

California Health Care Chartbook:



Key Data and Trends

AUGUST 2004

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Report prepared by:

Janet Lundy

Barbara Wentworth

Isadora Gil

Benjamin Finder

Alina Salganicoff

The Henry J. Kaiser Family Foundation

and

Sara McMenamin

Helen Halpin

Joanna Mroz

Crystal Keeler

University of California, Berkeley

Center for Health and Public Policy Studies

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SECTION 1

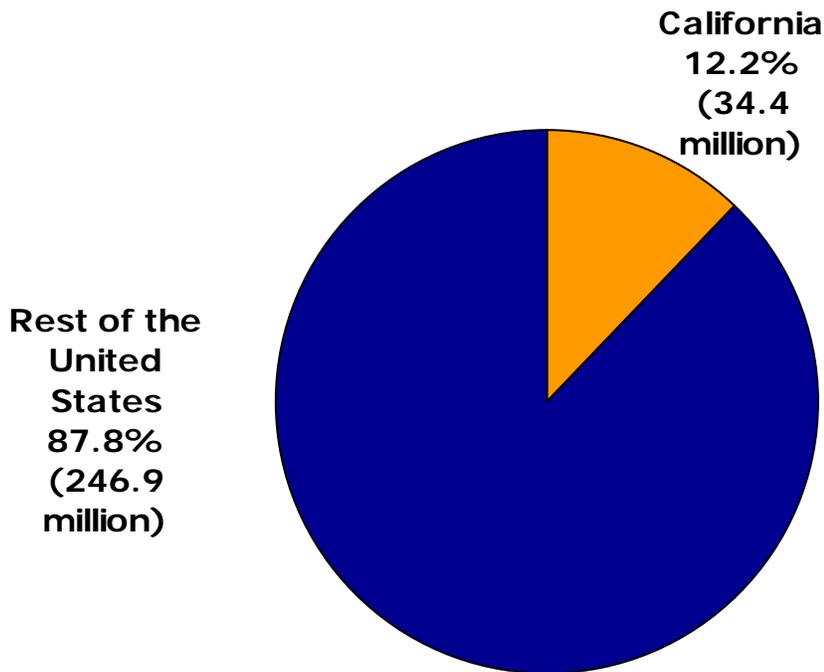
Demographic and Economic Profiles of California's Population

California's population has special characteristics compared to the United States as a whole. Section 1 presents data on the size of the populations of California compared to the United States, including their projected growth and birth rates. Demographic characteristics of the populations are provided, such as race and ethnicity, educational attainment, and citizenship status. Economic characteristics of the population such as median family income, poverty rates, and family work status are also included.

Exhibit 1.1

California's Share of the United States Population, 2002

Approximately one in eight people in the United States live in California. In 2002, California's population was 34.4 million individuals, representing 12.2% of the 281.3 million people living in the United States. California has a younger population than the United States as a whole. In 2002, people under age 19 accounted for 30% of the total California population vs. 27% in the United States, while those age 65 and older accounted for only 9% of Californians compared to 12% of the United States population. The gender split in 2002 was similar in California (50% female) and the United States (51% female). The percentage of individuals living in non-metropolitan areas differed in California from the U.S. overall, however. In 2002, only 1% of Californians resided in non-metropolitan areas, compared to 18% of people across the nation.



Total United States Population = 281.3 million

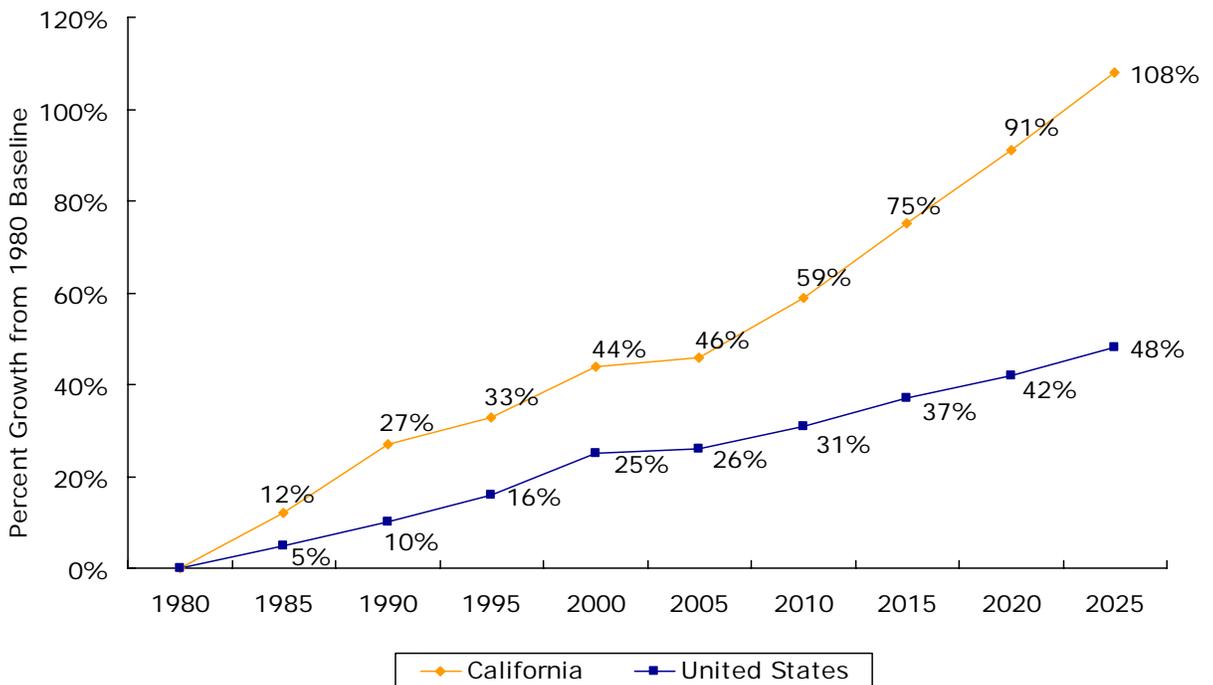
Notes: Population excludes institutionalized individuals and non-civilians.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.2

Cumulative and Projected Population Growth Since 1980, California and the United States, 1980-2025

The populations of both California and the United States are expected to increase significantly between 1980 and 2025. The population in California is projected to more than double during this time period, from 23.7 million people in 1980 to 49.3 million people in 2025, while the population in the United States is projected to increase from 226.5 million people to 335.1 million people. Potential explanations for California's faster growth rate include higher overall birth rates in California (Exhibit 1.3a) and a higher rate of immigration to California compared to the United States overall (Exhibit 1.6).



Notes: 1980 to 2000 are actual increases. 2005 to 2025 are projected increases.

