



California's Employer-Provided Market

Employer-provided coverage is often referred to as group health insurance. When group health insurance is an employee benefit, the employer usually pays a portion or all of the premiums.

This means the consumer's costs for health insurance premiums will be lower than it would be if the consumer paid the entire premium alone.

- **Three in five Californians get their health insurance through their employers.**
- **54.7 percent of the 25.2 million Californians who have health care coverage receive their health insurance via employers or group-based coverage plans, such as those offered by CAHP member plans.**

Some employers allow the consumer to choose between several plans, while others offer only one plan.

Under employer-sponsored health coverage, the typical enrollee pays about 1.5 percent of annual income.

Employer premium contributions as a share of payroll vary — ranging from less than 4 percent to more than 15 percent.

- **Nearly two-thirds of California businesses offer health insurance to at least some workers as a benefit of employment.**
- **These businesses account for 89 percent of California workers.**

Expanding employer-sponsored coverage to all full-time workers in California, as has been proposed on several occasions in the past five years, would produce new costs for more than half of businesses.

Those costs would be more than 5 percent of current payroll costs for almost 25 percent of businesses.

Source: *Employer-Based Insurance: Coverage and Cost, June 2006, California HealthCare Foundation.*

For more information, please visit www.calhealthplans.org or call (916) 552-2910.



Individual Health Insurance in California

California's individual health insurance products serve as a valuable option to people who are not otherwise covered through employers, public programs or other forms of group coverage.

- **Today, Californians can purchase some of the lowest cost individual plans in the US.**
- **In total, about 2.6 million Californians obtain their health coverage through the individual market.**

These consumers include young adults, employees without employer coverage, the self-employed, small business owners and their employees and the unemployed who do not qualify for government programs.

Based on the March Current Population Survey (CPS) data, California enjoys the largest individual plan enrollment of all states and is equal to the survey's mid-Atlantic and New England regions combined.

California's Competitive Individual Insurance Premiums

California's individual insurance premiums are well below the national average. They are approximately one-third to one-half the cost of premiums charged in New Jersey, Massachusetts, New York and New Hampshire, according to a comprehensive survey from America's Health Insurance Plans (AHIP).

- **The annual cost of covering a family of three in California is only \$3,972.**
- **The annual cost of covering an individual is \$1,885.**

One of the reasons for that is California, with the largest individual enrollment and low-cost options, does not impose a guarantee issue requirement on its competitive individual market. Guarantee issue is the policy of forced coverage without regard to medical history. This can lead to people dropping insurance coverage when they're healthy and resuming coverage when they are ill or expect to incur health expenses, thus causing medical and health care coverage costs to skyrocket. States with guarantee issuance of health coverage generally have low rates of enrollment in individual plans and substantially higher prices for coverage.

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Government Health Insurance in California

Nearly 20 percent of Californians get health care coverage through **government insurance programs** that operate at the national, state and local levels. Many of these programs were created and are operated through public-private partnerships in an effort to increase access for low-income individuals and families. Examples include Healthy Families, Medicare, Medi-Cal and programs run by the Departments of Veterans Affairs and Defense to serve current and former members of the military.

Government Health Care Programs

- **Access for Infants and Mothers Program (AIM)** - This is low-cost health coverage for pregnant women. Their newborns are covered by the Healthy Families Program. It has been designed for middle-income families who don't have health insurance and whose income is too high to qualify for no-cost Medi-Cal. AIM is also available to those who have health insurance if their deductible or co-payment for maternity services is more than \$500.
- **The Children's Health and Disability Program (CHDP)** - This is a preventative health program that makes early health care available to low-income children and youth, regardless of their immigration status. Eligible children receive periodic health assessments that include medical, vision, and hearing screenings and immunizations.
- **Healthy Families** - This is California's low-cost insurance program that provides health, dental and vision coverage to nearly 750,000 children who do not have insurance today and do not qualify for no-cost Medi-Cal. Healthy families is jointly financed by the federal and state governments through SCHIP (the State Children's Health Insurance Program). Several California health plans provide children with access to health care through the Healthy Families Program.
- **Healthy Kids** - These are local health coverage programs operated by local health plans or, in some cases, commercial health plans. Operating in 24 California counties, these plans provide low-cost health coverage for children under age 19 years from families that don't qualify for Medi-Cal or Healthy Families but meet other eligibility and income requirements.
- **Medicare** - This is a federal health insurance program for people age 65 and older, some disabled people younger than age 65 and people with end-stage renal disease (permanent kidney failure treated with dialysis or a transplant). Medicare is offered to all seniors, regardless of income.
- **Medicaid** - A federally funded, state-run program that provides health insurance coverage to individuals and families with limited incomes and resources.

- **Medi-Cal** - This is California's Medicaid health care program. This program pays for a variety of medical services for children and adults with limited income and resources. Medi-Cal is supported by federal and state taxes. It serves 7 million low-income Californians. Medi-Cal generally serves seniors and persons with disabilities.
- **Medi-Cal Managed Care** - These are Medi-Cal programs that have networks of providers, including doctors, pharmacies, clinics, labs and hospitals. Consumers must use the providers in the network when they need health care. Most women and children enrolled in Medi-Cal are served through managed care, which provides more preventative and cost-efficient care.

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