

Children's Insurance Coverage Increases as Result of Public Program Expansion

E. Richard Brown and Shana Alex Lavarreda

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More than 1.1 million California children under age 19—more than the populations of nine states—were uninsured for all or part of the year in 2003. Yet this is a significant drop from the 1.5 million children who experienced lack of coverage in 2001.

The percentage of children uninsured all or part of the year in 2003 (11.3%) also declined compared to 2001. The percent who were uninsured all of the year fell 2.4 percentage points, while the percent uninsured part of the year declined 1.1 percentage points (Exhibit 1).

This increase in insured children resulted from increased enrollments in Medi-Cal, Healthy Families, and other public health care programs. These gains reduced children's uninsured rate—despite falling rates of employment-based health insurance for children and adults, a result of the slack labor market and rapidly rising costs of health insurance.

Half of all children (50.8%) were covered throughout the year in 2003 by their parent's employment-based insurance, a drop of 4.3 percentage points from 2001. Another 29.3% were covered all year by Medi-Cal or Healthy Families, a substantial increase of 5.2 percentage points from 2001. Increasing enrollment in Medi-Cal and Healthy Families reflects the extensive efforts and resources invested in outreach and enrollment by State and local agencies, voluntary organizations, as well as local children's health insurance expansion programs. It also is due to increased retention by Medi-Cal related to continuous eligibility. The remaining children had some other coverage during the year.

Number of Uninsured Children Eligible for Public Programs Drops with Increased Enrollment

To estimate the number of children who are eligible for public programs, we use information about children who were uninsured *at the time of the CHIS interview*. With Medi-Cal and Healthy Families enrollment of children expanding dramatically, the number of children who were uninsured at the time of the CHIS interview dropped significantly—from 1,017,000 in 2001 to 782,000 in 2003.

A little more than half of all uninsured children (55%) were eligible for enrollment in either Medi-Cal or Healthy Families. About 207,000 uninsured children were eligible for Medi-Cal; another 224,000 were eligible for the Healthy Families (Exhibit 2).

(Continued on back)

Insurance Status	2003	Percentage Point Change from 2001
Uninsured All Year	5.1% 508,000	-2.4%
Uninsured Part Year	6.2% 626,000	-1.1%
Employment-Based Insurance All Year	50.8% 5,102,000	-4.3%
Medi-Cal or Healthy Families All Year	29.3% 2,942,000	+5.2%
Other Insurance All Year*	8.7% 873,000	+2.7%
Population in 2003	100% 10,050,000	—

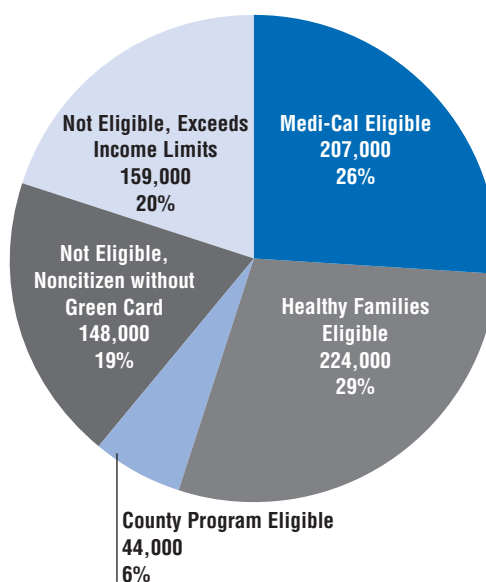
Note: Numbers and percents may not add to totals due to rounding.

* "Other" includes all-year privately purchased insurance, other government programs, and any combinations of insurance over 12 months during which the person was never uninsured.

Source: 2001-R and 2003 California Health Interview Surveys

EXHIBIT 1:
Health Insurance Coverage During Last 12 Months, Ages 0-18, California, 2001 and 2003

782,000 Children Uninsured at Time of CHIS 2003 Interview



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

Source: 2003 California Health Interview Survey

EXHIBIT 2:
Eligibility for Medi-Cal, Healthy Families, and County Health Insurance Programs Among Children Uninsured at Time of Interview, Ages 0-18, California, 2003

Another 44,000 children were eligible for insurance through county-based insurance programs in 2003, a number that has grown to nearly 116,000 by the end of 2004 as new county programs have opened their doors. These local programs cover low- to moderate-income children who do not qualify for employment-based insurance, Medi-Cal or Healthy Families. However, because most of the county programs have reached their maximum enrollment caps, the opportunities for eligible children to enroll are actually very limited. Current county-level programs would accommodate far fewer children than the number that are eligible.

Another 159,000 uninsured children are citizens or permanent residents who are ineligible for any of these public programs because their family incomes exceed the limits in Healthy Families and other public programs. Finally, 148,000 uninsured children were ineligible because of their immigration status.

Policy Implications

Medi-Cal and Healthy Families have proven their effectiveness in covering children as employment-based coverage declined for both children and adults between 2001 and 2003. In fact, if children's Medi-Cal and Healthy Families enrollment had increased only as much as adults' enrollment in these programs, an additional 487,000 children would have been uninsured in 2003. In addition to providing coverage for children, these joint federal-state programs have the added advantage of receiving federal matching funds for eligible persons—approximately 50 cents of every dollar spent in Medi-Cal and 65 cents in Healthy Families. The effectiveness of these public programs in assuring that children are covered for health care expenses, combined with the availability of federal matching funds, underscores their potential for offsetting at least some of the loss in job-based insurance.

County-based health insurance programs for children have been important in providing coverage to over 55,000 California children by October 2004, based on administrative data. These programs cover only children who are not eligible for employment-based insurance or for Medi-Cal or Healthy Families, and whose family incomes do not exceed 300% of the federal poverty level (except for one county with a higher income limit and one with a lower limit). However, while local public and private resources were key to initiating these innovative programs, they cannot be sustained without strong support from federal and state funds. Most already have reached their enrollment caps.

Ultimately, California should assure continuous coverage for all of its children. The State could take a timely step toward universal coverage of children by

expanding state programs to match the eligibility that prevails in the county programs. Although such expansion would be challenging in the current budget climate, this approach would substitute federal funds for some of the current funding raised at the local level, and it would stabilize this expanded children's coverage to assure its continuity. We estimate that up to 230,000 uninsured children would be covered by such an expanded program, including those who are now eligible for county programs but will find few programs with open doors.

Beyond this first step, California could coordinate its public programs with employment-based insurance coverage to assure that all children have affordable coverage. Another alternative is for California to relieve employers of this responsibility and open public programs to all of the State's children. Whatever direction California takes, it should be one that ensures all children have continuous and affordable coverage that provides good access to quality care.

Data Source

Based on data from the 2003 California Health Interview Survey (CHIS 2003), this fact sheet examines children's health insurance coverage, and children who are uninsured but eligible for coverage through public programs. It also describes how this profile has changed since 2001, based on reweighted CHIS 2001 data. CHIS 2003 provides the most recent information available on health insurance coverage of Californians, both statewide and at the county level. County program administrative data are from the Institute for Health Policy Solutions, Overview of Local Children's Coverage Expansions (www.ihps.org, accessed 11/30/04).

For more information on the California Health Interview Survey, please visit www.chis.ucla.edu.

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CALIFORNIA
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SNAPSHOT
California's Uninsured

Introduction

The number of uninsured Californians held steady in 2003 at approximately 6.5 million, just over 20 percent of the nonelderly population. However, employment-based coverage continued its gradual decline, while the share of the population obtaining health insurance through public programs, particularly Medi-Cal, continued to increase. This pattern mirrors national coverage trends.

The growth of the uninsured population is a complex problem, driven by numerous economic and demographic forces. Fluctuation in employment, family income, racial diversity, and citizenship status each play a significant role, as do premium costs. This presentation examines California's uninsured through the lens of these factors to provide a snapshot of the elements that may be influencing the level of health coverage in the state.

Spreadsheets containing the detailed data from the Employee Benefit Research Institute's analysis of the Current Population Survey, from which this graphical snapshot is drawn, can be accessed at www.chcf.org.

California

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State Comparison of the Uninsured