Source: U.S. Census Bureau, Population Division. See Detailed Notes and Sources at the end of Section 1 for exact references.

Exhibit 1.3

Trends in Birth Rates California and the United States

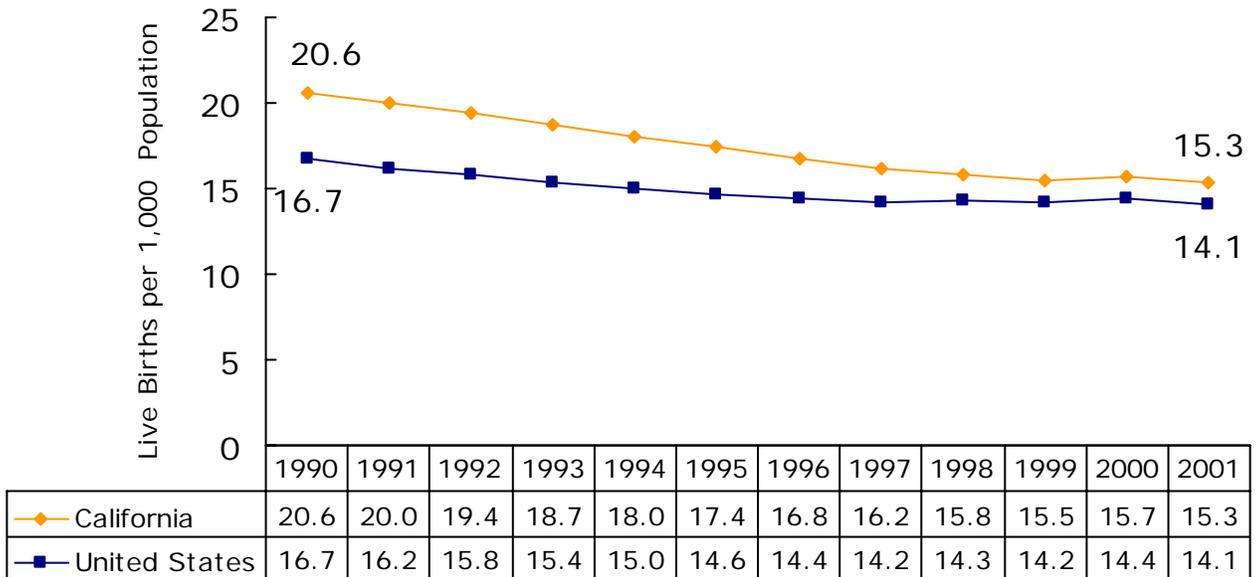
From 1990 through 2001, birth rates in California were consistently higher than those in the United States. During this eleven-year period, a sharper drop in birth rates has occurred in California than in the United States, which has brought California's rates closer in line with the nation's birth rates as a whole. In California, the birth rate dropped from 20.6 to 15.3 from 1990 to 2001, while the rate across the United States dropped from 16.7 to 14.1. (Exhibit 1.3a)

One explanation for the higher birth rates in California compared to the United States is that the proportion of Hispanics in California is over 2 ½ times that in the United States as a whole (34.6% vs. 13.3% in the U.S., Exhibit 1.4), and the birth rates for Hispanics are significantly higher than those of other racial/ethnic groups in the state. Birth rates for California Blacks and Asian/Pacific Islanders are lower than rates for Hispanics, and birth rates for California Whites are lower still. (Exhibit 1.3b)

The California teen birth rate has fallen steadily in the past decade, and as a result, the gap between the teen birth rates in California and the United States has nearly disappeared. In 1990, the rate of teen births in California was higher than in the United States (70.6 vs. 59.9 births per 1,000 women ages 15-19). Between 1991 and 2001, rates in both California and the United States began to decline, but rates in California fell more rapidly. By the mid 1990s, the rates became and have remained similar. (Exhibit 1.3c)

Exhibit 1.3a

Trends in Birth Rates, California and the United States, 1990-2001



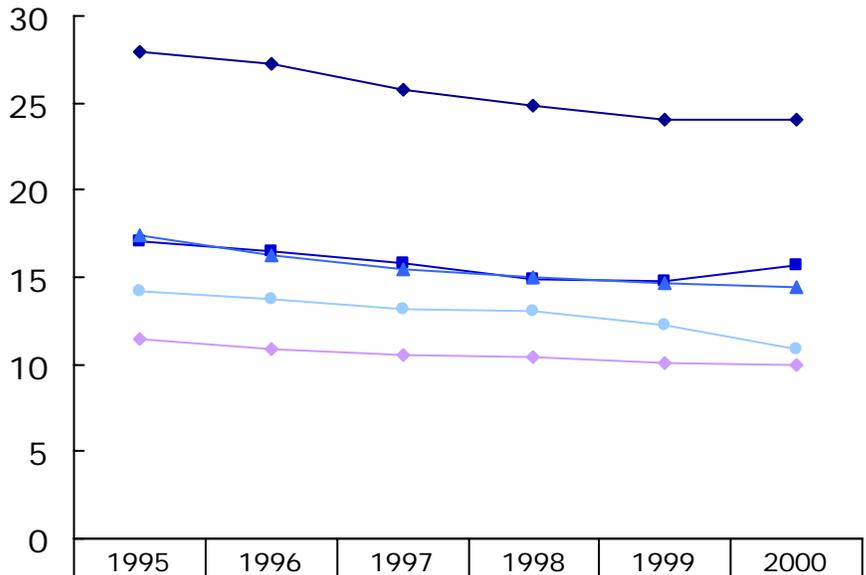
Notes: The birth rate is defined as the number of live births per 1,000 population.

Source: B.E. Hamilton, P.D. Sutton, and S.J. Ventura, "Revised Birth and Fertility Rates for the 1990s and New Rates for Hispanic Populations, 2000 and 2001: United States," *National Vital Statistics Reports*, 51, no.12 (August 4, 2003), Table 10, pp. 59-70.

