

WORKING PARTNERSHIPS USA

Expanding Health Insurance for Adults in Santa Clara County

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Outline

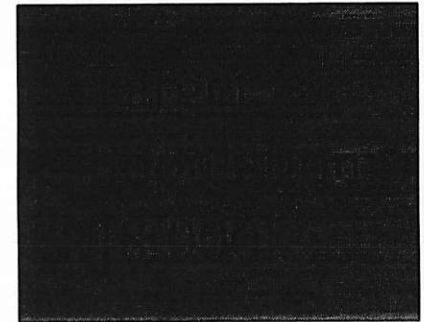
- The Problem: A Growing Number of Uninsured Working Adults
- Solution: Three Share Health Insurance Model
- The Uninsured Adult Population in Santa Clara County
- Employer Characteristics in California
- Firm Characteristics in Santa Clara County
- Health Care Costs
- State and Local Health Expansion Programs
- Next Steps

The Problem

- More working adults are becoming uninsured
 - Between 2000 and 2004 employer-based health coverage dropped from 61% to 58% for adults in CA and the number of uninsured rose to 24%.
- Low and middle income adults are most at risk of losing health care coverage from their employer in the next five years
 - By 2010, only 30% of adults under 300% of FPL will have health insurance from their employer and 42% will be uninsured
- Virtually all low and middle income adults are ineligible for a public program and many cannot afford to purchase private health insurance
 - Only 28% of adults are enrolled in a public program or have private coverage. This is expected to remain unchanged in the next five years, despite a jump in uninsurance.

Demographics of the Uninsured in Santa Clara County

- Number of uninsured adults below 300% of FPL: 108,000
- Racial demographics (adults below 300% of FPL)
 - African American: 2%
 - Latino: 43%
 - Asian: 25%
 - Other: 9%
- Age (adults below 300% of FPL)
 - 19-24: 29%
 - 25-39: 32%
 - 40-64: 39%
- Gender: Male: 56%, Female: 44%
- Number of uninsured adults below 300% of FPL working full time: 48,000



Employer Characteristics in California

- Offer rates by firm size:
 - 49% for fewer than 10 employees
 - 60% 10-50 employees
- Take up rate for low-wage firms (35% or more of workforce earns \$20,000 or less): 75%
- 80% of low wage firms have between 3-25 employees, (89% of low wage firms have between 3-50 employees)
- 34% of small businesses between 3-25 employees are low-wage
(52% of small business between 3-50 employees are low wage)



Firm Characteristics in Santa Clara County

- Number of firms in Santa Clara County with fewer than 50 workers: 28,430
 - If we assume that 52% of these firms are low wage then our targeted number of firms are 13,650
 - Numbers of employees in firms with 50 or fewer workers: 203,650
- Note: this data includes Santa Clara and San Benito counties

Target number
of Firms in
SCC: 13,650

Health Care Costs

- Average employer premiums for employee only coverage in 2005: \$321/ month or \$3,852/yr
 - Average employer contribution: \$277/ month
 - Average worker contribution for employee only coverage: \$41/ month (\$54 for low wage firms)
- Major barriers to coverage (as reported by employers):
 - High premiums: 66%
 - Firm too small: 49%
- Average amount employers (currently not offering coverage) could contribute toward health insurance: \$124/ month

Target cost to worker: \$50

Target cost to employer: \$125

State and Local Health Expansion Programs

- Models studied include:

- | | |
|------------------------------|---------------|
| • Maine | Hawaii |
| • New York | New Mexico |
| • Massachusetts | San Francisco |
| • Illinois | San Mateo |
| • Tennessee | Sacramento |
| • Michigan (Muskegon County) | Contra Costa |

