

OVERVIEW OF THE UNINSURED ORANGE COUNTY 2003

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www.work-and-health.org
November 2003**

**This research is funded by grants from
The California Wellness Foundation and
The California Endowment**

COUNTY PROFILE¹

Population²

The 2000 population in Orange County was approximately 2.9 million. The population increased by approximately 18% between 1990 and 2000. Orange County has the second largest population in the state after Los Angeles County.

Geography

Orange County is located along 42 miles of southern California coast. The County is bordered by Los Angeles County to the north, San Diego County to the south and Riverside and San Bernardino Counties to the east.

Economy³

Orange County has numerous major industries and service organizations. The County's diverse economic base is dominated by the services, trade, and manufacturing industries. Service is the largest industry employer, accounting for 32% of Orange County's labor force. The County's 2001 unemployment rate was 3.2%, significantly lower than the state rate of 5.3% for the same year.

DEMOGRAPHICS

Health Coverage Status:

- 15% are uninsured⁴
- 12% are covered by Medi-Cal⁵
- 2.6% are covered by Healthy Families^{6 7}
- 4.3% use County health programs⁸

¹ Numbers in this report without decimal points have been rounded to the nearest whole number.

² US Census Bureau. *Census 2000*, www.census.gov

³ State of California, *County Snapshots*, 2002, www.calmis.ca.gov/htmlfile/subject/cosnaps.htm

⁴ **Percentage taken of non-elderly population.** E.R. Brown, N. Ponce, T.Rice, S.A. Lavarreda. *The State of Health Insurance in California: Findings from the 2001 California Health Interview Survey (CHIS)*. UCLA Center of Health Policy Research, June 2002, www.healthpolicy.ucla.edu

⁵ Percentage taken of total population. Medi-Cal Policy Institute. *California County Data*, Jan. 2003, www.medi-cal.org

⁶ Percentage taken of non-elderly population. Managed Risk Medical Insurance Board. *Healthy Families Program Subscribers Enrolled By County*, August 2003, www.mrmib.ca.gov

⁷ In comparison, CHIS data reported 12.8% Medi-Cal/Healthy Families non-elderly enrollment.

⁸ Percentage taken of non-elderly population. Medically Indigent Care Reporting System (MICRS). *County Indigent Patient Counts and Utilization, FY 2000-01*.

Ethnicity:⁹

The population of Orange County consists of:

- Non-Hispanic White – 51%
- Hispanic – 31%
- African-American – 2%
- Asian & Pacific Islander – 14%
- American Indian – 1%
- Other – 19%¹⁰

Income Breakdown:¹¹

In 2000, 26% of Orange County residents had incomes below 200% of the Federal Poverty Level (FPL):

- 10% below 100% FPL
- 16% between 100 and 200% FPL

COMMUNITY CLINICS¹²

Community clinic information was reviewed for the 2002 calendar year. In that year, community clinics in Orange County served 139,000 unduplicated patients and provided 382,600 visits. Total revenues and spending were \$34.2 million and \$41.6 million, respectively.

Uninsured patients dominated clinic visits (72%) and accounted for the largest share of patient revenues (63%). Medi-Cal patients accounted for the second largest, though considerably smaller, shares of visits and revenues (19% and 24%, respectively). Among the uninsured, self-paying patients accounted for the largest share of visits (41%) and the Family PACT program accounted for the greatest proportion of uninsured revenues (37%).

- Orange community clinics provided .7 uninsured visits per uninsured county resident.

⁹ US Census Bureau. *Census 2000*, www.census.gov

¹⁰ "Other" is defined as person reporting race other than the above or multiple races. The total percentage can exceed 100% due to duplicate reporting.

¹¹ California Department of Finance, August 2002.

