

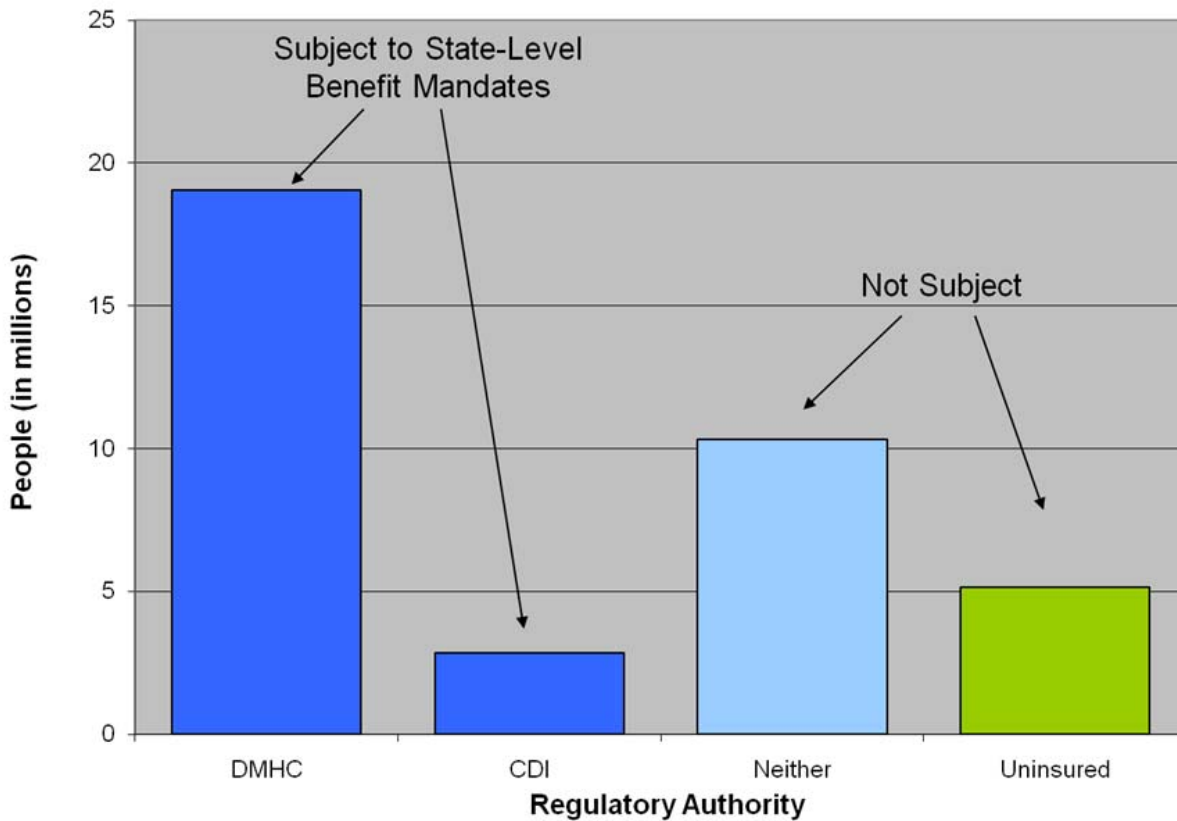
# California Health Benefits Review Program

## Estimates of Sources of Health Insurance in California, 2011

This document has been prepared by the California Health Benefits Review Program (CHBRP). To respond to the cost and coverage evaluation provisions included in CHBRP's authorizing statute, the California Cost and Coverage Model (CCCM) was developed. Detailed descriptions of the CCCM and CHBRP's processes are available at <http://www.chbrp.org>. This document presents the estimates of health insurance sources for the California population that is used in the CCCM for CHBRP's 2011 analyses of health insurance benefit mandate bills. This document is also available on CHBRP's website.