3 Year Average, 2001–2003*

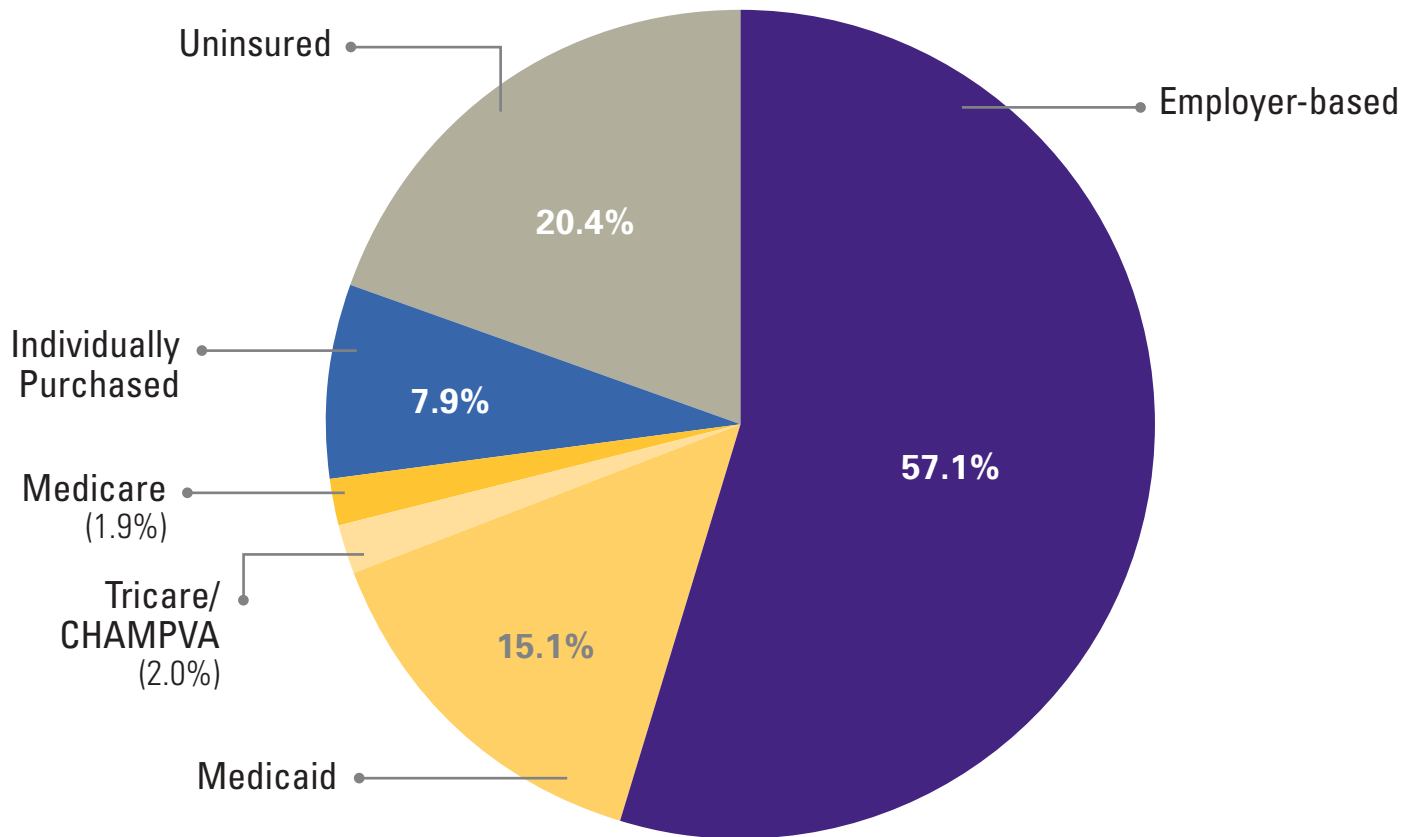
	TOTAL Millions	UNINSURED RESIDENTS Millions	Share of Total
Lowest Proportion States			
Minnesota	4.5	0.4	9.1%
Rhode Island	0.9	0.1	10.7%
Wisconsin	4.7	0.5	10.7%
Iowa	2.5	0.3	10.9%
Massachusetts	5.5	0.6	11.0%
Highest Proportion States			
Texas	19.4	5.3	27.1%
New Mexico	1.6	0.4	24.4%
Louisiana	3.9	0.9	22.0%
Oklahoma	3.0	0.6	21.7%
Florida	13.8	2.9	21.0%
California	31.4	6.5	20.6%
TOTAL U.S. POPULATION	250.4	43	17.2%

*All numbers reflect non-elderly population, ages 0–64.

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Health Insurance Sources

California Residents, 2003*

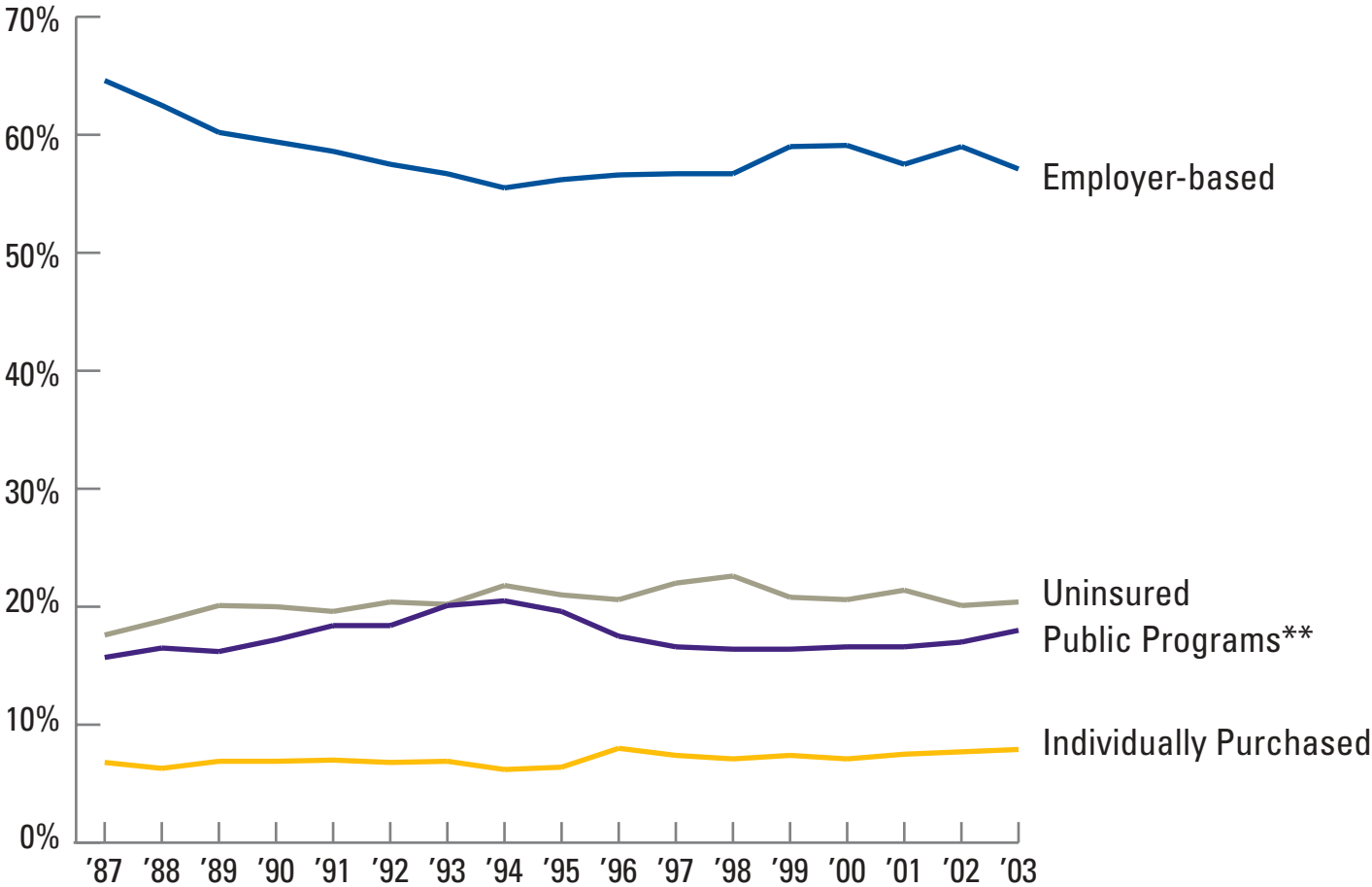


*non-elderly population, ages 0–64

Note: Pie does not add to 100 percent because respondents may have more than one source of insurance.

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

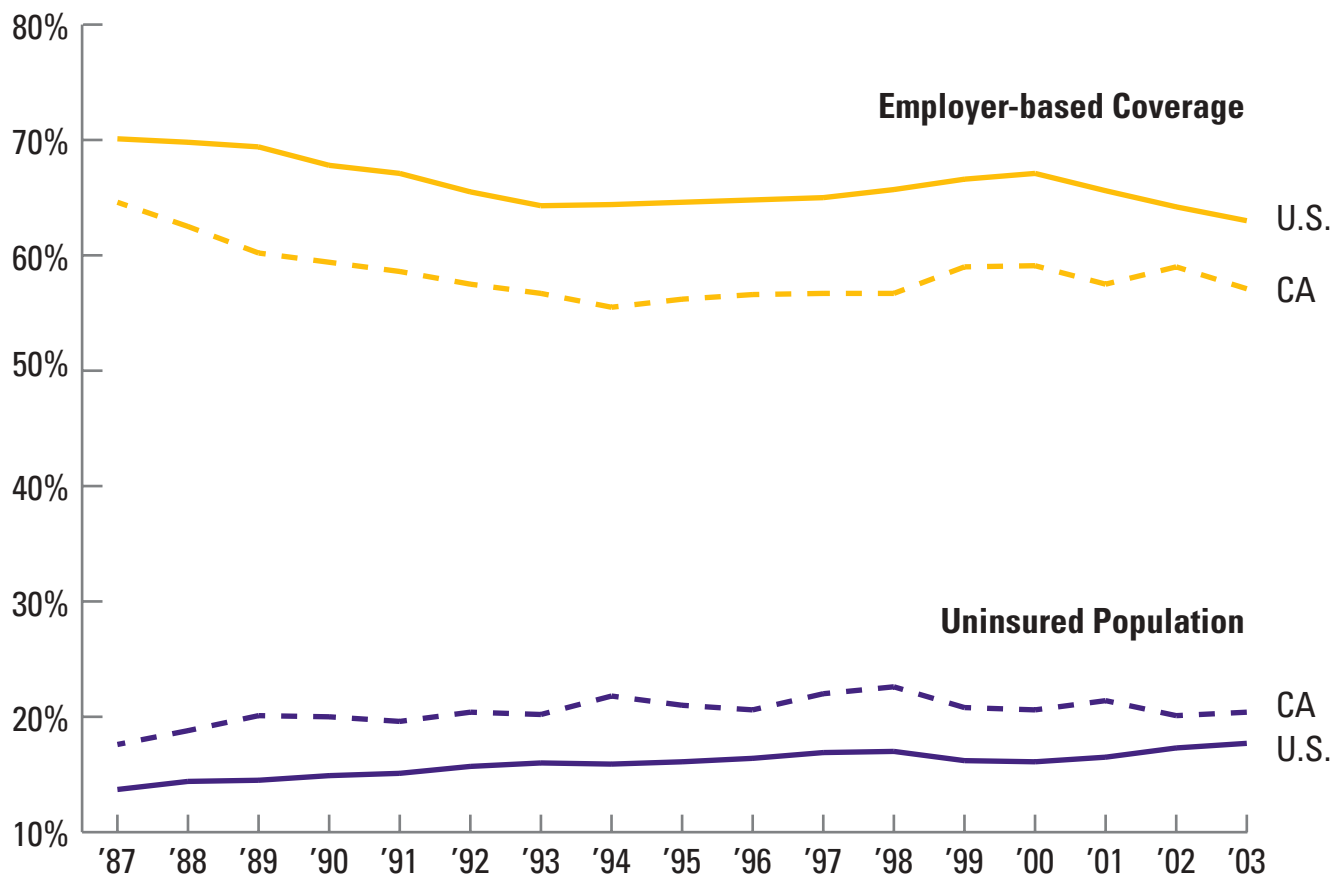
Insurance Coverage Source Trends in California, 1987–2003*