Exhibit 1.3b

Trends in Birth Rates by Race/Ethnicity, California, 1995-2000

Births per 1,000 Population



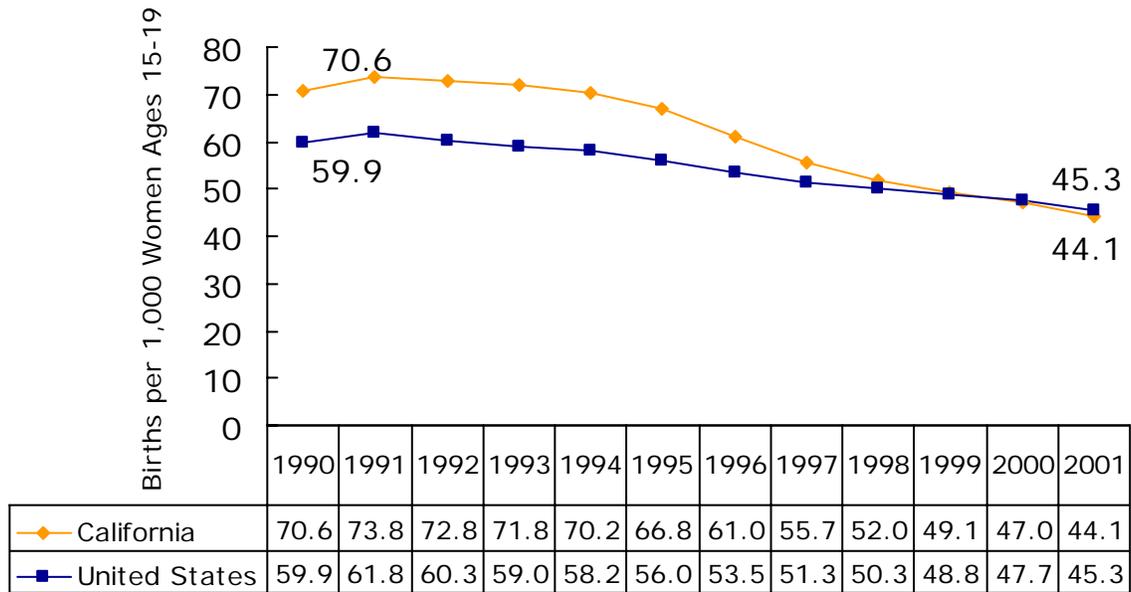
	1995	1996	1997	1998	1999	2000
◆ Hispanic	27.9	27.3	25.8	24.9	24.1	24.1
■ Asian/Pacific Islander	17.1	16.5	15.8	14.9	14.8	15.7
▲ Non-Hispanic Black	17.4	16.3	15.5	15.0	14.7	14.4
● American Indian	14.2	13.7	13.2	13.1	12.3	10.9
◆ Non-Hispanic White	11.5	10.9	10.5	10.4	10.1	10.0

Notes: The birth rate is defined as the number of live births per 1,000 population in each racial/ethnic group. The race/ethnicity categories represent the race/ethnicity of the mother. American Indian, Asian/Pacific Islander, Black, and White exclude Hispanic ethnicity. Hispanic category may include individuals of any race.

Source: California Department of Health Services. "Advance Report: California Vital Statistics (1999 & 2000)." See Detailed Notes and Sources at the end of Section 1 for exact references.

Exhibit 1.3c

Trends in Teenage Birth Rates, California and the United States, 1990-2001



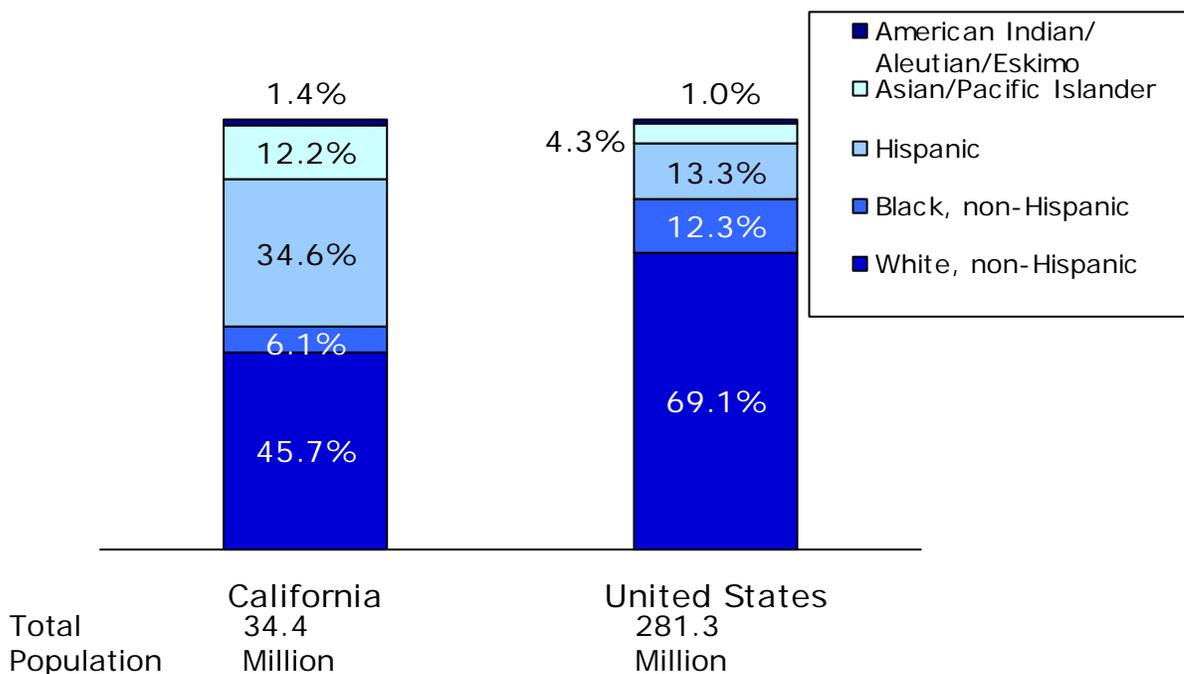
Notes: The birth rate is defined as the number of live births per 1,000 women aged 15-19.

Source: B.E. Hamilton, P.D. Sutton, and S.J. Ventura, "Revised Birth and Fertility Rates for the 1990s and New Rates for Hispanic Populations, 2000 and 2001: United States," *National Vital Statistics Reports*, 51, no. 12 (August 4, 2003), Table 10, pp 59-70.

Exhibit 1.4

Population by Race/Ethnicity, California and the United States, 2002

The California's population reflects greater racial and ethnic diversity than the United States as a whole. In 2002, less than half of California's population was White, non-Hispanic (46%) compared to more than 69% of the United States population. A notable difference between California and the nation as a whole is the proportional size of the Hispanic population, which is over 2 ½ times as large in California (35%) as in the United States as a whole (13%). Another key difference is the percentage of Asians and Pacific Islanders, which is 3 times larger in California than in the United States (12% vs. 4%). In contrast, California has about half the proportion of Blacks compared to the United States as a whole (6% vs. 12%).