¹² Office of Statewide Health Planning and Development. *Annual Utilization Report of Primary Care Clinics*, 2002 www.oshpd.states.ca.gov

Clinic Utilization and Patient Revenues

Insurance Status	Visits	Patient Revenues
Total	382,600	\$18.8 M
Uninsured	72%	63%
Medi-Cal	19%	24%
Healthy Families	2%	3%
Medicare	1%	1%
Private Insurance	2%	2%
Other Payer	4%	6%

Uninsured Clinic Utilization and Patient Revenues

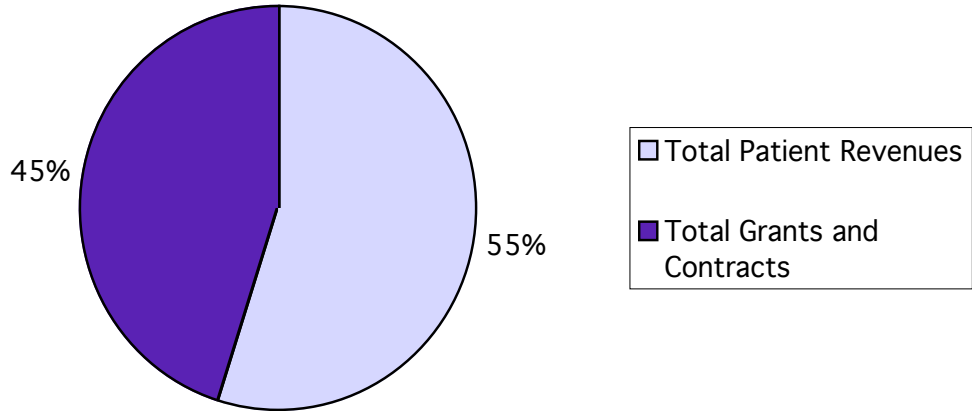
Payer	Visits	Patient Revenues
Total Uninsured	274,842	\$11.8M
County Programs	13%	15%
EAPC	6%	9%
CHDP	6%	7%
Breast Cancer Programs	3%	4%
Family PACT	19%	37%
Self-Pay	41%	28%
Non-Pay	12%	.4% ¹³

Clinic Revenue from Contracts and Grants

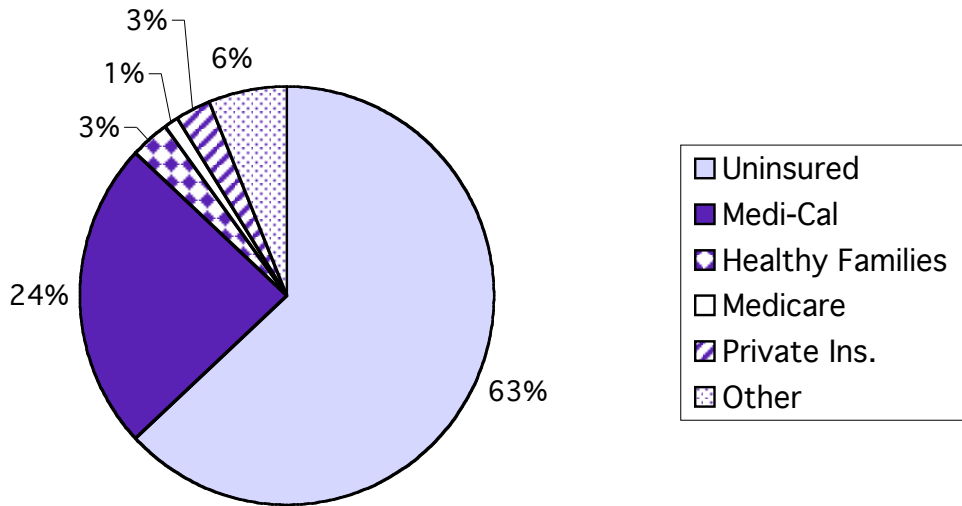
Federal Contracts and Grants	3% (\$1.1M)
State Contracts and Grants	2% (\$814,000)
County & Local Contracts and Grants	13% (\$4.4M)
Other Contracts and Grants	2% (\$739,000)
Private Grants	9% (\$3.0M)
Donations	16% (\$5.4M)

¹³ This figure is likely a reporting error.

Total Community Clinic Revenue



Total Patient Revenue By Payer



Delivery System

There are 27¹⁴ community clinic sites in Orange County, including 6 Planned Parenthood centers.