*non-elderly population, ages 0–64 **Medi-Cal, Healthy Families, Medicare, and Tricare/CHAMPVA
 Source: Employee Benefit Research Institute estimates of the March Current Population Survey, 1988–2004 Supplements.

Employer-based Coverage and Uninsured Population Trends

California vs. U.S., 1987–2003*

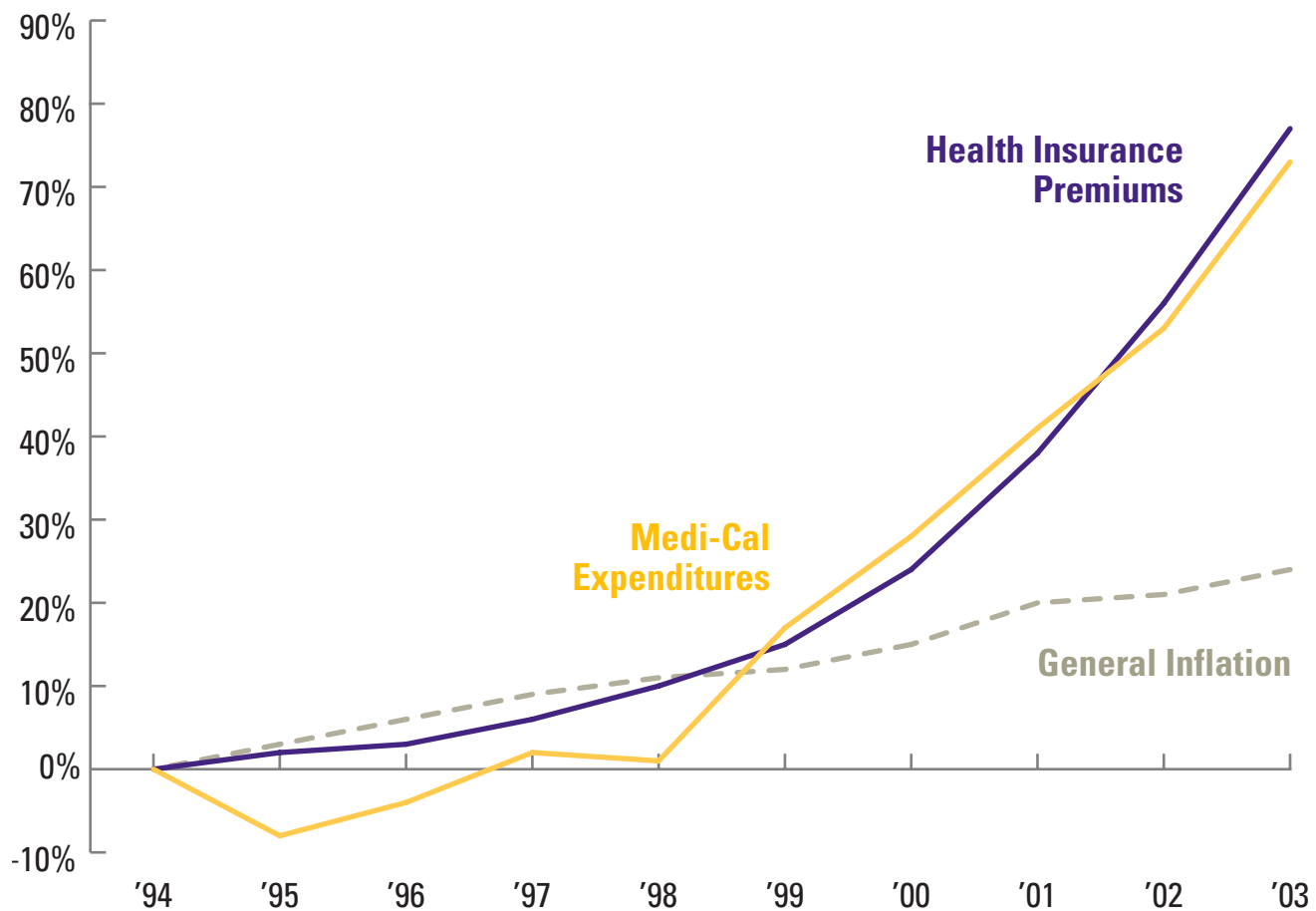


*non-elderly, ages 0–64

Source: Employee Benefit Research Institute estimates of the March Current Population Survey, 1988–2004 Supplements.

Health Care Cost Trends

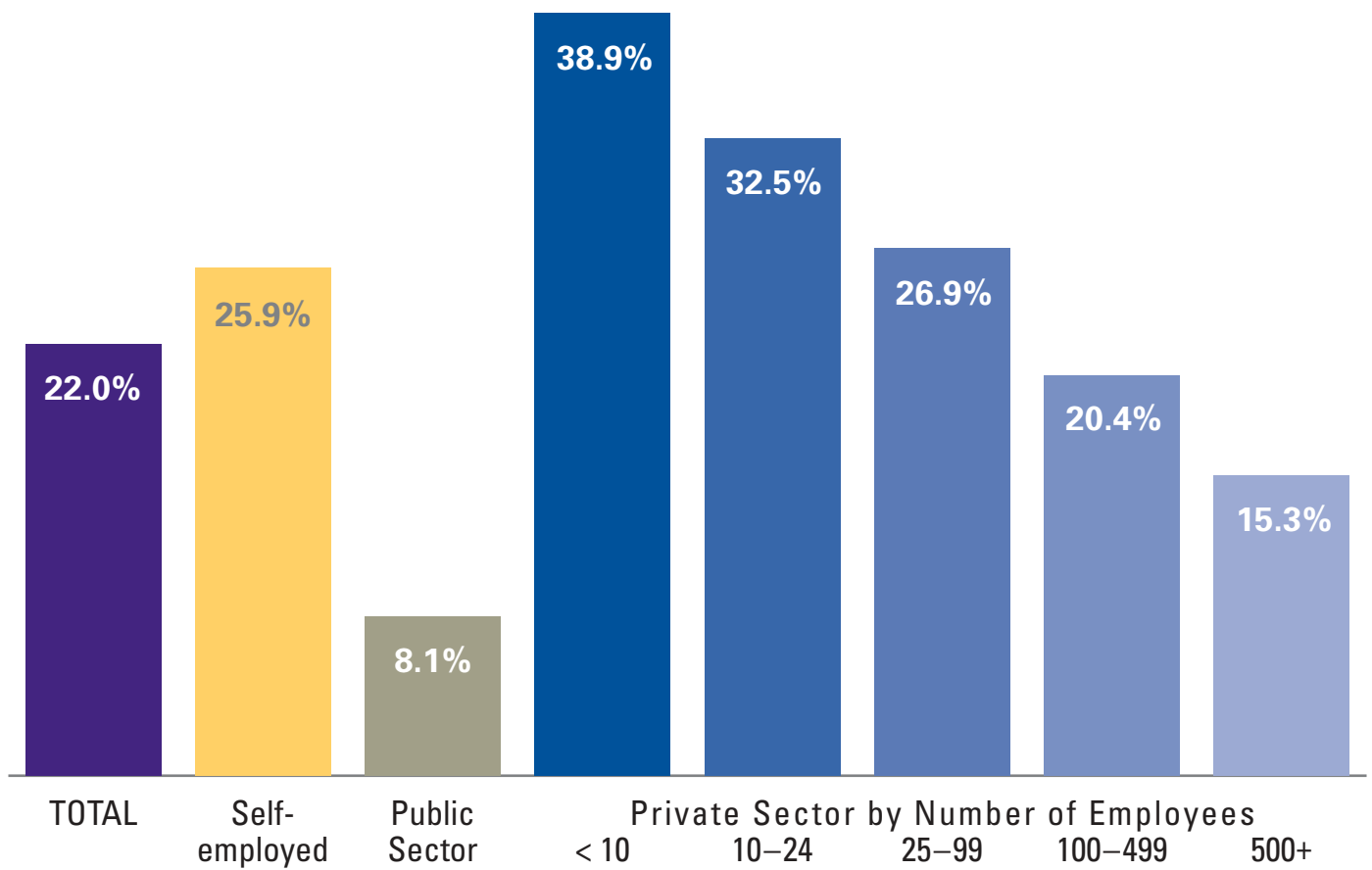
Cumulative Increases in California Since 1994



Sources: Department of Health Services (Medi-Cal expenditures, includes federal and state share), Kaiser/HRET survey (health insurance premiums), Bureau of Labor Statistics (general inflation).