State Health Expansion Programs

- Maine: Dirigo Health
- Eligibility: Small businesses (2-50 workers), self employed, sole proprietors, uninsured workers
- Benefits: comprehensive health coverage
- Costs: Based on sliding scale by income
 - Average cost of health plan: \$300/ month, employer pays 60%
 - State subsidies are available to workers at 300% of FPL or less
 - Monthly premium for workers below 200% of FPL: \$24- \$48
 - Monthly premium for workers between 200% and 300% of FPL: \$72- \$96
- Enrollment (7,400 as of Feb-06)
 - 57% of all enrollees are between 100%-200% of FPL
 - 18% of all enrollees are between 200%-300% of FPL

State Health Expansion Programs

- Tennessee (TennCare program prior to 2005 cuts)
- Eligibility: This is a Medicaid expansion program, all uninsured Tennessee residents are eligible; however discounts are only available to residents under 300% of FPL
- Benefits: Comprehensive- outpatient, hospitalization, prescription drug, vision
- Costs: Based on a sliding scale
 - Below 100% of FPL: \$0/ month
 - 100%-200% of FPL: \$20-\$35/ month
 - 200%-300% of FPL: \$100/ month
- Enrollment:
 - 838,560 Below 100% of FPL
 - 303,950 between 100%-200% of FPL
 - 57,150 above 200% of FPL

Local Health Expansion Programs

- Muskegon County, Michigan
- Eligibility:
 - Employers: businesses must be located in the county, median worker wage \$11.50/hr or below, employers must have gone 12 months without offering coverage
- Benefits: Comprehensive- inpatient, outpatient, prescription drugs, home health
 - Plan does not cover services outside the county
- Costs:
 - Adults: \$46, Employer: \$46, Community: \$56. The community share is funded by disproportionate hospital payments (DSH)
- Enrollment:
 - December 2005: 1,500 workers (county is only 170,000 people)
 - 430 participating businesses

Local Health Expansion Programs

- Sacramento County (Sac Advantage)
- Eligibility:
 - Employer: must be based in Sacramento county, have at least 2-50 employees and have not offered health care for previous six months. 70% of eligible workers must enroll.
 - Workers: must work 30hrs/ week and income must be below 300% of FPL
- Benefits: Offers two comprehensive commercial plans- Blue Shield and Kaiser
- Cost: Based on sliding scale by income (\$300/month for health plan)
 - Employers/workers split cost of the monthly premiums
 - Subsidy is available to workers below 300% of FPL
 - Cost to worker and employer (after subsidy):
 - Under 200% of FPL: \$52
 - 200-250% of FPL: \$75
 - 250-300% of FPL: \$90
- Enrollment
 - 80 businesses, 230 workers

State Health Expansion Programs

- New York: Healthy New York
- Eligibility:
 - Individuals (or sole proprietors): uninsured for at least 12 months, income below 250% of FPL
 - Employers: Fewer than 50 employees, 30% of workers must earn less than \$34,000/yr, cannot have offered coverage in last 12 months
- **Benefits:** comprehensive coverage- inpatient, outpatient, maternity/ ER, prescription drugs. Some pre-existing conditions are excluded.
- **Costs:** Cost of plan varies from \$186-\$288/month
 - Employers/workers split cost of the monthly premiums
 - State reimburses health plans for 90% for their claims between \$5,000 and \$75,000 on behalf of the member.
- **Enrollment** (by monthly premium level): 100,000 as of December 2004
 - Below \$125/mo: 12%
 - \$125-\$150/mo: 30%
 - \$150-\$175/: 20%
 - \$175-\$200/mo: 34%
 - \$200-\$225/mo: 5%

State Health Expansion Programs

- New Mexico Health Insurance Alliance
- Eligibility:
 - Employers: Fewer than 50 workers, 50% of workers must live in NM and 50% of eligible employees must participate.
 - Workers: income must be below 200% of FPL.
- Benefits: Program offers three commercial plans- HMO, PPO and Indemnity. All provide comprehensive health benefits- outpatient, inpatient, prescription drugs, mental health
- Costs:
 - Employer: \$75.
 - Worker pays: \$0-35 (Self employed individuals pay both employer and worker share)
 - State pays the remaining cost through unspent SCHIP money. Enrollment (program began in July 2005)
 - 2,300 members