- Huntington Beach Community Clinic accounted for the largest share of net patient revenue (18%), followed by UC Irvine Family Health Center (13%).
- UC Irvine Family Health Center had the most uninsured patients (15%), followed by Huntington Beach Community Clinic (13%).
- UC Irvine Family Health Center saw the most Medi-Cal patients (39%), followed by Mission Hospital S. Camino Health Center (12%).
- Clinica CHOC Para Ninos saw the most Healthy Families patients (35%), followed by CHOC Clinic at the Boys and Girls Club of Santa Ana (29%).
- UC Irvine Family Health Center saw the most Medicare patients (58%), followed by Mission Hospital S. Camino Health Center (15%).
- UC Irvine Family Health Center saw the most privately insured patients (39%), followed by Planned Parenthood-Orange/San Bernardino (19%).

HOSPITALS¹⁵

Hospital information was reviewed for fiscal year 2002. Hospitals in Orange County provided 1.3 million inpatient days, 2.7 million outpatient visits and 588,100 emergency room visits, at a cost of approximately \$2.9 billion.

County indigent patients accounted for small shares of all hospital services, 3% and less. Medi-Cal patients accounted for higher shares, though not more than 20%. Medicare and privately insured patients were the greatest users of services of all patient categories.

Insurance Status	Inpatient Days	Average Length of Stay	Outpatient Visits (Including ER)	ER Visits¹⁶
Total	1.3M	5.0	2.7M	588,100
County Indigent	2%	4.2	3%	2%
Medi-Cal	19%	5.4	13%	13%
Medicare	42%	5.9	24%	16%
Private Insurance	35%	4.1	51%	56%
Other Indigent	1%	4.4	2%	2%
Other Payer	2%	3.8	7%	10%

¹⁴ Dental community clinics are not included in this summary.

¹⁵ Office of Statewide Health Planning and Development. *Selected Hospital Annual Financial Data, FY 2001-02* www.oshpd.ca.gov

¹⁶ER data reporting cycle may differ from other OSHPD hospital data categories.

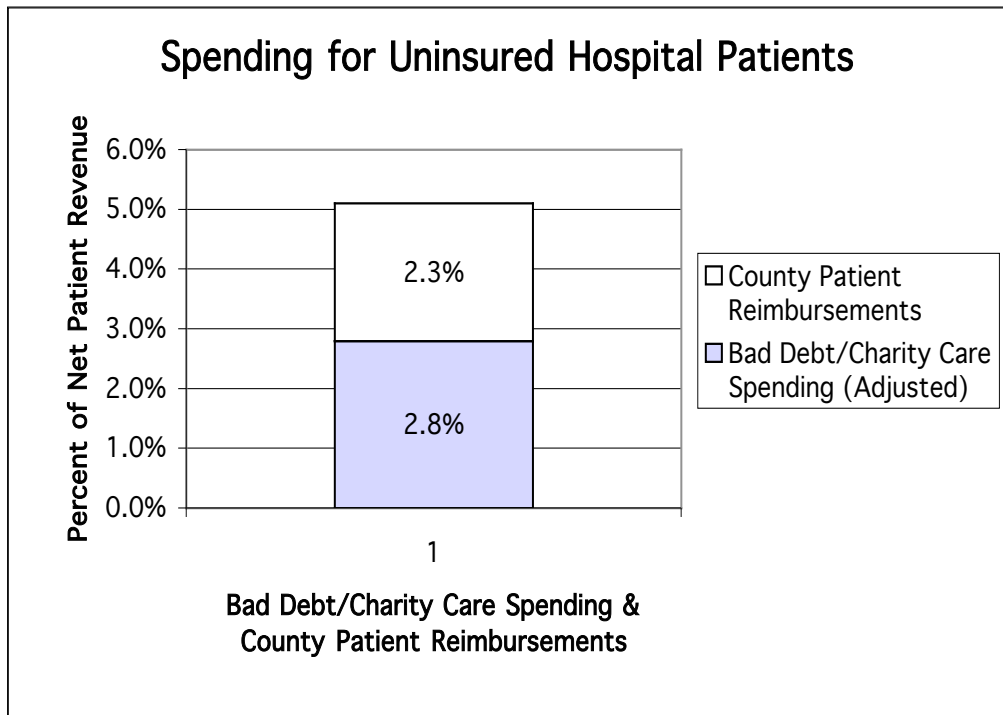
Delivery System

There are 37 hospitals in Orange County, 33 of which are comparable and included in this summary.¹⁷

