45.9%) lack a usual source of care, and nearly a third (31.6%) of those uninsured part of the year also are without a usual source (Exhibit 35). The figure for persons with stable public or private coverage is less than 13%.

**EXHIBIT 35. USUAL SOURCE OF CARE BY INSURANCE TYPE, AGES 18–64, CALIFORNIA, 2001**

	USUAL SOURCE OF CARE					TOTAL
	DOCTOR'S OFFICE/HMO	CLINIC/COMMUNITY-BASED HOSPITAL	EMERGENCY ROOM	SOME OTHER PLACE	NO USUAL SOURCE OF CARE	
UNINSURED ALL YEAR	22.6	27.5	2.2	1.7	45.9	100%
UNINSURED PART YEAR	48.2	17.9	1.6	0.8	31.6	100%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	56.8	27.8	2.5	0.8	12.2	100%
JOB-BASED INSURANCE ALL YEAR	82.9	8.4	0.6	0.8	7.3	100%
PRIVATELY PURCHASED INSURANCE ALL YEAR	75.5	9.4	0.5	1.9	12.8	100%

Note: Numbers may not add to 100% due to rounding.  
 Source: 2001 California Health Interview Survey

Children show a nearly identical pattern, although more have a usual source of care (Exhibit 36). Almost a third (29.8%) of children uninsured the entire year are without a usual source of care, more than twice as high as those uninsured part of the year (12.4%). Among those with any stable source of coverage, the proportion lacking a medical home is less than 7%.

Exhibits 35 and 36 also distinguish the different sources of care. For both adults and children, those with job-based and privately purchased coverage are by far the most likely to have a doctor's office or HMO as their medical home. In contrast, this is true for only about one in four of those who were uninsured the entire year: 22.6% of such adults, and 26.5% of children. Interestingly, those with intermittent coverage are much more advantaged in this respect than those uninsured the entire year, with 48.2% of adults and 51.3% of children identifying a doctor's office or HMO. Thus, those with intermittent coverage have considerably

better access to the private health care system than those who are uninsured for long periods of time. Individuals with Medi-Cal or Healthy Families coverage fall in between those with job-based and those who are uninsured the entire year. To illustrate, over three-quarters of adults with all-year job-based or privately purchased insurance report a doctor's office or HMO as their medical home, compared to roughly half of those on Medi-Cal/Healthy Families.

Exhibits 35 and 36 also demonstrate the important role that the health care safety net plays for children and adults who are either uninsured or covered by Medi-Cal or Healthy Families. Among adults, about one in four covered by Medi-Cal and the same proportion of those who were uninsured all year rely on a clinic or community-based hospital as their usual source of care. This is well above the proportion of those who were uninsured part of the year and about three times the proportions of those with job-based or privately purchased insurance. Among children, more than one in

**EXHIBIT 36. USUAL SOURCE OF CARE BY INSURANCE TYPE, AGES 0–17\*, CALIFORNIA, 2001**

	USUAL SOURCE OF CARE					TOTAL
	DOCTOR'S OFFICE/HMO	CLINIC/COMMUNITY-BASED HOSPITAL	EMERGENCY ROOM	SOME OTHER PLACE	NO USUAL SOURCE OF CARE	
UNINSURED ALL YEAR	26.5	41.5	1.3	**	29.8	100%
UNINSURED PART YEAR	51.3	34.2	0.6	**	12.4	100%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	55.3	37.8	1.4	**	5.2	100%
JOB-BASED INSURANCE ALL YEAR	85.6	9.9	0.5	0.5	3.5	100%
PRIVATELY PURCHASED INSURANCE ALL YEAR	82.5	9.4	**	**	6.8	100%

\* Ages 0-11 received a follow-up question regarding type of clinic. However, since both ages 0-11 and ages 12-17 were asked the same initial question about type of usual source of care, the two have been combined into a single dataset.

\*\* The estimate is not statistically stable because the coefficient of variation is over 30%.

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

Source: 2001 California Health Interview Survey

three who were uninsured part- or all year, or covered by Medi-Cal or Healthy Families all year, rely on clinics or community-based hospitals as their medical home.

