



California's Growing Uninsured and Underinsured Population

An Issue Summary

According to the Kaiser Family Foundation, 6.7 million people or one in four Californians is without health insurance, the highest of any other state. Of this number, an alarming 1.1 million uninsured are children. During the past two decades, the number of uninsured people in California has risen as employer-sponsored health insurance has declined. Being uninsured is a significant barrier to accessing necessary and cost effective health care services, including preventive care and treatment for chronic conditions.

California hospitals provide more than \$12 billion of uncompensated care annually that includes the cost of caring for the uninsured and underinsured, as well as payment shortfalls stemming from the Medicare and Medi-Cal programs. This significant underfunding of the health care system is being "shifted" to privately insured Californians, private contributors and local governments. It is also putting California hospitals at risk.

The Issue

The rise and fall in employment-based coverage generally runs parallel with the state's economy and unemployment rate. The current economic recession has increased California's unemployment rate from 5.4 percent in March 2009 to 12.5 percent in March 2010. As a result, the state is experiencing a decline in employer-based coverage. According to the Kaiser Family Foundation, only 49 percent of insured Californians have employer-sponsored insurance, as compared to 50 percent of people nationally. Our state's high unemployment rate, combined with the low insured rate, is putting increased pressure on hospitals and emergency rooms throughout the state.

The most immediate impact of the rising uninsured is access to timely health care services. People without health coverage are less likely to see a physician for preventive or routine care, less likely to have their young children immunized, less likely to receive adequate and timely prenatal care, and less likely to see a physician for serious symptoms. Studies have linked the lack of health coverage to a decline in health status, particularly among those with chronic health problems.

Statistics prove that the uninsured are less likely to visit doctors for preventive care. Minor illnesses go untreated and become larger health issues. Those without health care coverage are more likely to end up in a hospital emergency room (ER) once the medical condition has become more serious. ERs are the most expensive place for a patient to receive ambulatory care, and the growing number of uninsured patients seeking care through hospital ERs creates inefficiencies for both patients and hospitals. As a result, the cost of health care is going up for everyone – about \$1,115 per family per month – and ER wait times are ever increasing. The wait time in California's hospital emergency rooms is now about 4 hours on average, and exceeds 11 hours in one metropolitan area.

Policy Recommendation

The California Hospital Association (CHA) supports:

- the expansion of coverage for the uninsured,
- increased access to affordable health care services for every Californian, and
- increased Medi-Cal payments to hospitals to cover the cost of services provided to Medi-Cal patients.

Insuring more Californians will reduce the overcrowding of hospital emergency rooms, allow more people to get the right care they need at the right time and in the right place, and protect access to hospital emergency rooms in communities throughout the state.