- UC Irvine Medical Center accounted for the largest share of net patient revenue (12%), followed by Hoag Memorial Hospital (11%).
- UC Irvine Medical Center provided the greatest proportion of bed days to county indigent patients (26%), followed by Fountain Valley Regional Hospital and Medical Center (9%).
- UC Irvine Medical Center provided the most bed days for Medi-Cal patients (15%), followed by Fountain Valley Regional Hospital and Medical Center (9%).
- Hoag Memorial Hospital provided the most bed days for Medicare patients (9%), followed by St. Jude Hospital (7%).
- Hoag Memorial Hospital provided the most bed days for privately insured patients (11%), followed by St. Joseph Hospital (10%).

Care for the Uninsured

Hospitals in Orange County reported an aggregate loss of approximately \$83.4 million in bad debt and charity care (2.8% of net patient revenues). Reported reimbursements for county indigent patients totaled \$68.9 million (2.3% of net patient revenues).



¹⁷ Comparable hospitals are acute care hospitals and do not include Prepaid Health Plan Hospitals such as Kaiser Permanente Hospitals, psychiatric facilities or long-term care hospitals.

Both OSHPD and MICRS/CMSP report utilization and financial data for care for the county indigent. Hospitals report the services and expenses reimbursed by the county to OSHPD. The county reports the services and payments to providers to MICRS/CMSP.¹⁸

	OSHPD Data	County Health Data ¹⁹
# Inpatient days per 1000 uninsured	66	61
# Outpatient visits per 1000 uninsured	190	1,035
# ER visits per 1000 uninsured	30	27
Hospital Revenue from County ²⁰	\$68.9M	
County spending		\$47.3M
Gross DSH	\$105.4M	\$131.4M ²¹

MISP Data²²

County Spending for the County Indigent:

	Number of Days or Visits	Expenditures in Dollars	Expenditure as Percentage of Total	Cost per Unit of Service
Inpatient Days	24,001	\$21.3M	45%	\$888
Outpatient Visits	406,218	\$24.5M	52%	\$60
ER Visits	10,651	\$1.3M	3%	\$122
Total²³		\$47.3M	100%	

Net Public Health Spending:²⁴ \$41.7M

¹⁸ Theoretically, these reports should be identical for hospital inpatient days and emergency room visits. However, there is often considerable variation between these sources' figures. County health data on outpatient visits include hospital outpatient visits and county & community clinic and private physician visits, whereas OSHPD outpatient data accounts for hospital outpatient visits only.

¹⁹ Medically Indigent Care Reporting System (MICRS). *County Indigent Patient Counts and Utilization FY 2000-01*.

²⁰This figure may include private donations for indigent care.

²¹ Office of County Health Services. *SB 855 – Actual Payments and Transfers County and Non County Hospitals FY 2001-02*, April 2003.

²² Medically Indigent Care Reporting Systems (MICRS). *County Health Care Program Expenditures for FY 2000-01*.