### DELAYS IN OBTAINING CARE

We examine the proportion of adults who report delaying or not getting three types of service: a prescription, having a

test or treatment, or for any other type of care (Exhibit 37). It is important to note that most of this care is physician-determined. That is, a person can obtain a prescription drug or most tests or treatments only when ordered by a physician. In California, with the dominance of managed care, access to many other types of care also requires a referral by a physician. Therefore, adults who have less

**EXHIBIT 37. DELAYS OF HEALTH CARE BY INSURANCE TYPE, AGES 18–64, CALIFORNIA, 2001**

	DELAY OR NOT GET PRESCRIPTION	DELAY HAVING OR NOT HAVE A TEST/TREATMENT	DELAY OR NOT GET ANY OTHER CARE
UNINSURED ALL YEAR	5.9%	5.6%	18.2%
UNINSURED PART YEAR	13.5%	9.3%	21.4%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	11.7%	8.3%	11.4%
JOB-BASED INSURANCE ALL YEAR	9.3%	8.4%	10.4%
PRIVATELY PURCHASED INSURANCE ALL YEAR	9.5%	10.1%	13.7%

Note: Numbers are individual rates and will not add to 100%.

Source: 2001 California Health Interview Survey

**EXHIBIT 38. RESPONDENTS WITH ASTHMA BY AGE GROUP, ACCESS INDICATOR, AND INSURANCE TYPE, AGES 0–64, CALIFORNIA, 2001**

	AGES 0-17		AGES 18-64	
	ASTHMA PREVALENCE	TAKING MEDICATION FOR ASTHMA*	ASTHMA SYMPTOM PREVALENCE**	TAKING MEDICATION FOR ASTHMA*
UNINSURED ALL YEAR	7.1%	36.1%	5.5%	49.0%
UNINSURED PART YEAR	14.5%	40.9%	9.1%	60.8%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	12.3%	53.0%	12.7%	75.9%
JOB-BASED INSURANCE ALL YEAR	15.0%	47.8%	8.6%	59.2%

\* Percentage among those either with asthma (ages 0-17) or with asthma and had symptoms within the past year (ages 18-64 – see below).

\*\* "Asthma Symptom Prevalence" refers to the percent of the total adult population who have experienced asthma symptoms in the past year. Since many adults outgrow childhood asthma, this measure is a better indicator of the disease for ages 18-64.

Note: Numbers are individual rates and will not add to 100%.

Source: 2001 California Health Interview Survey

contact with a physician also have much less opportunity to receive a prescription or other order for care from a physician—and therefore are also less likely to delay or not get a test, a prescription or other care.

Consistent with this interpretation, uninsured Californians do not seem to be delaying more than others their receipt of prescriptions and tests ordered by a doctor. In fact, those uninsured the entire year are the least likely group to report delays in obtaining prescriptions and other tests or treatments ordered by a physician. This is undoubtedly due to the fact that they are least likely to see a doctor in the first place.

However, the uninsured were more likely than those with any form of insurance all year long to delay obtaining or not get “any other medical care you felt you needed”—that is, care that was needed but not ordered by a physician. Those with intermittent coverage were the group most likely to have delayed getting a prescription or obtaining other care. Over one-fifth (21.4%) of those uninsured part of the year, and 18.2% of those uninsured the whole year, report delays,

compared to less than 14% of those in the other three coverage groups.

## RECEIPT OF MEDICATIONS FOR CHRONIC ILLNESSES

We examine four chronic illnesses: asthma, diabetes, high blood pressure, and heart disease. The asthma figures are subdivided into children and adults, whereas the other three conditions are for adults only. For each illness, the tables show the percentage of Californians reporting the condition. Among those with the condition, we show the percentage taking medication for treatment. Unlike the previous tables, we do not include figures for those with privately purchased coverage due to sample size limitations.