Likelihood of Workers Being Uninsured by Employer Size and Type

California Residents, 2003*

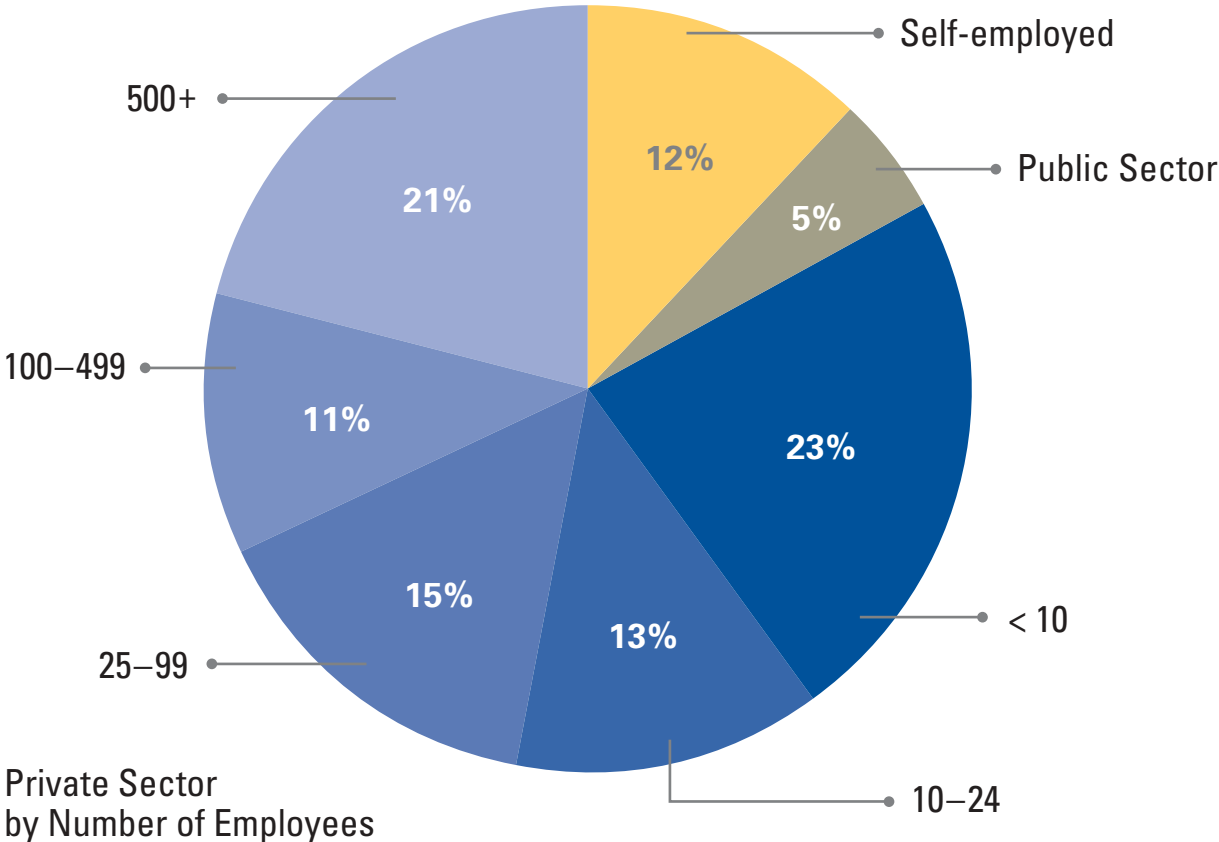


*non-elderly population, ages 0-64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Uninsured Workers by Employer Size and Type

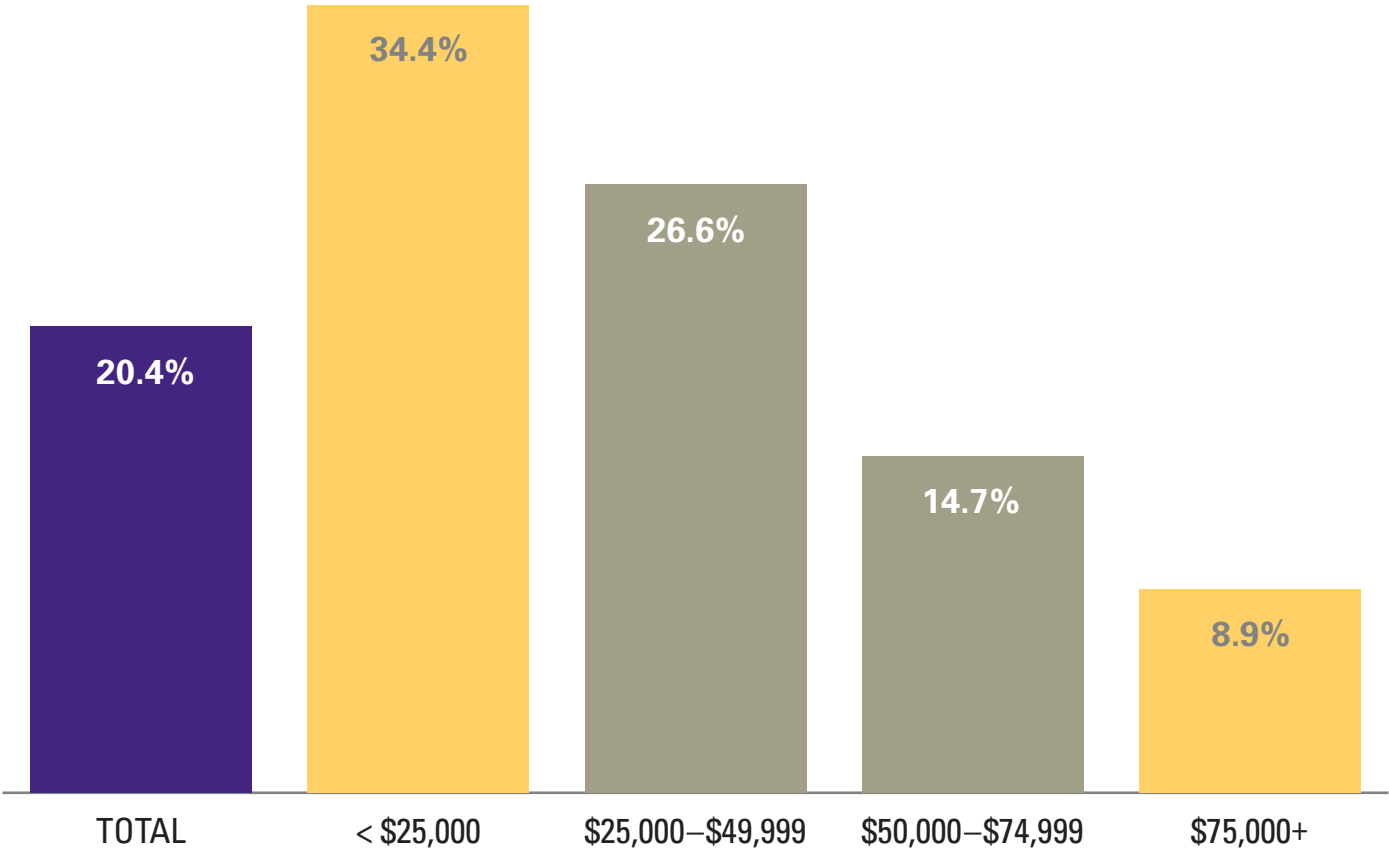
California Residents, 2003*



*non-elderly population, ages 0-64
 Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Likelihood of Being Uninsured by Family Income