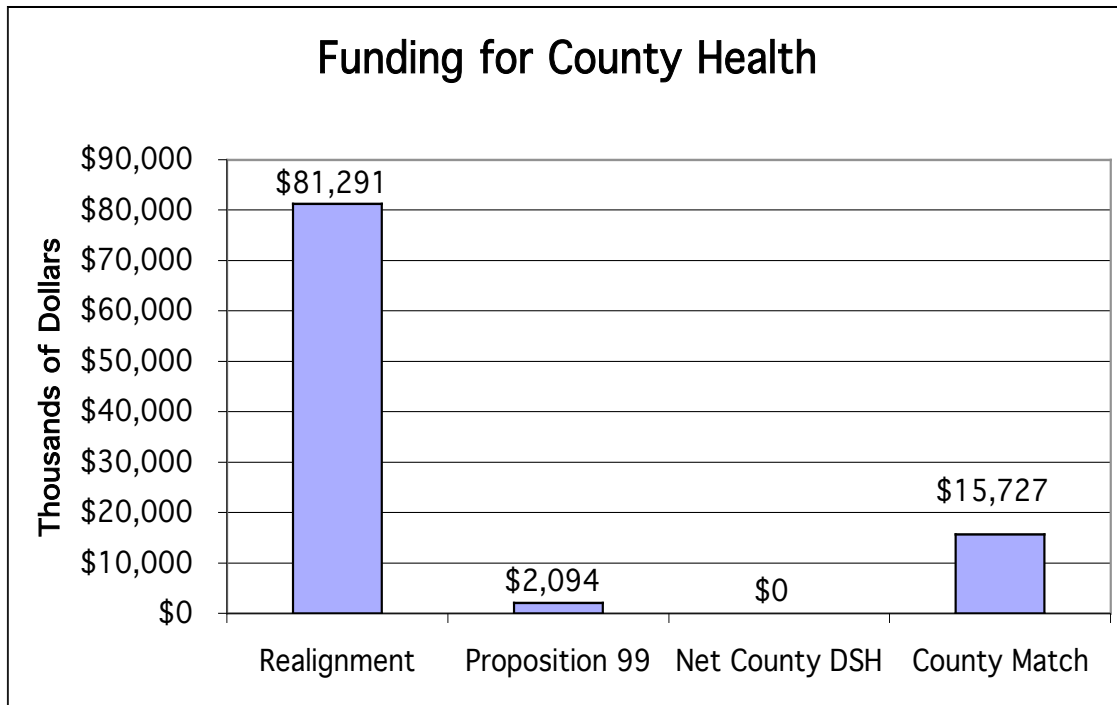
²³ Total includes “other services” which are comparatively negligible and not included in this table.

²⁴Office of County Health Services. *County Health Services Budget/Actual Data, FY 2001-02*.

FUNDING FOR COUNTY HEALTH^{25 26}

Total: \$99.1 million

Spending for the Uninsured: 48%²⁷



Funding Per Capita²⁸

	Realignment	Proposition 99	Net County DSH	County Match
Per County Resident	\$32	\$1	\$0	\$6
Per Uninsured County Resident	\$207	\$5	\$0	\$40

²⁵ Office of County Health Services. *Final Maintenance of Effort Calculation, Fiscal Year 2001-02; Rural Health Services Program Allocations, FY 2002-03; California Healthcare for Indigents Program Allocations, FY 2002-03.*

²⁶ Net County DSH Source: Office of County Health Services, April 2003.

²⁷ Based on MISP spending data, \$47.3 million (p.7).

²⁸ Non-elderly population.

DSH Distribution²⁹

Total Net DSH	Net DSH for County Hospitals	Net DSH for Non-County Hospitals
\$80.7M	\$0	\$80.7M

HEALTH COVERAGE AND HEALTH SERVICES UTILIZATION BY ETHNICITY

Ethnicity	Percent of Uninsured ³⁰	Percent of Medi-Cal Enrollment ³¹	Percent of Healthy Families Enrollment ³²	Percent of County Indigent Patients ³³
Non-Hispanic White	34%	27%	9%	1%
Hispanic	47%	53%	64%	29%
African-American	NA*	3%	1%	1%
Asian & Pacific Islander	11%	14%	16%	9%
American Indian	NA*	NA	.1%	.2%
Other ³⁴	NA*	NA	10%	50%

Ethnicity of Community Clinics Patients

Ethnicity	Percent of Community Clinic Patients ³⁵
White	59%
African-American	1%
Asian & Pacific Islander	12%
American Indian	.5%
Other	27%

Ethnicity	Percent of Community Clinic Patients
Hispanic	55%
Non-Hispanic	40%
Unknown	5%

²⁹ Office of County Health Services, April 2003.

³⁰ Age 0-64. California Health Interview Survey, 2001.

³¹ Medi-Cal Policy Institute. *Medi-Cal County Data Book*, Jan. 2003.

³² Managed Risk Medical Insurance Board, August 2003, www.mrmib.ca.gov

³³ Medically Indigent Care Reporting System (MICRS). *Unduplicated Count of County Indigent Patients By Race and Ethnicity, FY 2000-2001*.

* Insufficient sample size does not allow for statistically significant results.

³⁴ "Other" is defined differently in each data source, such as "unreported," "multiple ethnicities" or "other than listed options." Please see respective sources for further information.