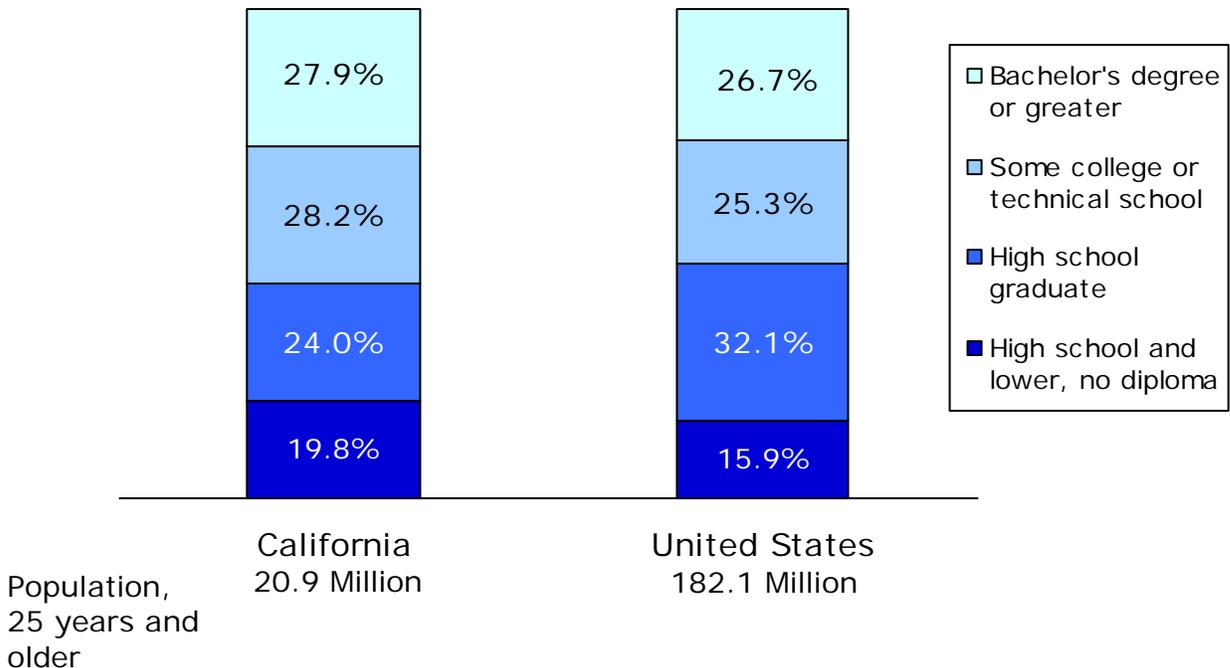
Notes: American Indian/Aleutian Eskimo, Asian/Pacific Islander, Black, and White exclude Hispanic ethnicity. Hispanic includes any race category. The population included in this chart is the civilian, non-institutionalized population.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.5

Educational Attainment, California and the United States, 2002

Compared to the total United States, California has a higher percentage of individuals who have not graduated from high school (20% vs. 16%), but also a higher percentage of individuals who have attended some college, graduated from college with a Bachelor's degree, or received graduate or professional degrees (56% vs. 52%). Higher levels of education are generally associated with better health status.



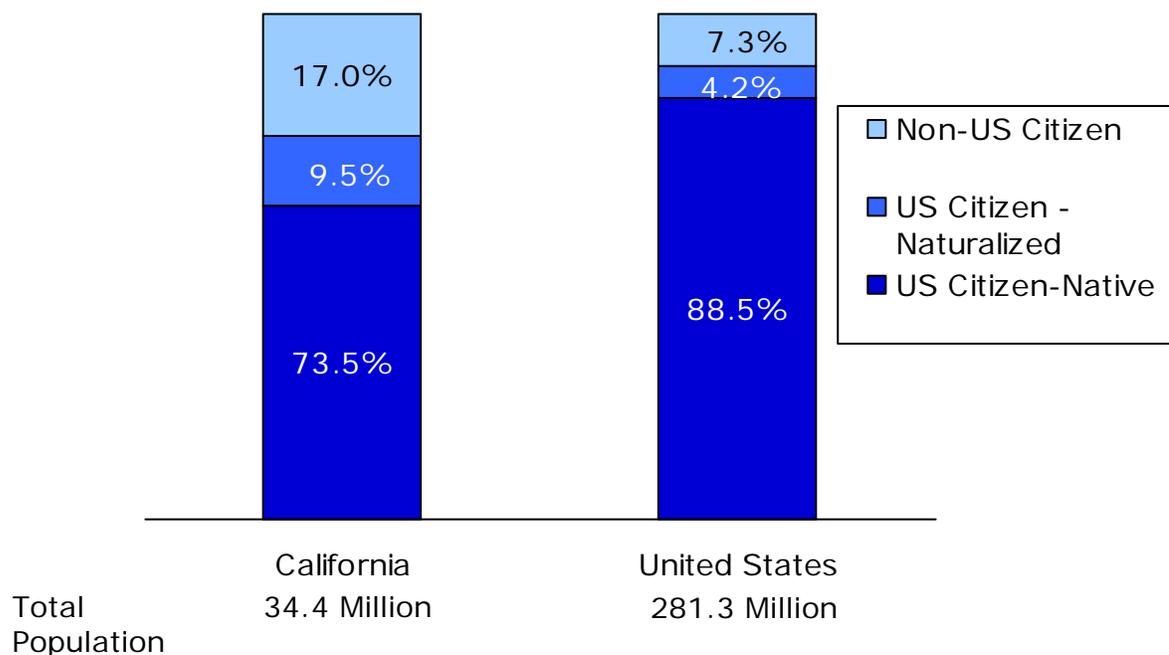
Notes: Educational attainment is reported for adults ages 25 and older. The population included in this chart is the civilian, non-institutionalized population. Figures may not total to 100% due to rounding.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.6

Citizenship Status, California and the United States, 2002

California has a much larger immigrant population compared to that of the United States as a whole. California's immigrant population, including naturalized citizens and non-citizens, comprised 26.5% of the state's total population, compared to 11.5% for the total U.S. in 2002. The percentage of naturalized citizens in California was more than double that of the United States (9.5% vs. 4.2%), and the percentage of non-citizens in California compared to the United States was even greater (17.0% vs. 7.3%). Only six other states had 10% or more non-citizens: New York, Arizona, Florida, Nevada, New Jersey, and Texas.