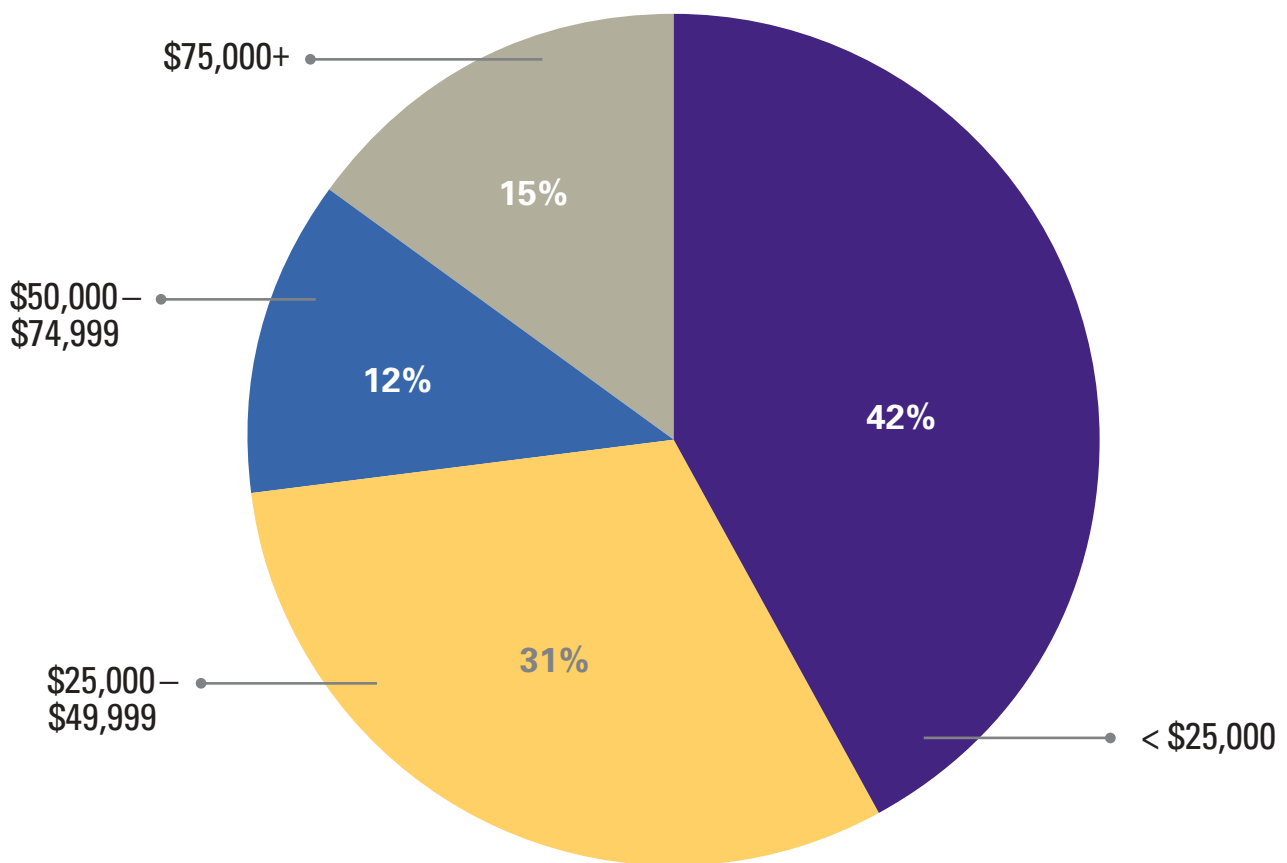
California Residents, 2003*



*non-elderly population, ages 0–64
Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Family Income of the Uninsured

California Residents, 2003*

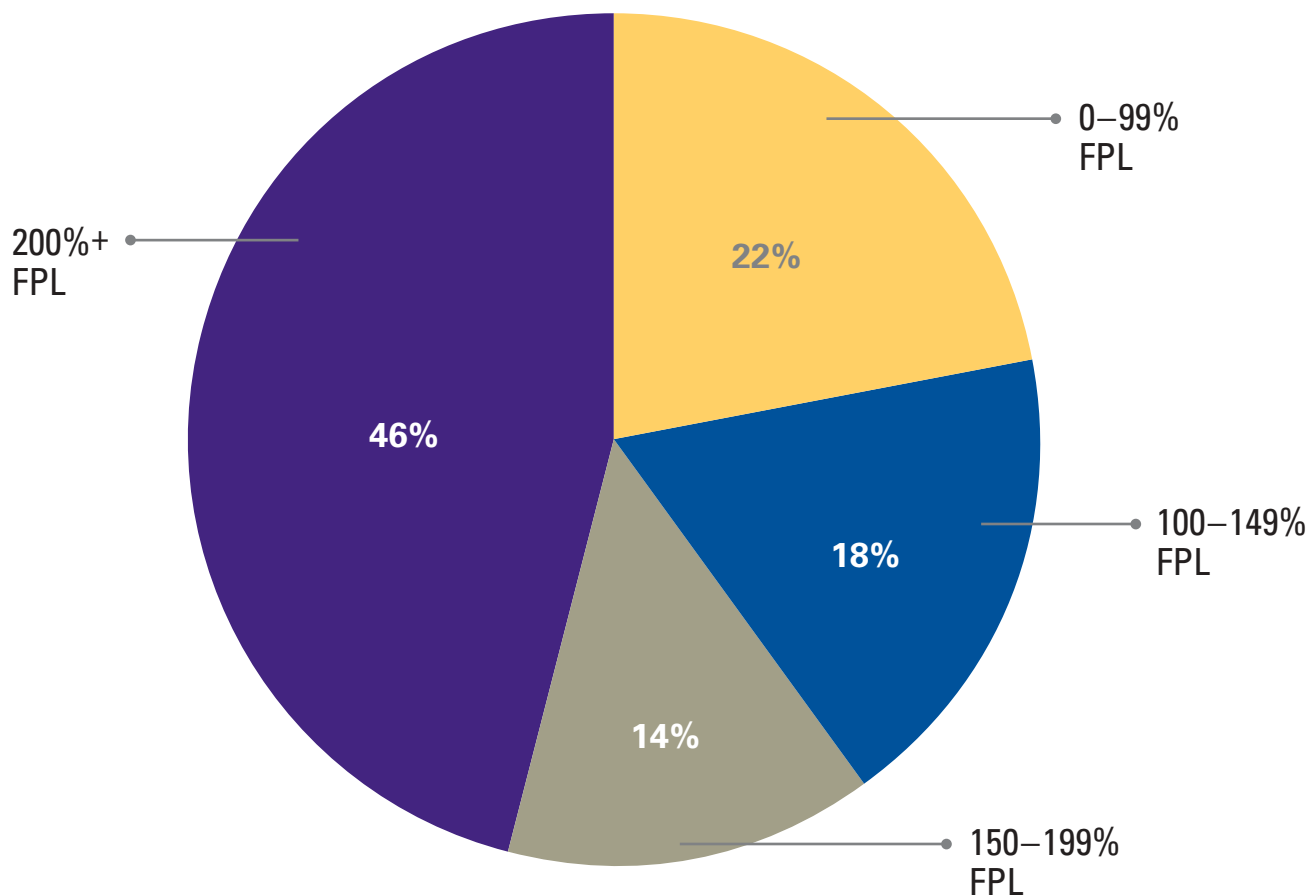


*non-elderly population, ages 0-64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Family Income of the Uninsured by Percent of FPL

California Residents, 2003*



*non-elderly population, ages 0-64

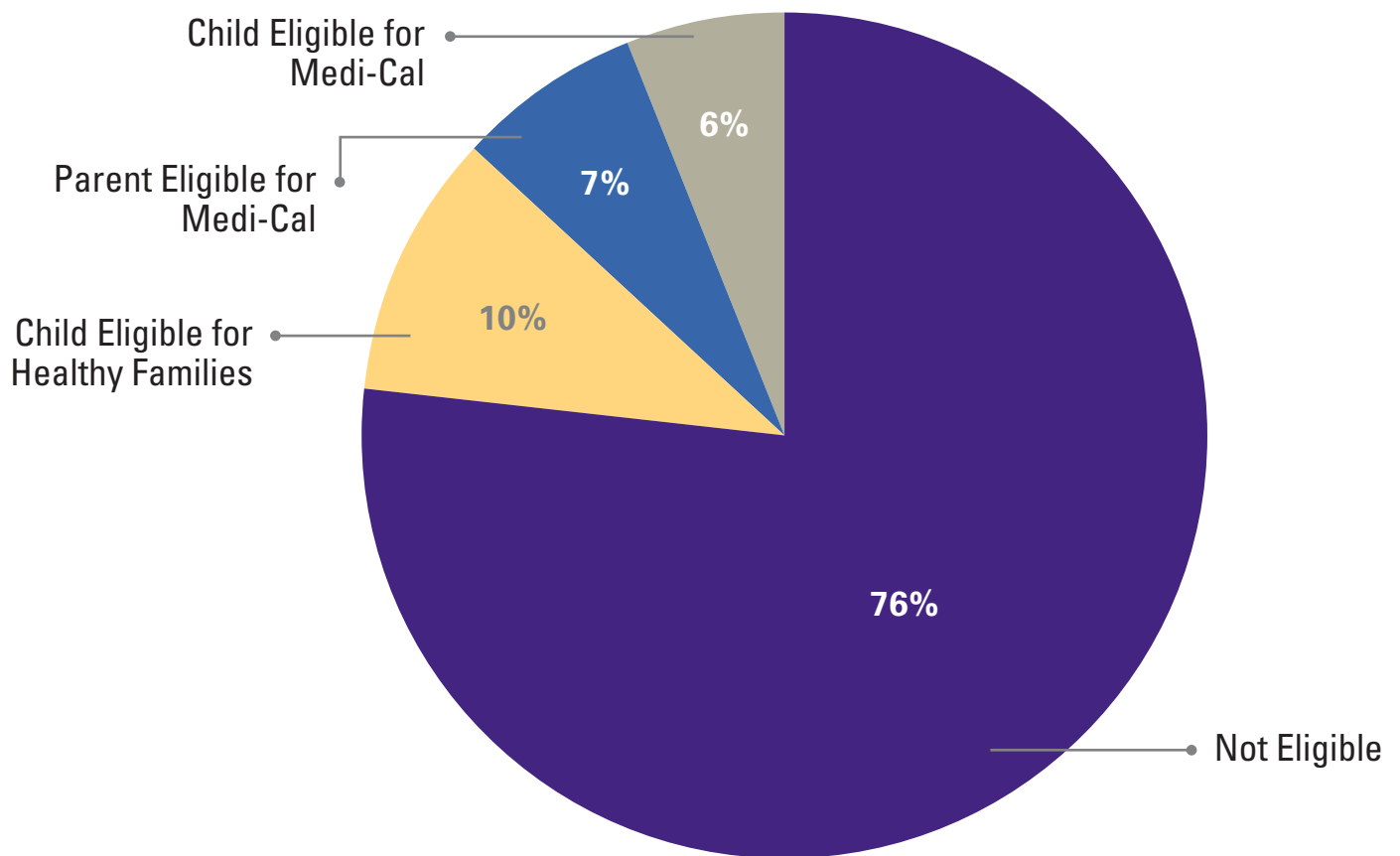
FPL stands for Federal Poverty Level. FPL in 2003 was \$8,980 for a single person

and \$18,400 for a family of four. 200% FPL was \$17,960 for a single person and \$36,800 for a family of four.