³⁵ Office of Statewide Health Planning and Development, 2002, www.oshpd.states.ca.gov

PUBLIC MANAGED CARE

Medi-Cal Managed Care³⁶

- Total Enrollment: 272,972
- COHS: CalOptima (100%)

Healthy Families Managed Care³⁷

- Total Enrollment: 66,504
- Community Provider Plan: CalOptima (49%)
- Largest Commercial Plan: Blue Shield HMO (13%)

JOB-BASED INSURANCE³⁸

	Orange County	California
Non-Elderly Adults	67%	65%
Children	62%	59%

HEALTH PLANS FOR SMALL EMPLOYERS

PacAdvantage – Purchasing Pool³⁹

PacAdvantage contracts with Blue Shield, Health Net, Kaiser Permanente, Universal Care and Universal Care Champion in Orange County. Each of these carriers offers three HMO plans through PacAdvantage. Health Net also offers three PPOs. Benefits for the standard PacAdvantage HMO and two PPOs are listed below.

PacAdvantage Standard HMO and PPO Benefits

Health Plan	Patient Out-of-Pocket						
	Deductible	Office Visits	Inpatient Admission	Outpatient Services	ER Visits	Brand-Name Drugs	Generic Drugs
Standard HMO	\$0	\$30	\$1,000	\$300 surgery	\$100	\$30	\$15
Health Net PPO Saver	\$500 per individual/ 2 per family	\$20 - limited visits	20% after deduct.	20% after deduct. for surgery	20% after \$100 deduct.	20%	20%
Health Net PPO 30	\$1000 per individual/ 2 per family	\$30	20% after \$250 deduct.	20% after deduct. for surgery	20% after \$100 deduct.	\$30	\$20

³⁶ Medi-Cal Policy Institute. *California County Data*, Jan. 2003, www.medi-cal.org.

³⁷ Managed Risk Medical Insurance Board. *Healthy Families Program Subscribers Enrolled in Community Provider Plans by County*, August. 2003, www.mrmib.ca.gov

³⁸ Brown et al, 2002.

³⁹ PacAdvantage. *2003 Rate Information*, July 2003, www.pacadvantage.org. These figures represent group sizes of 15+ eligible employees. The cost for a group size of 2-5 employees is approximately 10% more than the cost listed above.

PacAdvantage Monthly Premiums for Standard HMOs and PPO

Premiums vary by the type of plan and employee's age and family size.

Health Plan	35 yrs, Single	50 yrs, Single	35 yrs, with Spouse and Dependent Children	50 yrs, with Spouse and Dependent Children	Percent Change 2002-2003
Blue Shield HMO	\$234	\$347	\$876	\$1,112	+26%
Health Net HMO	\$187	\$313	\$686	\$817	+2%
Kaiser HMO	\$194	\$290	\$680	\$743	Range: +(26-36)% ⁴⁰
Universal Care	\$177	\$284	\$613	\$731	Range: +(8-14)% ⁴¹
Universal Care Champ.	\$173	\$280	\$604	\$720	Range: +(7-25)% ⁴²
Health Net PPO Saver	\$138	\$237	\$470	\$583	+31%
Health Net PPO 30	\$219	\$374	\$743	\$922	+35%

⁴⁰ The largest increases in Kaiser standard HMO premiums were in plans for 35 year-old adults, both with and without a family.

⁴¹ The largest increases in Universal Care standard HMO premiums were in individual plans.

⁴² The largest increases in Universal Care Champion standard HMO premiums were in individual plans.

Other Health Insurance for Small Employers⁴³

Aetna, Blue Cross, Blue Shield, Health Net, Kaiser Permanente and PacifiCare offer health plans for small employers who do not participate in PacAdvantage in Orange County. Standard HMO options and PPOs with comparable benefits and low deductibles are listed below.