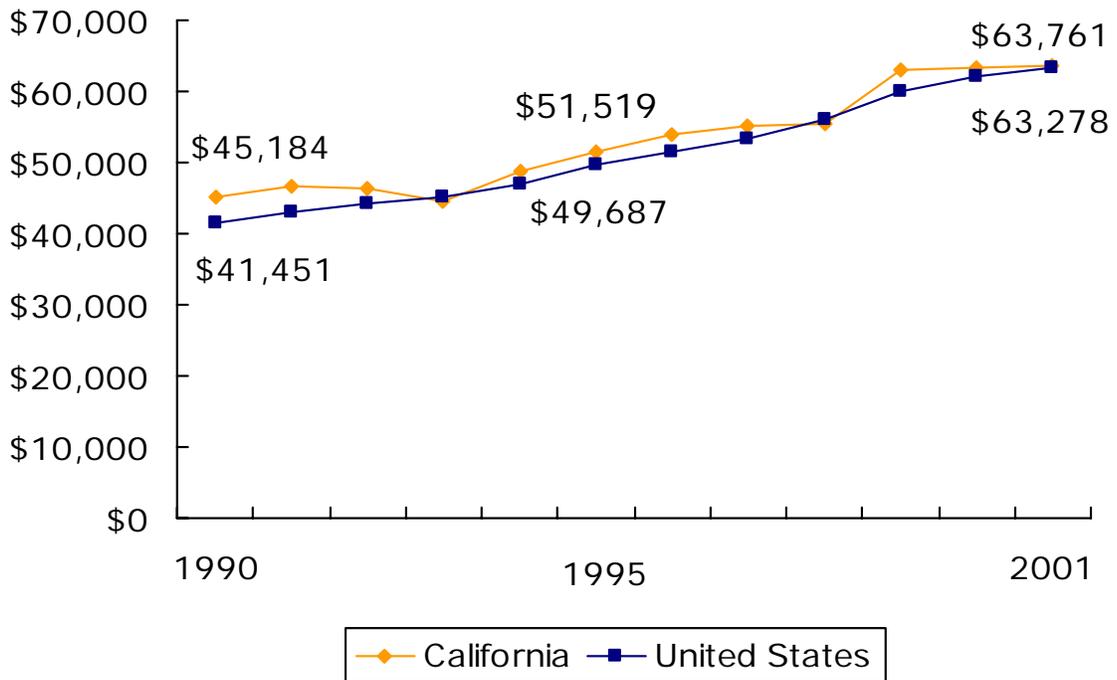
Notes: The population included in this chart is the civilian, non-institutionalized population.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.7

Trends in Median Family Income, California and the United States, 1990-2001

The rate of growth for median incomes between 1990 and 2001 has been greater in the United States than in California. While median family income for a four-person family grew in California from \$45,184 to \$63,761, incomes rose in the United States as a whole from \$41,451 to \$63,278. California lost a disproportionate number of jobs during the recession of the early 1990's and loss of jobs continued in the state after the rest of the U.S. had already begun to recover. California ranked 20 out of 51 states (including the District of Columbia) for the highest median family income in 2001.

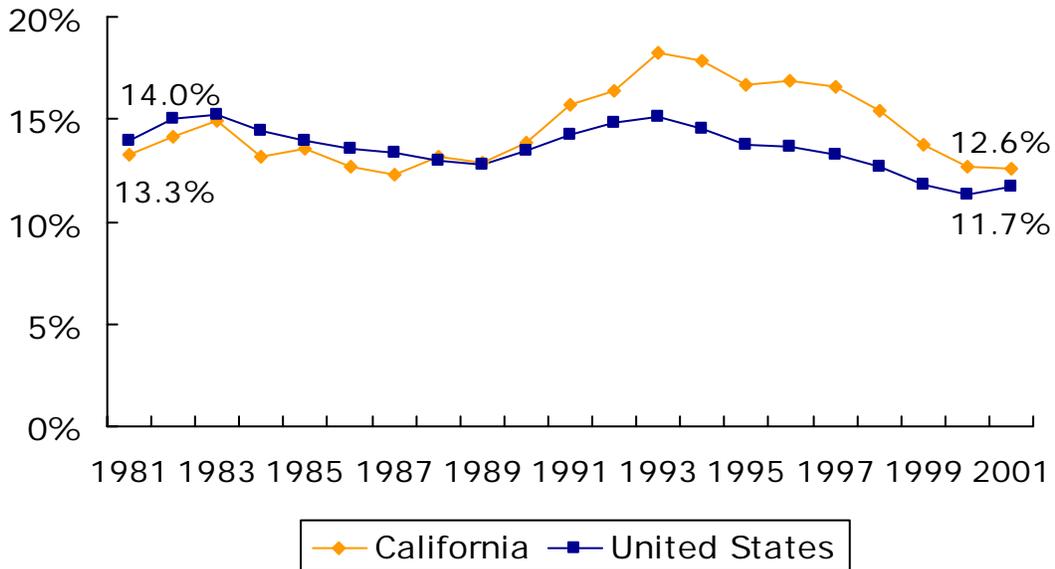


Source: U.S. Census Bureau, Housing and Household Economic Statistics Division, "Median Income for 4-Person Families, by State," www.census.gov/hhes/income/4person.html.

Exhibit 1.8

Trends in the Percentage of the Population Below Poverty, California and the United States, 1981-2001

During the 1980s, the percentage of the California population living in poverty was slightly below the U.S. average. By 1988, the rates were equal, with approximately 13% of the population living in poverty. The economic recession of the 1990's had a disproportionate impact on California, and led to a rise in the percentage of the state population living in poverty, which topped the U.S. poverty rate throughout the 1990's. By 2001, however, the rates were in closer range, with a poverty rate of 12.6% in California and 11.7% in the U.S.



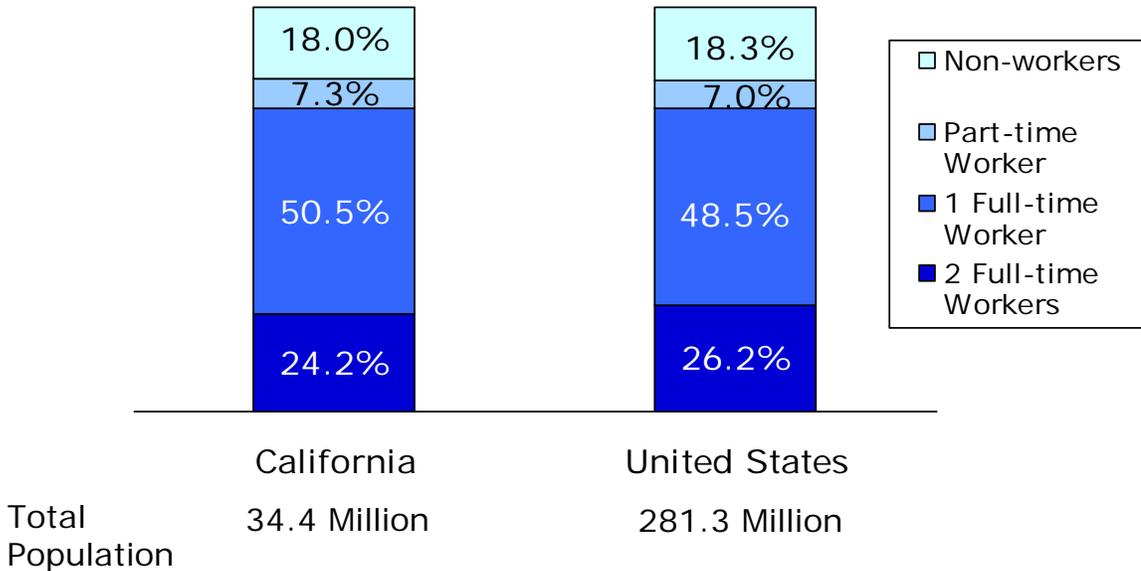
Notes: Persons in poverty are defined as those whose income is less than the Federal poverty threshold. The poverty threshold for an individual in 2001 was \$9,039 and \$14,128 for a family of three.