### Asthma

Both adults and children who are uninsured the entire year appear to be the least likely to indicate that they have asthma (Exhibit 38). This could be due, in part, to under-diagnosis since the uninsured are least likely to seek medical care. But

**EXHIBIT 39. RESPONDENTS WITH SELECTED CHRONIC DISEASES BY ACCESS INDICATOR AND INSURANCE TYPE, AGES 18–64, CALIFORNIA, 2001**

	SELECTED CHRONIC DISEASES*	ACCESS INDICATOR**
	<b>DIABETES PREVALENCE</b>	<b>TAKING INSULIN OR PILLS FOR DIABETES</b>
UNINSURED ALL YEAR	3.6%	57.0%
UNINSURED PART YEAR	3.3%	64.6%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	10.4%	75.9%
JOB-BASED INSURANCE ALL YEAR	4.2%	76.5%
	<b>HIGH BLOOD PRESSURE PREVALENCE</b>	<b>TAKING MEDICATION FOR HIGH BLOOD PRESSURE</b>
UNINSURED ALL YEAR	12.0%	29.8%
UNINSURED PART YEAR	13.9%	28.2%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	25.1%	65.5%
JOB-BASED INSURANCE ALL YEAR	17.3%	54.6%
	<b>HEART DISEASE PREVALENCE</b>	<b>TAKING MEDICATION FOR HEART DISEASE</b>
UNINSURED ALL YEAR	2.7%	27.5%
UNINSURED PART YEAR	2.6%	22.4%
MEDI-CAL/HEALTHY FAMILIES ALL YEAR	10.1%	62.7%
JOB-BASED INSURANCE ALL YEAR	3.8%	44.0%

\* Rate among whole population.

\*\* Rate among those with the chronic disease.

Note: Numbers are individual rates and will not add to 100%.

Source: 2001 California Health Interview Survey

among those who do report asthma, those uninsured the entire year are the least likely to be taking medication for it. This pattern is strongest among adults; less than half of those uninsured all year (49%) report taking medications, compared to about three-fifths for those uninsured part of the year (60.8%) or having job-based coverage (59.2%), and over three-quarters of those with Medi-Cal or Healthy Families (75.9%).

The Medi-Cal or Healthy Families figures in Exhibit 38 are particularly interesting because program enrollees with asthma are more likely than those with job-based coverage

to receive medication—both among adults and children. This is all the more impressive since program beneficiaries are poor, often have less education, are less likely to speak English as their primary language, and tend to report lower health status—characteristics not unlike those who are uninsured all year. We will see the same pattern for some of the other chronic illnesses.

**Diabetes, Heart Disease, and High Blood Pressure**

**Among Adults**

The prevalence of diabetes is fairly low among all groups of California adults (less than 5%) except those with Medi-Cal

or Healthy Families, who have rates of about 10% (Exhibit 39). Health insurance coverage, however, does appear to have an important impact on whether those with diabetes obtain insulin or pills to control it. Only 57% of those uninsured all year, and 64.6% of those uninsured part of the year, receive medication. This contrasts with over 75% of those with Medi-Cal or Healthy Families or job-based coverage.

Like diabetes, heart disease is reported by 4% or less of California adults—with the exception of those with Medi-Cal/Healthy Families, where about 10% report having it (Exhibit 39). We see the same patterns as before with regard to taking medication for heart disease. Both groups of uninsured Californians are very unlikely to obtain medication when they have heart disease, with figures less than 30%. In contrast, 62.7% of those with Medi-Cal or Healthy Families receive medications. Those with job-based coverage fall in the middle, at 44%.

High blood pressure is reported somewhat less often among the uninsured than those with job-based coverage. Those with Medi-Cal or Healthy Families report it the most often, with a rate of 25.1% compared to less than 18% for the other groups (Exhibit 39). Coverage, however, is a major determinant of whether medication is received. Less than 30% of those uninsured all or part of the year receive needed blood pressure medication, compared to 54.6% of those with job-based coverage, and 65.5% for those with Medi-Cal.

In comparing Exhibit 39 with Exhibit 31 (self-reported health status), it is noteworthy that the uninsured tend to rate their health more poorly than those with private

insurance, but do not report a higher prevalence of the four conditions examined. Although we can only speculate why this is the case, one strong possibility is that the uninsured, by having less contact with the medical care system, are substantially less likely to have been diagnosed for these diseases—even if they have them.