Benefits Offered by Standard HMOs and PPOs under Other Small Employer Plans

Health Plan	Patient Out-of-Pocket						
	Deductible	Office Visits	Inpatient Admission	Outpatient Services	ER Visits	Brand-Name Drugs	Generic Drugs
Aetna HMO 2	\$0	\$15	\$350	\$150 for surgery	\$100	\$25 after \$150 deduct.	\$10
Blue Cross HMO 100%	\$0	\$10	No charge	No charge	NA□	\$20 after \$150 deduct	\$10
Blue Shield Access + HMO 15	\$0	\$15	No charge	\$300 for surgery, \$0 other visits	\$100	\$25 after \$250 deduct.	\$15
Health Net HMO 15	\$0	\$15	No charge	No charge	\$75	\$25	\$15
Kaiser Permanente HMO 15-S	\$0	\$15	\$100 per day, max \$500 per admission	\$50 surgery	\$100	\$25	\$10
PacifiCare HMO 15-30	\$0	\$15	\$250	\$250 for surgery, \$0-\$125 other visits	\$50	\$25	\$10
Aetna PPO 3	\$1000 per member/ 2 per family	\$30	30%	30% after deduct.	\$100 + 30%	\$25 after \$150 deduct	\$15
Blue Cross Saver PPO	\$500 per member/2 per family	\$20, 2 adult/4 child visit limit	20% after deduct.	20% after deduct.	NA*	\$25 after	\$10
Blue Shield PPO 1000	\$1000 per member/ 2 per family	\$45	20% after deduct.	NA*	\$75 + 20%	\$25 after \$250 deduct.	\$10
Health Net PPO First Advantage	\$750 per member	20%	20% after \$250 deduct.	20% after \$250 deduct.	\$100	\$30	\$15
PacifiCare PPO 35/70	\$1000 per member/ 2 per family	\$35	30% after deduct.	30% after deduct.	\$100	\$35	\$10

⁴³ Aetna. *Small Business Solutions*, April 2003; Blue Cross of California. *Small Group Sales and Enrollment Guide*, April 2003; Blue Cross of California. *Monthly Rates for Small Group Medical, Dental and Basic Term Life Plans*, March 2003; Blue Shield of California. *Group Health Plans - Summary of Benefits and Provisions*, April 2002; Blue Shield of California. *Group Health Plans - Monthly Rates*, May 2003; Health Net. *Plans and Rates - Small Business Group Plans*, July 2003; Health Net. *Plans and Rates-Small Business Group Rates*, July 2003; Kaiser Permanente. *Traditional Plan for Small Business - Southern California*, Jan. 2003; Kaiser Permanente. *Traditional Plan for Small Business Rates- Southern California*, Jan. 2003; PacifiCare. *Small Business Summary Matrix*, October 2003; PacifiCare. *Small Business Rate Guide*, August 2003.

□ Information not available.

Monthly Premiums of Standard HMOs and PPOs for Other Small Employer Plans

Premiums vary by the type of plan and employee's age and family size. Rate information is not available for Aetna plans.

Health Plan	35 yrs, Single	50 yrs Single	35 yrs, with Spouse and Dependent Children	50 yrs, with Spouse and Dependent Children	Percent Change 2002-2003
Blue Cross HMO 100%	\$220	\$305	\$666	\$805	+20%
Blue Shield Access + HMO 15	\$169	\$250	\$632	\$802	+18%
Health Net HMO 15	\$155	\$260	\$570	\$679	+16%
Kaiser Permanente HMO 15-S	\$186	\$278	\$668	\$782	Range: +(15-26)% ⁴⁴
PacifiCare HMO 15-30	\$179	\$268	\$615	\$752	NA
Blue Cross Saver PPO	\$134	\$246	\$413	\$541	+23%
Blue Shield PPO 1000	\$166	\$326	\$579	\$838	+15%
Health Net PPO First Advantage	\$187	\$325	\$578	\$730	NA
PacifiCare PPO 35/70	\$104	\$186	\$326	\$423	NA

⁴⁴ The largest percentage increases in Kaiser HMO rates were in family plans.

INDIVIDUAL HEALTH PLANS⁴⁵

Blue Cross, Blue Shield, Health Net, Kaiser Permanente and PacifiCare offer health plans for individuals and families in Orange County. Standard HMO options and PPOs with comparable benefits and low deductibles are listed below.