Source: U.S. Census Bureau, Current Population Survey. See Detailed Notes and Sources at the end of Section 1 for exact references.

Exhibit 1.9

Family Work Status, California and the United States, 2001

California and the United States are quite similar in the composition of their populations by work status. Approximately three-fourths (75%) of all people in both California and the United States are in families with at least one full-time worker, while 7% live in families with part-time workers. In both California and the United States, 18% of people live in families with no working adults.



Notes: Family is defined here in terms of "health insurance units" -- i.e., groups of related persons whose combined income would be counted in determining Medicaid eligibility in most states, which is similar to persons who would be able to jointly purchase private insurance. The population included in this chart is the civilian, non-institutionalized population.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Detailed Notes and Sources for Section 1

Exhibit 1.2

Years: 1980 and 1985

U.S. Census Bureau, Population Division, "Intercensal Estimates of the Total Resident Population of States: 1980 to 1990,"

www.census.gov/population/estimates/state/stts/st8090ts.txt .

Years: 1990 and 1995

U.S. Census Bureau, Population Division, "Population Estimates for the U.S. Regions and States by Selected Age Groups and Sex; Annual Time series, July 1, 1990 to July 1, 1999,"

www.census.gov/population/estimates/state/st-99-09.txt .

Year: 2000

U.S. Census Bureau, Population Division. "State Population Estimates: April 1, 2000 to July 1, 2002," <http://eire.census.gov/popest/data/states/tables/ST-EST2002-01.php> .

Years: 1995-2025

U.S. Census Bureau, Population Division, "Population Projections: States, 1995-2025,"

<http://www.census.gov/prod/www/abs/popula.html> .

Exhibit 1.3b

1995 Data

California Department of Health Services, *Advance Report: California Vital Statistics, 1999*. (Table 5), www.dhs.cahwnet.gov/hisp/chs/OHIR/Publication/Highlights/highlights.htm .

1996-2000 Data

California Department of Health Services, *Advance Report: California Vital Statistics, 2000*. (Table 5) www.dhs.cahwnet.gov/hisp/chs/OHIR/Publication/Highlights/highlights.htm .

Exhibit 1.8

CA Data

U.S. Census Bureau, "Number of Poor and Poverty Rate, by State: 1980 to 2001," *Historical Poverty Tables*, Table 21, www.census.gov/hhes/poverty/histpov/hstpov21.html .

US Data

U.S. Census Bureau, "Poverty Status of People by Family Relationship, Race, and Hispanic Origin: 1959 to 2001," *Historical Poverty Tables*, Table 2, www.census.gov/hhes/poverty/histpov/hstpov2.html .

SECTION 2

Health Status, Health Risks, and Use of Health Services

This section presents an overview of the health status of the population, including general health status, mortality rates, and rates of diagnosis of specific diseases (high blood pressure, cancer, diabetes, AIDS). Additional information is provided on health risks in the population, such as smoking and obesity. This section also examines the use of health services, looking specifically at the use of preventive care by children, women, and adults as well as the usual source of care for adults and children.

Exhibit 2.1

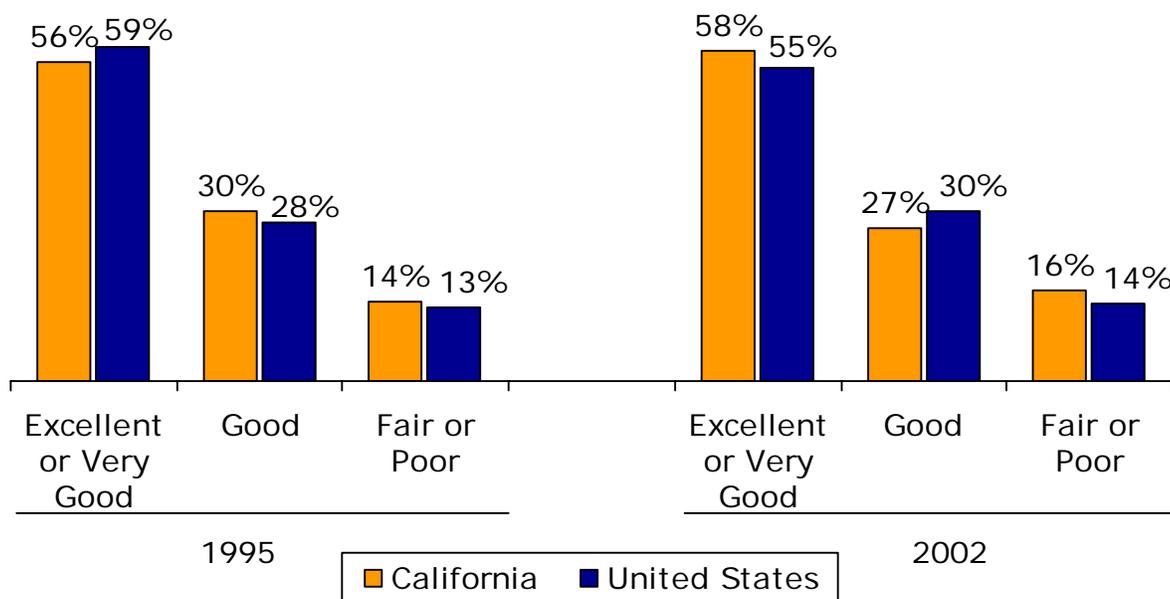
Self-Reported Health Status

In 2002, the self-reported health status of adults in California and in the United States was similar. Fifty-eight percent of adults in California and 55% in the United States considered themselves to be in excellent or very good health. Additionally, 27% and 30% rated their health as good, and 16% and 14% rated their health as fair to poor, respectively. Compared to 1995 rates, more adults in California and fewer adults in the United States report they are in excellent or very good health. (Exhibit 2.1a)

Although the overall rates of self-reported health status among Californians and in the United States as a whole were similar, a breakdown of the rates of fair to poor health status by race/ethnicity shows major differences for the Hispanic population. Hispanics in California were more likely than those in the United States to report fair or poor health (25% vs. 17%). For all the other race/ethnicity groups, Californians were less likely to report fair or poor health than their counterparts in the United States. (Exhibit 2.1b)