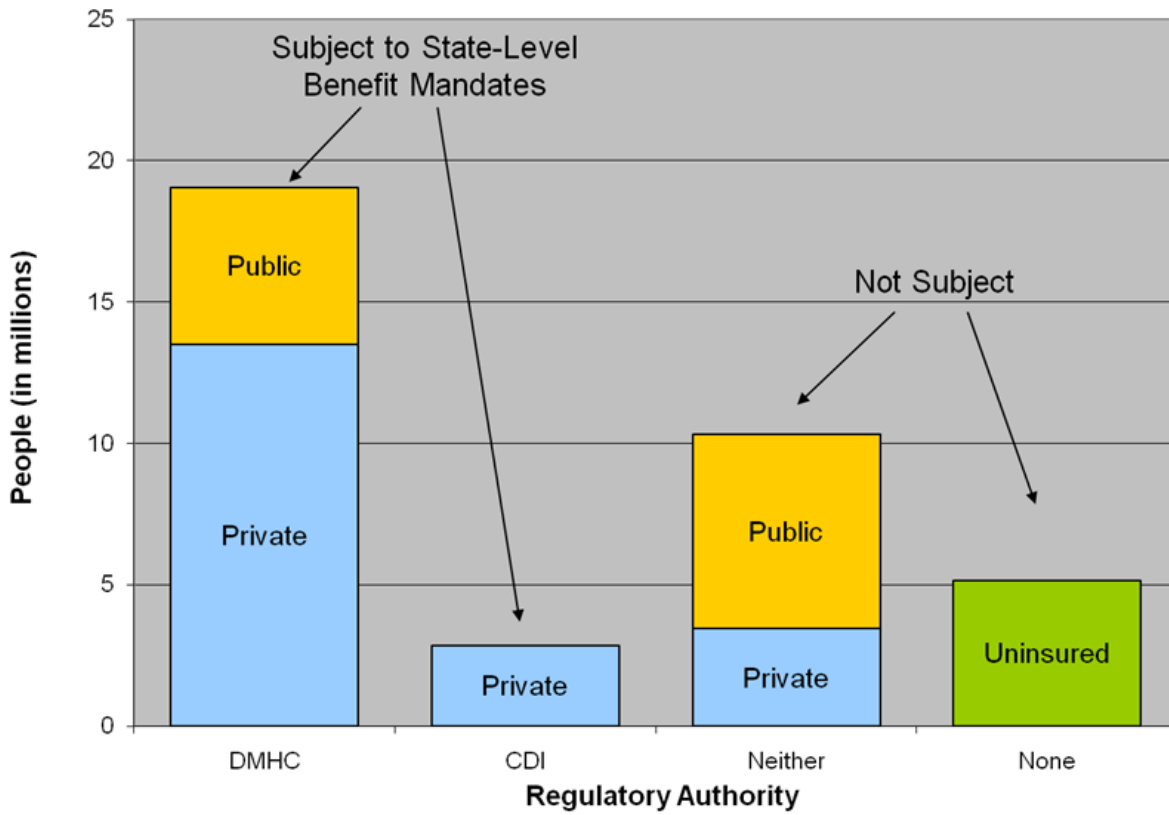
On the following pages are three figures and one table. Data sources for all four are identical and are listed with the table. An explanation of the data sources follows the third figure.