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Eligibility for Public Programs Among the Uninsured

California Residents, 2003*

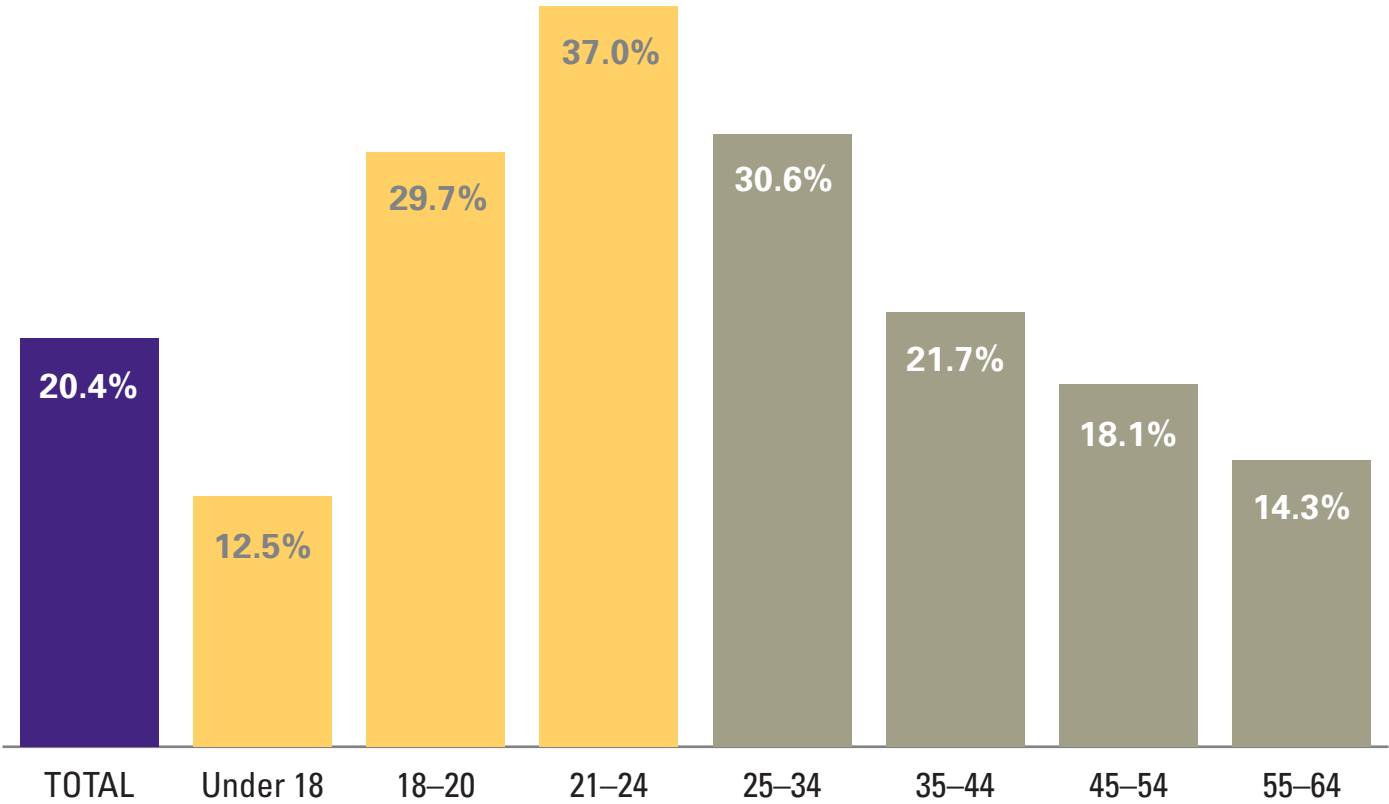


*non-elderly population, ages 0–64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Likelihood of Being Uninsured by Age Group

California Residents, 2003*

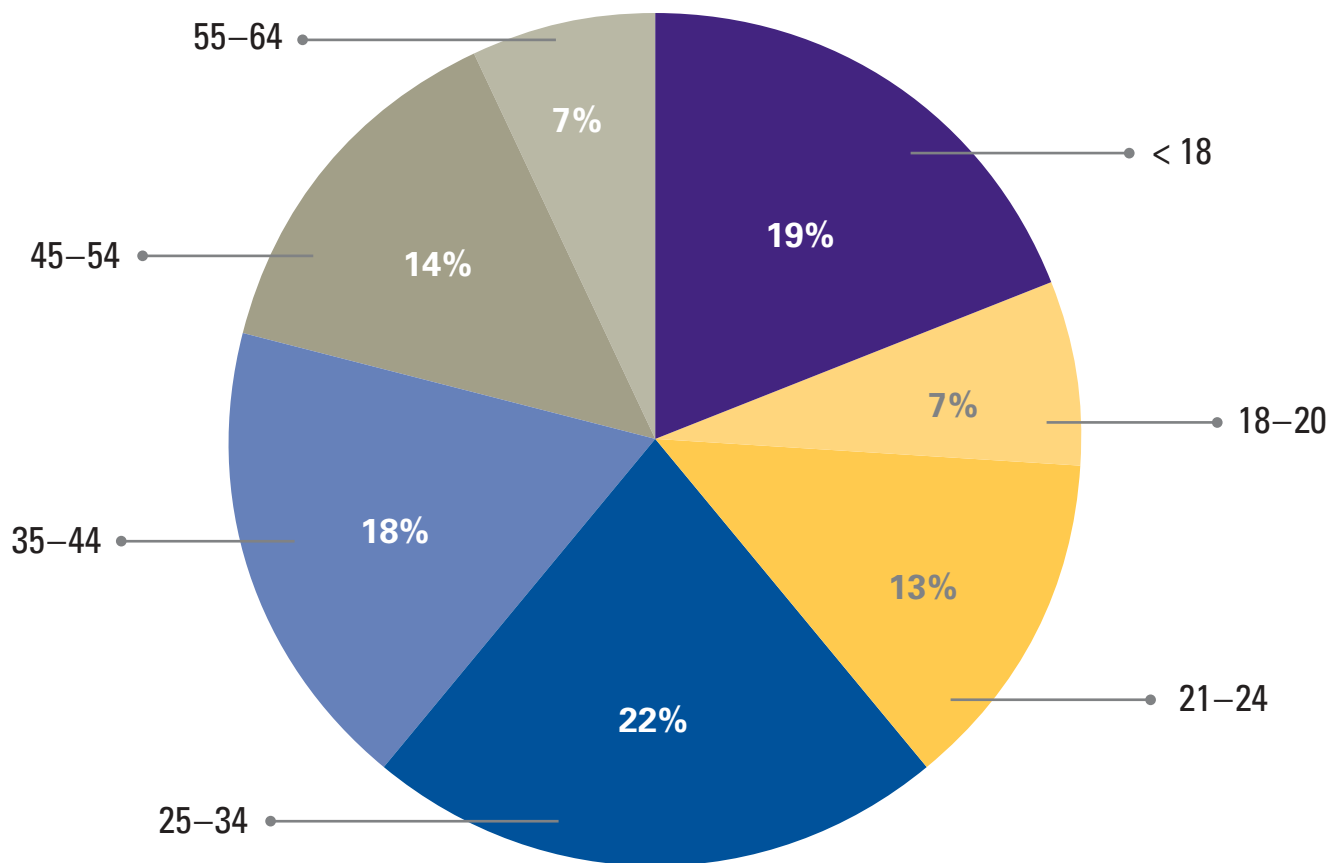


*non-elderly population, ages 0-64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Age Group of the Uninsured