Exhibit 2.1a

Self-Reported Health Status Among Adults, California and the United States, 1995 and 2002

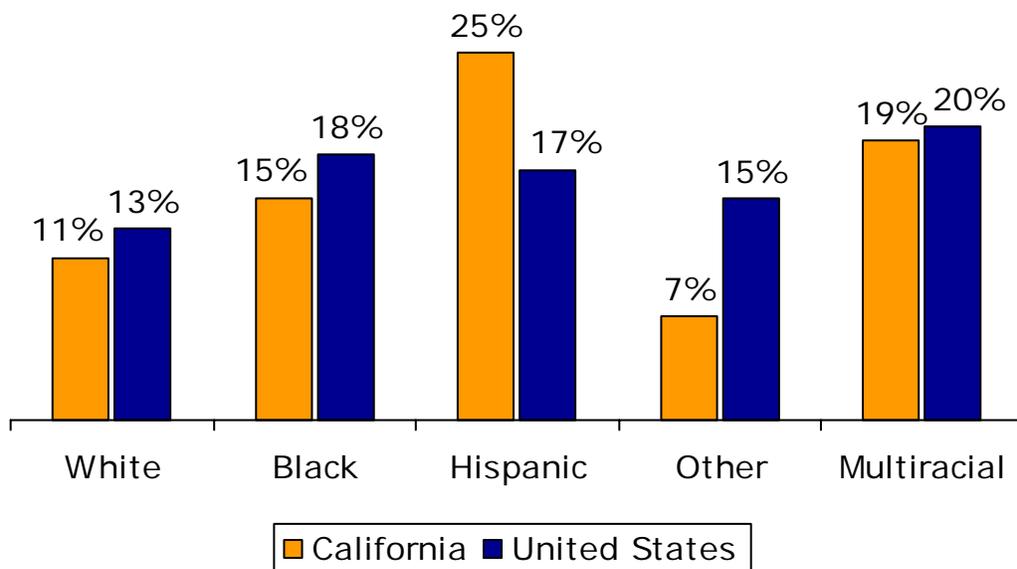


Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older. Health status was assessed with the question "How is your general health?"

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, 2002, <http://apps.nccd.cdc.gov/brfss/index.asp>.

Exhibit 2.1b

Fair or Poor Self-Reported Health Status Among Adults, by Race/Ethnicity, California and the United States, 2002



Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older. Health status was assessed with the question "How is your general health?" White, Black, Other, and Multiracial categories do not include Hispanics. Persons who report that they are more than one race but do not specify a preferred race are categorized as Multiracial.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, 2002, <http://apps.nccd.cdc.gov/brfss/index.asp>.

Exhibit 2.2

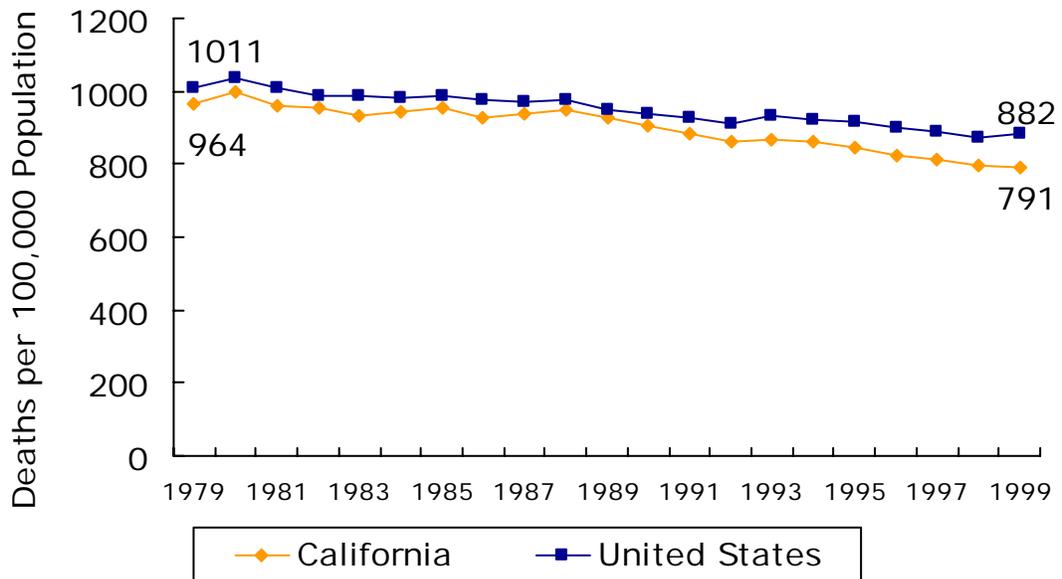
Mortality Rates

The age-adjusted mortality rate in California has been lower than the rate in the United States since 1979. Both rates have been declining since 1979, dropping from 964 to 791 deaths per 100,000 population in California and from 1,011 to 882 deaths per 100,000 population in the United States. (Exhibit 2.2a)

Between 1990 and 2001, the infant mortality rate declined considerably both in California and the nation as a whole, although the California rate was lower than the United States rate over the entire period. In 2001, the infant mortality rate in California was 5.4 deaths per 1,000 live births, compared to 6.8 deaths per 1,000 live births in the United States. (Exhibit 2.2b)

Exhibit 2.2a

Age-Adjusted Mortality Rate, California and the United States, 1979-1999

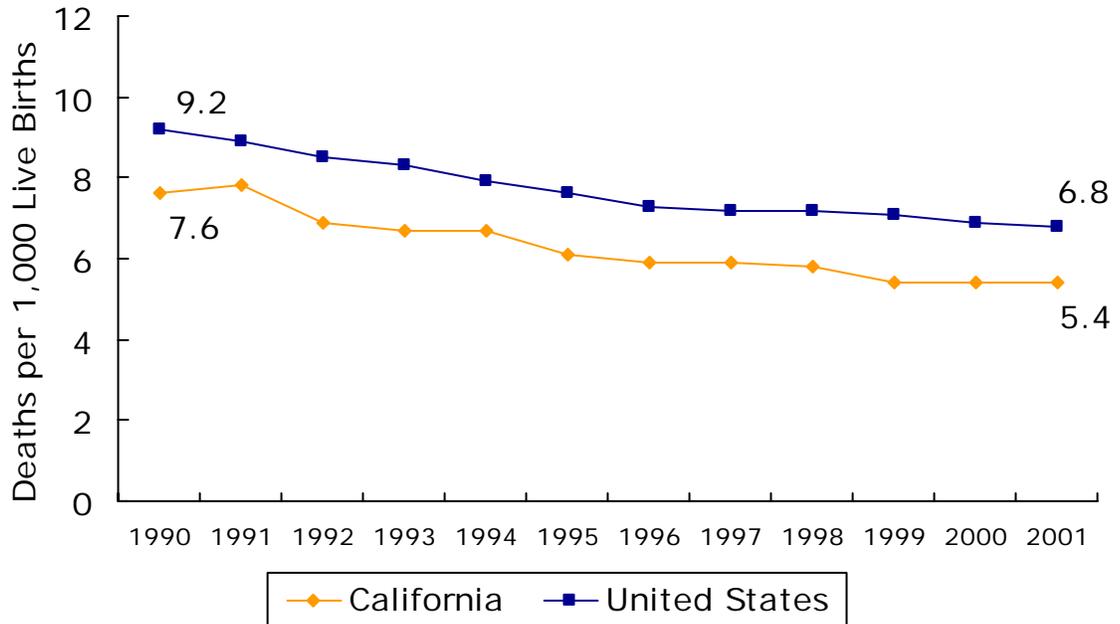


Notes: These figures are age-adjusted to the total U.S. population in 2000.