**Figure 1: Sources of Health Insurance in California, 2011 – Regulatory Authority**



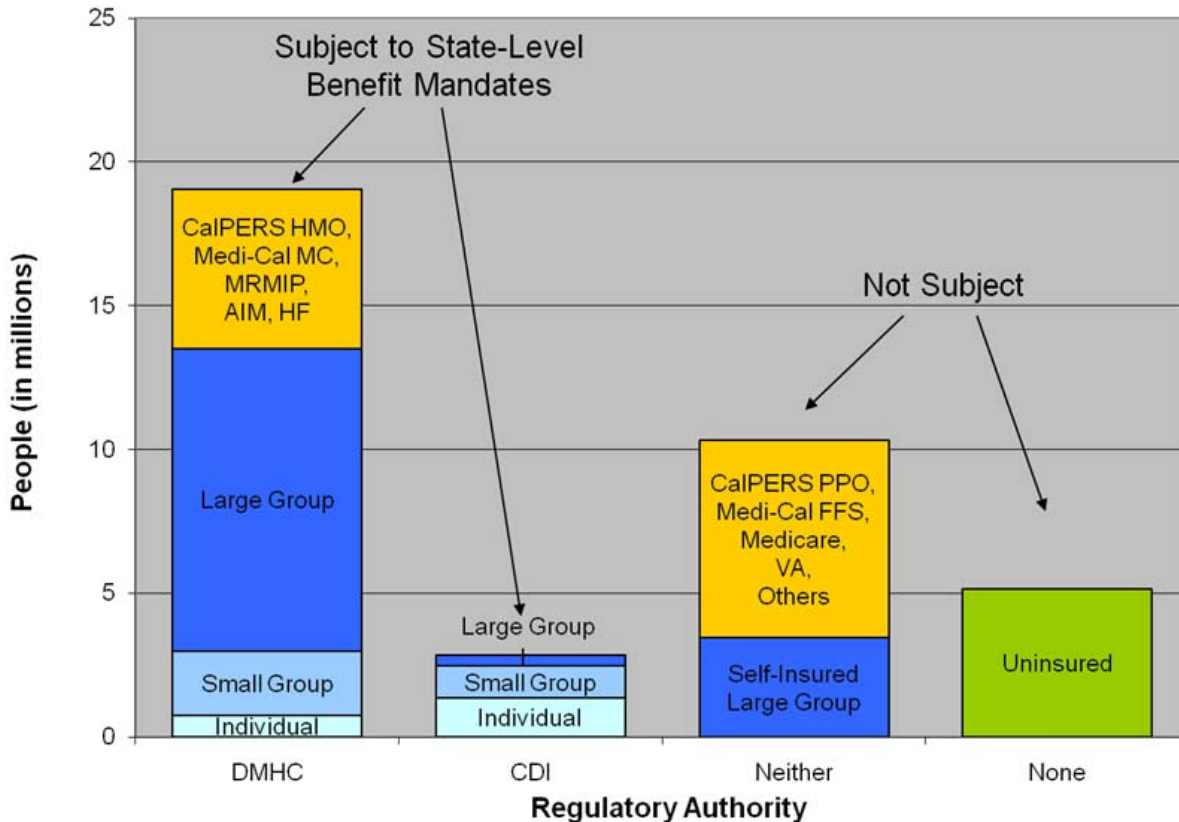
Sources: See Table 1.  
Key: See Table 1.

**Figure 2: Sources of Health Insurance in California, 2011 – Public/Private**



Source and Key: See Table 1.

**Figure 3: Sources of Health Insurance in California, 2011– Detailed View**



Sources and Key: See Table 1.

## Data sources

The California Health Interview Survey (CHIS) is used to identify the demographic characteristics and estimate the insurance coverage of the population in the state. CHIS is a random telephone survey of over 49,000 households conducted in multiple languages by the UCLA Center for Health Policy Research. This survey allows CHBRP to estimate the number of people with public and private sources of coverage, the latter including individual insurance coverage and the employer-sponsored insurance coverage.

To obtain estimates of the percentage of employees by size of firm, CHBRP has historically used the California Employer Health Benefits Survey (CEHBS) (funded by the California Health Care Foundation and conducted by various organizations over the years including the Center for Studying Health System Change and the National Opinion Research Center). This survey of California employers is conducted annually since 2000, and the resulting data provide estimates of numbers of employees working in such firms and their types of coverage, based on a representative sample. Coverage categories include conventional fee-for-service (FFS), preferred provider organizations (PPOs), point-of-service (POS) plans, and health maintenance organizations (HMOs). Furthermore, the CEHBS also provides information on whether each health plan is self-insured or fully-insured and whether the product is a high-deductible health plan.