California Residents, 2003*

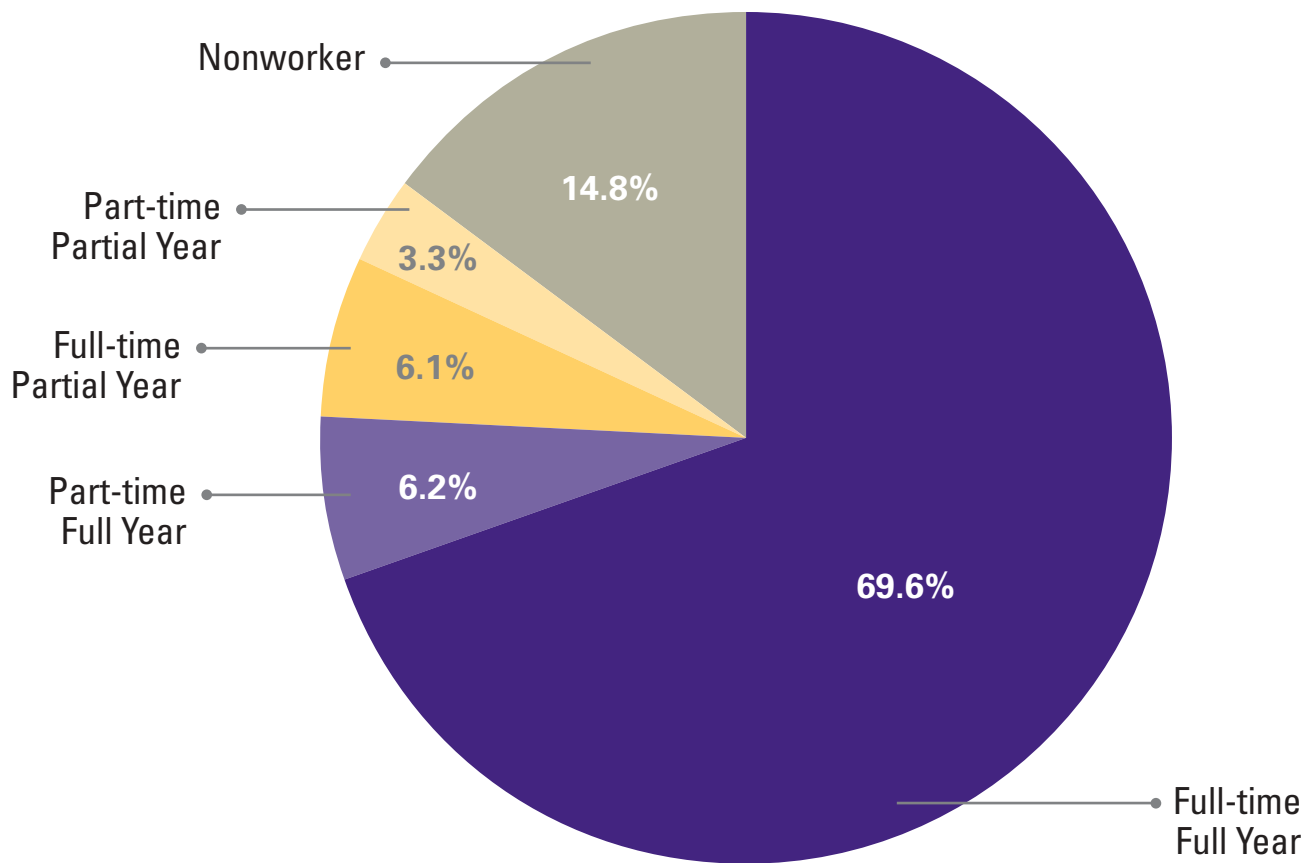


*non-elderly population, ages 0-64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Uninsured Children Under 18 by Work Status of Family Head

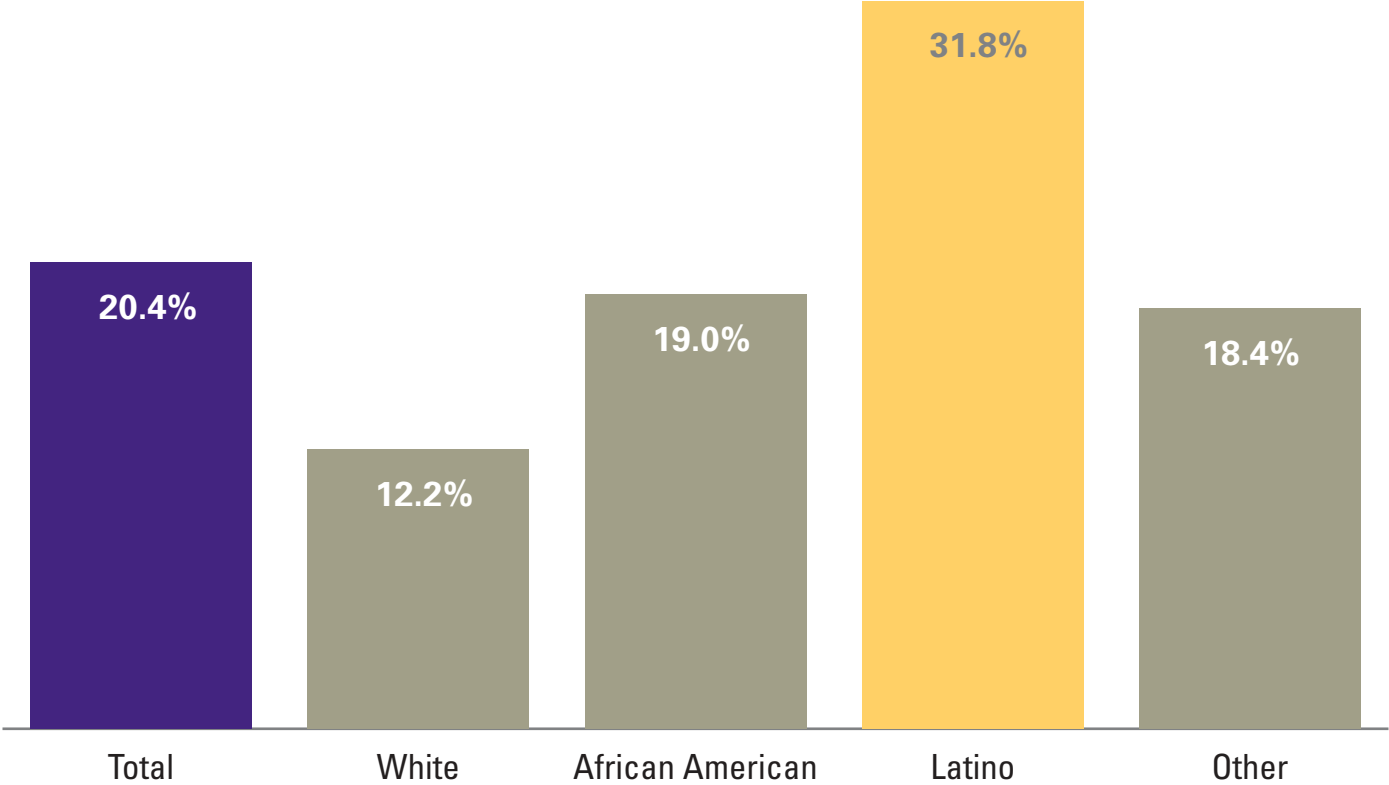
California Residents, 2003



Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Likelihood of Being Uninsured by Ethnicity

California Residents, 2003*

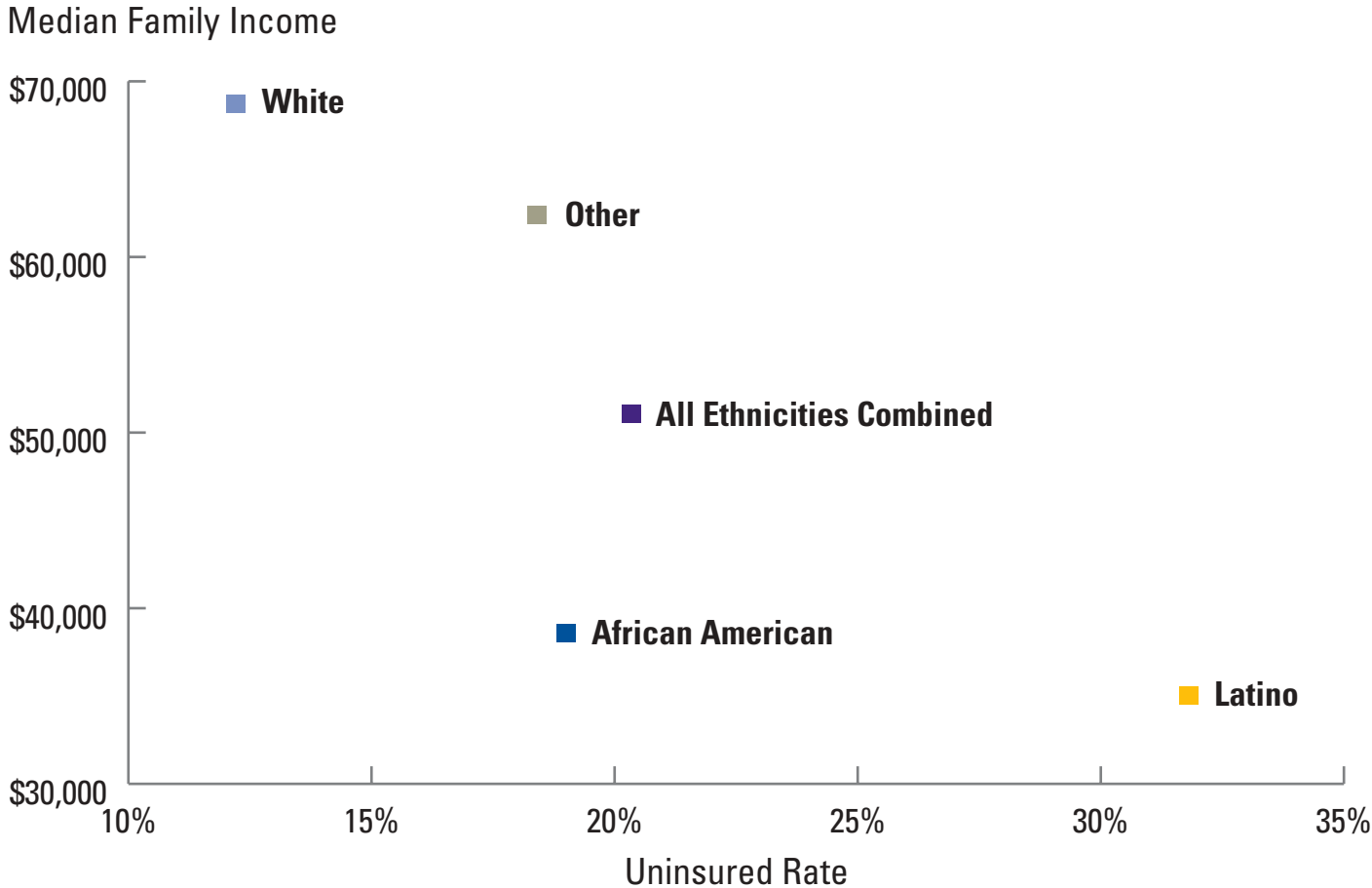


*non-elderly population, ages 0–64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Income Levels and Uninsured Rates by Ethnicity