Benefits Offered by Standard HMOs and PPOs of Individual Health Plans

Health Plan	Patient Out-of-Pocket						
	Deductible	Office Visits	Inpatient Admission	Outpatient Services	ER Visits	Brand-Name Drugs	Generic Drugs
Blue Cross Individual HMO	\$0	\$10	No charge	20%	\$50 + 20%	\$30 after \$250 deduct.	\$10
Blue Shield Access + HMO	\$1500 per member/ \$3000 per family	\$10	No charge	\$150 for surgery, \$25-\$35 other visits	\$50	\$30	\$10
Health Net HMO 15	\$0	\$15	\$1,000 deduct.	\$250 for surgery, \$0 other visits	\$75	\$25 after \$100 deduct.	\$15 after \$100 deduct.
Kaiser Permanente Personal Advantage	\$0	\$20	\$200	\$100 for surgery, \$0-\$20 other visits	\$100	\$35	\$10
PacifiCare HMO 10	\$0	\$10	\$250	\$250 for surgery, \$10-\$30 other visits	\$100	\$35	\$20
Blue Cross PPO Share 1000	\$1000 per member/ \$2000 per family	30%	30% after deduct.	30% after deduct.	\$30 + 30%	\$30 after \$250 deduct.	\$10
Blue Shield PPO 750	\$750 per member/ \$1500 per family	\$35	30% after deduct.	30% after deduct.	30% after deduct.	\$30 after \$250 deduct.	\$10
Health Net PPO Value 25	\$1000 per member/ \$2000 per family	\$25	\$250 admission + 25% after deduct	\$250 + 25% after deduct	\$75 + 20%	\$35 after \$100 deduct.	\$10 after \$100 deduct.
PacifiCare PPO 30/70	\$1000 per member/ \$2000 per family	\$30	30% after deduct.	30% after deduct.	\$100	\$35 after \$100 deduct.	\$10

⁴⁵ Blue Cross of California. *Individual and Family Health Programs*, February 2003; Blue Cross of California. *Monthly Rates for Individual and Family Medical and Life Plans*, April 2003; Blue Shield of California. *Health Plans for Individuals and Families-Summary of Benefits and Provisions*, July 2003; Blue Shield of California. *Monthly Rates for Individuals and Families*, July 2003; Health Net. *Individual and Family Coverage - Summary of Benefits and Provisions of Coverage*, July 2003; Health Net. *Monthly Rate Guide - Individual and Family Plans*, August 2003; Kaiser Permanente. *Personal Advantage 2003*, Jan. 2003; PacifiCare. *Benefits Summary – Individual HMO Plans*, July 2003; PacifiCare. *Monthly Premiums for Individual Plans*, July 2003.

Monthly Premiums of Standard HMOs and PPOs for Individual Health Plans

Premiums vary by the type of plan and individual's age and family size.

Health Plan	35 yrs, Single	50 yrs, Single	35 yrs, with Spouse and Dependent Children	50 yrs, with Spouse and Dependent Children	Percent Change 2002- 2003
Blue Cross Individual HMO	\$307	\$379	\$917	\$968	Range: (-5)%-(+19)% ⁴⁶
Blue Shield Access + HMO	\$205	\$266	\$610	\$673	+17%
Health Net HMO 15	\$310	\$384	\$877	\$1,032	-(0.3)%
Kaiser Permanente Personal Advantage	\$186	\$266	\$552	\$660	Range: (-5)%-(+1)% ⁴⁷
PacifiCare HMO 10	\$217	\$381	\$649	\$961	+26%
 					
Blue Cross PPO Share 1000	\$188	\$358	\$559	\$794	Range: (-5)%-(+20)% ⁴⁸
Blue Shield PPO 750	\$172	\$344	\$521	\$808	+17%
Health Net PPO Value 25	\$186	\$417	\$496	\$932	NA
PacifiCare PPO 30/70	\$153	\$289	\$430	\$728	NA

⁴⁶ Blue Cross Individual HMO premiums for 35 and 50 year-old single adults decreased slightly. Premiums for 50 year-old adults with families increased slightly (approx 4%). The 19% increase was found in family plans for 35 year-old adults.

⁴⁷ Kaiser plan premiums for 50 year-old single adults and those with families decreased by approximately 4%.

⁴⁸ Blue Cross PPO Share 1000 premiums for 50 year-old single adults and those with families decreased by approximately 5%. Family plan premiums for 35 year-old adults increased by 19%.