Data on the individual market is derived from CHIS and from CHBRP's Annual Enrollment and Premium Survey of the seven major carriers in California.

The Cost and Coverage Model includes the counts of enrollees who are subject to state regulations. The total population subject to state regulations is divided into two segments:

- those enrolled in health plan contracts regulated by the DMHC ("DMHC-regulated plans"), and
- those enrolled in health insurance policies regulated by the CDI ("CDI-regulated policies").

The portion of the population enrolled in DMHC-regulated plans is further divided into privately- and publicly-insured segments, whereas those enrolled in CDI-regulated policies are all privately-insured.

The publicly-insured population segments consist of: Medi-Cal Managed Care Plan enrollees, CalPERS HMO enrollees, and enrollees in MRMIB programs (AIM, MRMIP, and Healthy Families).

The portion of the privately-insured population enrolled in DMHC-regulated plans and CDI-regulated policies are divided into three categories of private purchasers

- large-group (51 or more employees),
- small-group (two to 50 employees), and
- individual (non-group) coverage.

The privately-insured market is divided into these purchaser types because existing laws and regulations and proposed legislation treat these markets distinctly. For example, a law requiring carriers to offer coverage for orthotics and prosthetic devices only applies to the group market.

In addition, the Cost and Coverage Model can further categorize these group or individual purchasers by whether enrollees are in "high deductible health plans" (HDHP) or not. This distinction may be necessary, as federal law defines what plans constitute HDHPs, and some legislative proposals may apply exclusively to HDHPs.

The final estimates for California's population divided by market segments are given in Table 1 and shown in graphic form in Figures 1 through 3.

**Table 1: CHBRP Estimates of Sources of Health Insurance in California, 2011**

| Type of Coverage  | Age   |   |                 |   |                 | Total      |
|---|-------|---|-----------------|---|-----------------|------------|
| <b>Uninsured</b>  |       |   |                 |   |                 |            |
|   | 0-17  |   |                 |   |                 | 481,000    |
|   | 18-64 |   |                 |   |                 | 4,635,000  |
|   | 65+   |   |                 |   |                 | 38,000     |
| <b>Publicly Insured</b>                                   |       |   |                 |   |                 |            |
|   |       | <b>DMHC-Regulated Plans<sup>1</sup></b> |                 | <b>Other Coverage<sup>2</sup></b>         |                 |            |
| Medi-Cal (not Medicare)                                   | 0-17  | 2,142,000                               |                 | 694,000                                   |                 | 2,836,000  |
|   | 18-64 | 1,397,000                               |                 | 969,000                                   |                 | 2,366,000  |
|   | 65+   | 18,000                                  |                 | 31,000                                    |                 | 49,000     |
| Healthy Families Program (HFP) <sup>3</sup>               | 0-17  | 831,000                                 |                 | 0   |                 | 831,000    |
|   | 18-64 | 43,000                                  |                 | 0   |                 | 43,000     |
| Major Risk Medical Insurance Program (MRMIP)              | 0-17  | 2,000                                   |                 | 0   |                 | 2,000      |
|   | 18-64 | 6,000                                   |                 | 0   |                 | 6,000      |
|   | 65+   | 0                                       |                 | 0   |                 | 0          |
| Access for Infants and Mothers (AIM)                      | 0-17  | 0                                       |                 | 0   |                 | 0          |
|   | 18-64 | 7,000                                   |                 | 0   |                 | 7,000      |
| Other Public (not Medi-Cal, HFP, Medicare, AIM, or MRMIP) | All   |   |                 |   |                 | 807,000    |
| Dually eligible-Medicare & Medi-Cal                       | All   | 267,000                                 |                 | 787,000                                   |                 | 1,054,000  |
| Medicare (not Medi-Cal)                                   | All   |   |                 |   |                 | 3,294,000  |
| CalPERS, Small Firm                                       | 0-17  | 1,000                                   |                 | 1,000                                     |                 | 2,000      |
|   | 18-64 | 3,000                                   |                 | 2,000                                     |                 | 5,000      |
|   | 65+   | 1,000                                   |                 | 1,000                                     |                 | 2,000      |
| CalPERS, Large Firm                                       | 0-17  | 211,000                                 |                 | 60,000                                    |                 | 271,000    |
|   | 18-64 | 599,000                                 |                 | 215,000                                   |                 | 814,000    |
|   | 65+   | 16,000                                  |                 | 10,000                                    |                 | 26,000     |
| <b>Privately Insured</b>                                  |       |   |                 |   |                 |            |
|   |       | <b>DMHC-Regulated Plans<sup>1</sup></b> |                 | <b>CDI-Regulated Policies<sup>4</sup></b> |                 |            |
|   |       | <b>HDHP</b>                             | <b>Not HDHP</b> | <b>HDHP</b>                               | <b>Not HDHP</b> |            |
| Individually purchased                                    | 0-17  | 85,000                                  | 63,000          | 204,000                                   | 66,000          | 418,000    |
|   | 18-64 | 334,000                                 | 248,000         | 806,000                                   | 261,000         | 1,650,000  |
|   | 65+   | 2,000                                   | 1,000           | 5,000                                     | 1,000           | 9,000      |
| Self-Insured  | All   |   |                 |   |                 | 3,438,000  |
| Small Group   | 0-17  | 134,000                                 | 478,000         | 189,000                                   | 116,000         | 917,000    |
|   | 18-64 | 353,000                                 | 1,261,000       | 498,000                                   | 307,000         | 2,418,000  |
|   | 65+   | 3,000                                   | 12,000          | 5,000                                     | 3,000           | 23,000     |
| Large Group   | 0-17  | 10,000                                  | 2,850,000       | 20,000                                    | 88,000          | 2,968,000  |
|   | 18-64 | 26,000                                  | 7,569,000       | 52,000                                    | 234,000         | 7,880,000  |
|   | 65+   | 1,000                                   | 70,000          | 1,000                                     | 2,000           | 74,000     |
| <b>All Insured &amp; Uninsured</b>                        |       |   |                 |   |                 |            |
| California's Population Total                             |       |   |                 |   |                 | 37,364,000 |