The data presented here forcefully indicate the importance of insurance coverage in helping to assure adequate access to care. The uninsured—especially those lacking coverage the entire year—report poorer health, but in spite of their diminished health status, they are less likely to have a regular source of care and less likely to receive medications when they have a chronic illness. This is in sharp contrast to those who have coverage, either through their jobs or through Medi-Cal or Healthy Families. Given the sociodemographic composition of Medi-Cal and Healthy Families, it is especially noteworthy that program beneficiaries tend to be the most likely to obtain medications—in most cases, even more often than those with job-based coverage. This provides a vivid illustration of how much access is likely to improve if more of the uninsured were made eligible for, and subsequently enroll in, these programs.

Unfortunately, those with intermittent coverage often fare no better than the full-year uninsured when it comes to taking needed medications. This is shown most vividly for high blood pressure and heart disease, where medication rates are less than 30%, often just half as high as those with Medi-Cal/Healthy Families or with job-based coverage.

## 5. PUBLIC POLICIES TO EXPAND COVERAGE FOR CHILDREN AND ADULTS

A total of 6.3 million nonelderly Californians were without health insurance for at least some of the year, and more than half of them – 3.3 million in all – were uninsured for longer than a year. And just 15% of these Californians – less than 1 million – were uninsured for as brief a period as three months. Thus, the lack of health insurance coverage is a persistent condition for over five million Californians, far from “transitional” lack of coverage.

Lack of coverage has real consequences for Californians’ access to health services and for their health. We found that children and adults who are uninsured even part of the year are less likely to have a “medical home” and, among those with chronic illnesses such as asthma, diabetes, high blood pressure or heart disease, less likely to be taking medication to control their condition. And those who are uninsured all year long are least likely of all to have a connection to the health care system that can facilitate their getting needed care and even less likely to be taking medication to help them manage their chronic illnesses.

The risks of being uninsured at all and of being uninsured for long periods of time are not evenly spread in the population. We found sharp differences in the duration of uninsurance and health insurance coverage by race and ethnicity, by family income, and by citizenship and immigration status. Low- and moderate-income children and adults are more likely to be uninsured and to remain uninsured for longer periods of time than more affluent residents. Latinos, Asian Americans and Pacific Islanders, and American Indians/Alaska Natives are more likely to be uninsured all year long, compared to whites and African Americans. Noncitizens and citizen children with noncitizen parents are also more likely to experience long periods of being completely without coverage.

These differences in the duration of health insurance coverage and uninsurance are due overwhelmingly to the lack of affordable private health insurance, which most Americans get through their own or a family member’s employment. Seven in 10 employees who were uninsured part of the year or throughout the year worked an average of at least 40 hours a week, but they tend to work for employers that do not offer health benefits at all.

### THE EROSION OF AFFORDABLE HEALTH INSURANCE—BAD AND GETTING WORSE

Even when offered health insurance by an employer, these low- and moderate-income employees are required to pay a large share of the cost, which for family coverage especially can be very expensive. Premiums now average \$2,845 for single-employee coverage in California and \$7,471 for family coverage, slightly below the national average. For single coverage, employees now pay an average of \$342 per year, they pay an average of \$1,806 per year for family coverage, an even larger share of the total.<sup>13</sup> If an employer does not offer health benefits – or if the employer offers it but charges employees a large share of the premium cost or tightly limits eligibility – employees and their families have few affordable options for coverage.

Thus the problem that California faces is daunting. A large number of California’s children and adults are uninsured, and most of them face being without coverage for a very long time. The uninsured are overwhelmingly a working population and predominantly full-time and full-year employees whose employers do not offer health benefits or who charge them shares of premiums that are high, especially relative to the low incomes that prevail among most of the uninsured.

13 Kaiser Family Foundation/HRET 2002 California Employer Health Benefits Survey.

Californians who are the most disadvantaged economically bear the largest share of this burden, but the pain and risk are spreading upward as the costs of health insurance continue to consume more and more of employers' resources and individual and family incomes. Premiums for employment-based health insurance rose 13% in California in 2002, the largest increase since 1990, compounding increases over the previous several years.<sup>14</sup> As costs put more strain on employers, they have been responding by increasing their workers' share of cost and cutting benefits. And small firms are beginning to stop offering coverage at all. Thus, the prospects for expanding employment-based health insurance seem to be fading.