California Residents, 2003*

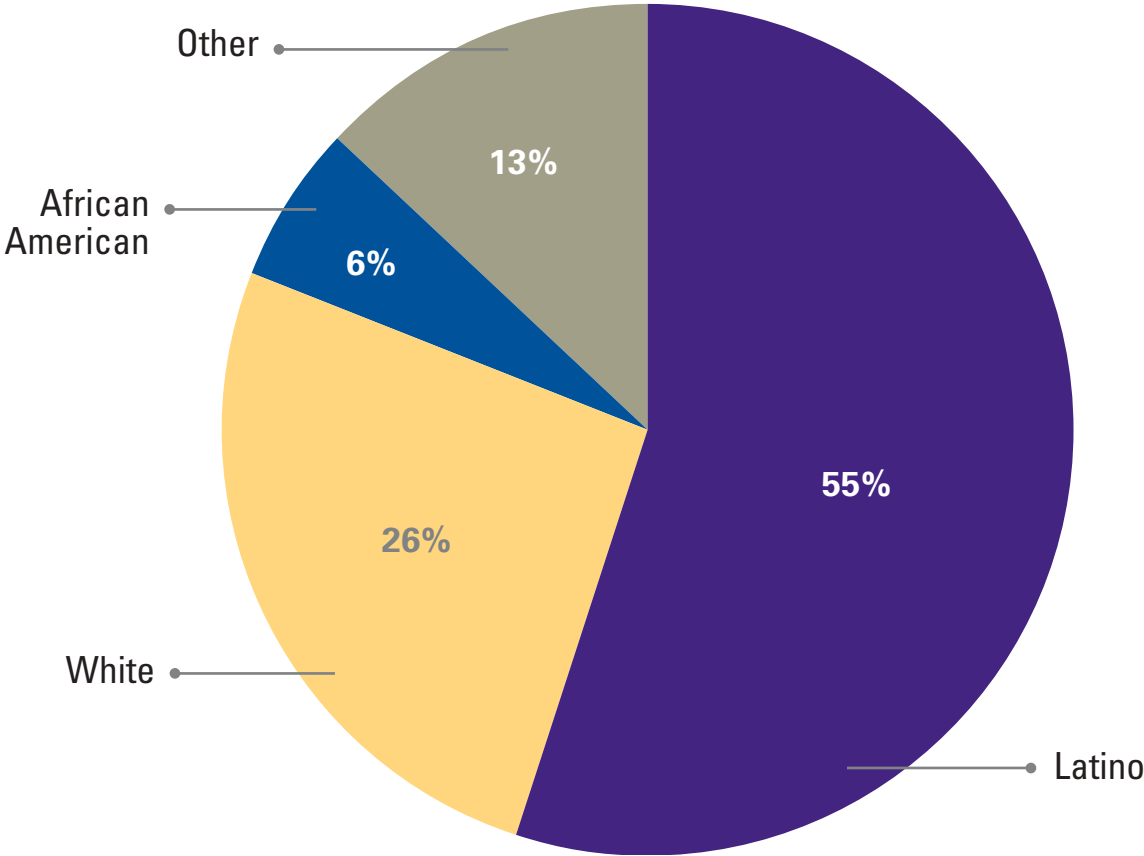


*non-elderly population, ages 0–64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, Marsh 2004 Supplement.

Ethnicity of the Uninsured

California Residents, 2003*



*non-elderly population, ages 0–64

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

Highest Uninsured Noncitizen Rates*

by State, 2003**

	TOTAL POPULATION		UNINSURED RATE	
	Millions	Noncitizen	Citizen	Noncitizen
Texas	19.8	11.9%	22.3%	62.0%
Arizona	4.9	13.5%	14.0%	54.5%
Florida	14.0	11.4%	18.1%	49.3%
California	31.5	17.4%	15.0%	46.0%
New York	16.5	11.4%	13.8%	43.8%
New Jersey	7.5	10.9%	12.7%	41.1%
TOTAL U.S. POPULATION	252.7	7.9%	15.1%	47.1%

*non-elderly population, ages 0–64

**Includes states with at least 11% of population as noncitizens, among states with at least 75,000 noncitizens.

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2004 Supplement.

To: ITUP Conference Participants
From: Lucien Wulsin
Re: Census Bureau, Uninsured Rates, Recent CPS Data

It appears to me that California was one of the two states in the nation, where the uninsured rate fell, by (0.6%), to 18.3%. The national uninsured rate rose by 0.4% to 15.6%.

For the most part, private coverage fell due to weak job growth, rising costs of coverage and the economy while public coverage (MediCal and Healthy Families) increased due to increased disparities in income and a small 0.3% increase in poverty. Uninsured rates increased by 0.7% for workers.

It appears that the uninsured rates nationally fell slightly (but not statistically significant) (0.2%) for children and increased the most, by 0.7%, for individuals living alone.

Uninsured rates for young adults 25-34 increased the most -- 1.5%. Uninsured rates increased by 0.6% to 0.8% for persons making below 75,000 a year; while the percent of uninsured individuals making over 75,000 annually was unchanged.

See US Census Bureau, Income, Poverty and Health Insurance Coverage in the United States: 2003

**HEALTH INSURANCE COVERAGE DURING LAST 12 MONTHS
BY COUNTY AND REGION, AGES 0-18, CALIFORNIA, 2003**

	Uninsured All or Part Year		Job-Based Insurance All Year		Medi-Cal or Healthy Families All Year		Total Population Ages 0-18 2003
	2003	Percentage Point Change from 2001	2003	Percentage Point Change from 2001	2003	Percentage Point Change from 2001	
Northern & Sierra Counties	12.1%	—4.5	44.7%	—6.0	34.6%	+10.2	332,000
Butte	8%	—	45%	NS	39%	+	52,000
Shasta	15%	NS	45%	NS	35%	NS	44,000
Humboldt, Del Norte	12%	NS	42%	NS	36%	NS	36,000
Siskiyou, Lassen, Trinity, Modoc	17%	NS	39%	—	39%	+	22,000
Mendocino, Lake	13%	NS	48%	NS	29%	NS	37,000
Tehama, Glenn, Colusa	15%	NS	33%	NS	44%	+	31,000
Sutter, Yuba	***	***	45%	NS	39%	NS	44,000
Nevada, Plumas, Sierra	***	***	51%	NS	23%	NS	26,000
Tuolumne, Inyo, Calaveras, Amador, Mariposa, Mono, Alpine	***	***	51%	NS	24%	NS	40,000
Greater Bay Area	7.1%	NS	64.6%	—7.6	17.8%	+3.8	1,732,000
Santa Clara	5%	NS	64%	NS	20%	NS	456,000
Alameda	9%	NS	60%	—	22%	NS	378,000
Contra Costa	***	***	69%	NS	15%	NS	277,000
San Francisco	***	***	59%	NS	26%	NS	122,000
San Mateo	***	***	71%	NS	***	***	181,000
Sonoma	***	***	66%	NS	14%	NS	114,000
Solano	6%	NS	66%	—	15%	NS	120,000
Marin	***	***	67%	NS	***	***	52,000
Napa	14%	NS	61%	NS	15%	NS	33,000
Sacramento Area	6.9%	NS	60.3%	—10.1	22.7%	+6.5	540,000
Sacramento	***	***	56%	—	29%	+	367,000

Source: 2003 and 2001-R California Health Interview Surveys
UCLA Center for Health Policy Research, December 2004
www.healthpolicy.ucla.edu

Placer	***	***	73%	NS	***	***	79,000
Yolo	***	***	70%	NS	13%	NS	51,000
El Dorado	***	***	68%	NS	14%	NS	43,000
San Joaquin Valley	14.0%	NS	43.1%	NS	36.4	+5.2	1,179,000
Fresno	16%	NS	40%	NS	39%	NS	281,000
Kern	13%	NS	42%	NS	42%	+	237,000
San Joaquin	17%	NS	54%	NS	22%	NS	211,000
Stanislaus	11%	NS	49%	NS	26%	NS	154,000
Tulare	11%	NS	35%	NS	51%	+	133,000
Merced	19%	NS	34%	—	41%	+	81,000
Kings	8%	—	44%	NS	43%	+	41,000
Madera	11%	NS	39%	NS	41%	NS	40,000
Central Coast	10.4%	—6.8	51.9%	—6.1	27.1%	+8.9	595,000
Ventura	***	***	55%	NS	28%	+	235,000
Santa Barbara	16%	NS	50%	NS	25%	NS	104,000
Santa Cruz	11%	NS	51%	NS	26%	NS	66,000
San Luis Obispo	***	***	43%	—	35%	+	55,000
Monterey, San Benito	15%	NS	52%	NS	25%	NS	135,000
Los Angeles	11.3%	—6.5	46.2%	NS	35.7%	+4.8	2,893,000
Los Angeles	11%	—	46%	NS	36%	+	2,893,000
Other Southern California	13.6%	NS	48.8%	—5.4	27.8%	+5.1	2,779,000
Orange	14%	NS	50%	—	26%	+	823,000
San Diego	15%	NS	52%	—	24%	NS	777,000
San Bernardino	12%	NS	43%	NS	36%	NS	603,000
Riverside	14%	NS	51%	NS	25%	NS	528,000
Imperial	14%	—	33%	NS	44%	NS	49,000

*** The estimate is not statistically stable (coefficient of variation is over 30%).

Note: — = decline since 2001, + = increase since 2001, NS = no significant change since 2001

Rates of privately purchased insurance, other government programs, and combinations of insurance are not reported.

CHIS 2001 estimates based on CHIS 2001-R data file (reweighted).