Note: Sources, key, and footnotes follow on next page. Some estimates may not sum to the totals in the right hand column due to rounding.

*Sources:* CHBRP, 2011: Analysis of CHIS 2009; 2010 California Health Care Foundation/National Opinion Research Center California Employer Health Benefits Survey (CEHBS); 2010 CHBRP Annual Enrollment and Premium Survey; 2010 CalPERS Enrollment Data; Centers for Medicare and Medicaid Services 2011 data for Medicare; Managed Risk Medical Insurance Board (MRMIB) 2010 data for the Major Risk Medical Insurance Program (MRMIP), Access for Infants and Mothers (AIM), and Healthy Families Program (HFP); Department of Health Care Services 2009 data for Medi-Cal.

*Key:* DMHC= Department of Managed Health Care. CDI= California Department of Insurance. HDHP= High Deductible Health Plan (deductible \$1200 and over). AIM= Aid for Infants and Mothers. CalPERS= California Public Employees' Retirement System. MRMIP= Major Risk Medical Insurance Program.

<sup>1</sup> DMHC-regulated plans include HMO, POS and certain PPO health plans licensed under the Knox Keene Health Care Service Plan Act of 1975 and subject to requirements under the California Health and Safety Code. This also includes beneficiaries of Medi-Cal Managed Care enrolled in the County Organized Health Systems (COHS).

<sup>2</sup> Plans and policies under "Other Coverage" are not subject to state-level regulation by either the CDI or the DMHC.

<sup>3</sup> Healthy Families 18–64-year-old category only includes those who are aged 18 years and less because those over 18 are not eligible.

<sup>4</sup> Insurance Policies include PPOs and FFS health insurance products subject to the California Insurance Code which are regulated by the CDI.