This bleak situation in California comes at a time of persistently slack demand for labor and high unemployment. Undoubtedly, fewer Californians have access to employment-based insurance in 2003 than they did two years ago when CHIS 2001 was conducted.

And with the state facing a mounting shortfall in revenues – at least \$35 billion over 18 months – and inevitable cuts in spending, major reductions in Medi-Cal spending appear inevitable. It is very likely that literally hundreds of thousands of adults and even many children will be added to the ranks of the uninsured as anticipated Medi-Cal cuts take effect.

## PUBLIC POLICY OPTIONS

Despite this bleak panorama, 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), which will offer coverage to more than one million uninsured workers and their dependents when it is fully implemented in 2007. The other is the spreading movement at the local level to expand health care coverage.

14 Kaiser Family Foundation/HRET 2002 California Employer Health Benefits Survey.

## State-Level Coalitions for Health Insurance Reform and Expansion

Senate Bill (SB) 2 will enable eligible workers and dependents to obtain health insurance through their employer or a new State program. 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, but only if the State provides subsidies to help offset their costs. SB 2 does not affect firms with fewer than 20 workers.

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. To be eligible under the provisions of SB 2, an employee must work at least 100 hours a month and be employed by the firm for at least three months.

Of the 4.52 million persons who were uninsured at the time they were interviewed for CHIS 2001, an estimated 307,000 uninsured workers and 372,000 uninsured dependents of workers would gain coverage in the first phase SB 2, extending eligibility for family coverage to workers in firms with 200 or more employees. The second phase, extending eligibility for coverage only to workers in firms with 50-199 employees, will cover 180,000 uninsured workers beginning in 2007. If a subsidy is implemented for firms with 20-49 employees, another 211,000 uninsured workers also would be covered. Altogether, when fully implemented, SB 2 will



cover 698,000 workers and 372,000 spouses and children who were uninsured in 2001. The total – 1.07 million – represents one in four of the 4.52 million who were uninsured at any point in time in 2001.<sup>15</sup>

SB 2 faces many challenges. At least two types of legal challenges are likely to be raised. Opponents have threatened to go to court to get the required employer payment declared a “tax” rather than a “fee” because a tax requires a two-thirds majority of the Legislature rather than the simple majority vote that SB 2 received. Opponents are also likely to challenge SB 2 as a violation of the federal Employee Retirement Income Security Act of 1974 (ERISA), which limits states’ abilities to regulate employer health and welfare benefit programs. Opponents also may use the initiative process to try to get the law repealed.<sup>16</sup> Beyond these legal challenges, the implementation of SB 2 will require careful construction of the employer fee to avoid possible adverse effects on employment and labor markets, optimize integration with other public coverage programs (such as Medicaid and SCHIP) in order to maximize federal matching funds for subsidies, and develop effective cost containment to support required coverage.

SB 2 affects only designated workers and their families, but it could be extended to achieve universal coverage if it includes a public program for those adults and children who fall outside the scope of the mandate.<sup>17</sup> A more comprehensive proposal, SB 921 introduced by Sen. Sheila Kuehl, would establish a “single-payer” program in California that would cover nearly the entire population, including those who are currently uninsured and those who have coverage. But that

bill, despite its strong support from health care advocates, did not survive the 2003 Legislative session.

### **Local-Level Coalitions to Expand Coverage**

Local-level coalitions to expand health insurance have been organized in a number of counties in California. These efforts are targeted at maximizing enrollment of uninsured children into Medi-Cal, Healthy Families, and other programs for which the child may be eligible. In addition, these coalitions seek to expand coverage options for those who do not qualify for federal and state programs, often by adding local tax funds and private resources. In addition to the added financial resources these coalitions may provide, they also mobilize local leadership from a broader range of constituencies than are usually involved in public health insurance programs. Although these efforts have focused mainly on children, some have included parents and adults without children in their policy efforts.

Santa Clara County has been a model in these efforts, which have included children’s health insurance initiatives, called “Healthy Kids,” in several other counties. In Santa Clara County, the Healthy Kids program covers nearly 13,000 children with household incomes under 300% of the Federal Poverty Level (FPL) who are otherwise ineligible for public insurance, regardless of their citizenship status. Funding for the program comes from a variety of sources, both public and private. Alameda County covers nearly 7,500 children with similar requirements in its own countywide program, called Alameda Family Care, which also includes the parents of eligible children. San Francisco, Riverside, and San Bernardino Counties have both launched their own Healthy

15 Brown ER, Yu H, Lavarreda SA, Becerra L, Dube A, Kronick R, Health Policy Fact Sheet: *SB 2 Will Extend Coverage to 1 Million Uninsured Workers and Dependents*, Los Angeles: UCLA Center for Health Policy Research, September 2003.

16 Kurtzman K, Feder Ostrov B, “Davis signs landmark health bill,” *San Jose Mercury News*, Oct. 06, 2003; see also Butler PA, *ERISA and State Health Care Access Initiatives: Opportunities and Obstacles*, New York: The Commonwealth Fund, October 2000.

17 Brown ER, Kronick R, “Healthy California: A Proposal for Universal Health Insurance Coverage in California,” Sacramento, CA: California Health and Human Services Agency, April 2002.

Kids programs. San Mateo County has recently started its own program and has just over 2,000 enrollees; this county set its eligibility level up to household incomes under 400% FPL.<sup>18</sup> Los Angeles County has launched a children's health insurance initiative, with funding currently from First 5 Los Angeles and future contributions expected from LA Care Health Plan (the Medi-Cal managed care local-initiative plan), The California Endowment, and other organizations and agencies. The LA initiative, as with the children's health insurance programs in most other counties, involves the participation of the county department of health services, school districts, health care organizations, and many advocacy organizations. A number of other counties have also developed other locally funded programs.

These local efforts have the potential to intensify outreach and enrollment of uninsured eligible children and some adults, although limited eligibility for adults will greatly limit the number who can be enrolled. Children currently eligible for Medi-Cal or Healthy Families are likely to be the biggest beneficiaries, followed by noncitizen children who do not have immigration documentation and are currently ineligible for Medi-Cal or Healthy Families. In addition, some children who are uninsured but have family incomes above the Healthy Families income-eligibility level (but not over 300% FPL) are also likely to benefit.

All of these efforts to expand eligibility for public programs ultimately will depend on changes in eligibility and implementation in state and federal programs. The resources required for these locally-funded expansions are likely not to be sustainable over an extended time, requiring state and federal policy changes to make them fiscally viable. Such support could come from state funding alone, but that is unlikely as long as the state remains mired in deep funding shortfalls for

current commitments. Federal support is more likely but such support will require waivers, additional appropriations, and perhaps new authorizing legislation, all of which are in doubt in the present political alignments in Washington.

## CONCLUSION

For the great majority of California's 6.3 million residents who experience lack of health insurance coverage during the year, being uninsured is more than a passing episode. For more than half of them – 3.3 million in all – uninsurance is a persistent condition. And for both the long-term uninsured and the part-year uninsured, lack of coverage dramatically reduces their access to health services and endangers their health.

These risks are spread unevenly across the population. Low- and moderate-income children and adults, Latinos and also Asian Americans/Pacific Islanders and American Indians/Alaska Natives, noncitizen adults and citizen children with noncitizen parents all experience greater risk of being uninsured and being uninsured for longer periods of time. These disparities characterize California's workers as well as the general population.

When the uninsured do get care, they are more likely to turn to the health care safety net. But the safety net is a bit threadbare due to the relatively low reimbursements for many patients covered by Medi-Cal, and it is not sufficiently compensated for caring for the state's large uninsured population.

The good news is that a major step has been taken by California to address this problem with the enactment of SB 2. The magnitude of this problem 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 importance of California's new Governor Arnold Schwarzenegger providing leadership to extend coverage to all the state's residents.

18 Insure the Uninsured Project, *Summary of Local Efforts to Cover the Uninsured*, August 2003; [www.work-and-health.org](http://www.work-and-health.org).



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