Source: Centers for Disease Control and Prevention, WONDER Compressed Mortality File, 1979-1999, <http://wonder.cdc.gov/mortSQL.shtml>.

Exhibit 2.2b

Infant Mortality Rate, California and the United States, 1990-2001



Notes: Infant mortality rate is calculated as the deaths of those under one year of age per 1,000 live births.

Source: Centers for Disease Control and Prevention, *National Vital Statistics Reports* (1996-2001 data), *Monthly Vital Statistics Reports* (1990-1995 data). See Detailed Notes and Sources at the end of Section 2 for exact references.

Exhibit 2.3

The Top Ten Leading Causes of Death, California and the United States, 2000

California and the United States had the same eight leading causes of death in 2000. In both California and the United States, nearly two-thirds of all deaths were due to heart disease, cancer, or stroke.

	California	United States
Heart Disease	29.8%	29.6%
Malignant Neoplasms	23.2%	23.0%
Cerebrovascular	7.9%	7.0%
Chronic Lower Respiratory Disease	5.6%	5.1%
Unintentional Injury	3.7%	4.1%
Diabetes Mellitus	2.7%	2.9%
Influenza & Pneumonia	3.6%	2.7%
Alzheimer's Disease	1.9%	2.1%
Liver Disease	1.6%	‡
Suicide	1.3%	‡
Nephritis	‡	1.5%
Septicemia	‡	1.3%
All Others	18.7%	20.8%
Total	100%	100%

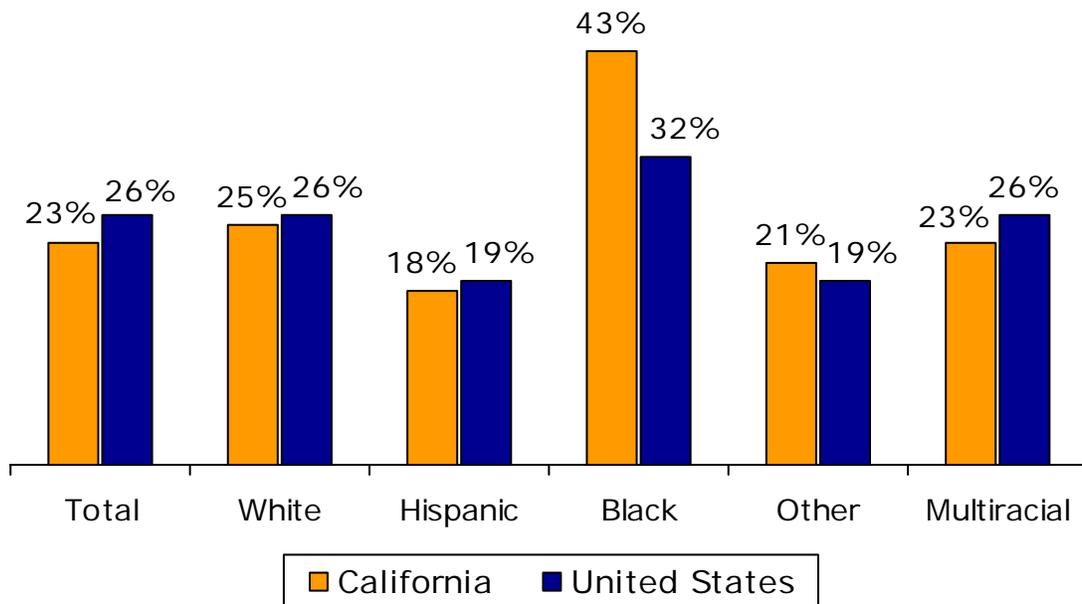
Notes: ‡ indicates that this is not a leading cause of death. Injury statistics are calculated using ICD 10 criteria rather than ICD 9 criteria. Categories may not total to 100% due to rounding.

Source: Centers for Disease Control and Prevention, National Center for Injury Prevention and Control, "WISQARS Leading Causes of Death Reports, 1999-2000," <http://webapp.cdc.gov/sasweb/ncipc/leadcaus10.html>.

Exhibit 2.4

Percentage of Adults Ever Diagnosed with High Blood Pressure, by Race/Ethnicity, California and the United States, 2001

The percentage of adults ever diagnosed with high blood pressure was similar in California (23%) and the United States as a whole (26%) in 2001. Blacks had much higher rates of hypertension compared to other racial/ethnic groups in California and the United States, though the rate for Black Californians at 43% was significantly higher than the national rate (32%). Hispanics, on the other hand, had lower rates of high blood pressure compared to Blacks, Whites, and Multiracial individuals.



Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older. These data are derived from the question "Have you ever been told by a doctor, nurse, or other health professional that you have high blood pressure?" White, Black, Other, and Multiracial categories do not include Hispanics. Persons who report that they are of more than one race but do not specify a preferred race are categorized as Multiracial.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, 2001, <http://apps.nccd.cdc.gov/brfss/index.asp>.

Exhibit 2.5

Estimated Distribution of New Cancer Cases by Site, California and the United States, 2003

In 2003, there will be an estimated 125,000 new cases of cancer in California and 1,334,100 new cases across the United States. Four types of cancer make up more than half of the cancer cases in both California and the United States: female breast cancer, prostate cancer, cancer of the lung and bronchus, and colon and rectum cancer.

Site of Cancer	California	United States
Female Breast	17%	16%
Prostate	16%	17%
Lung & Bronchus	12%	13%
Colon & Rectum	10%	11%
Urinary Bladder	4%	4%
Melanoma	4%	4%
Non-Hodgkin's Lymphoma	4%	4%
Uterine Corpus	3%	3%
Leukemia	2%	2%
Uterine Cervix	1%	1%
All Other Sites	26%	25%
Total New Cancers	100%	100%

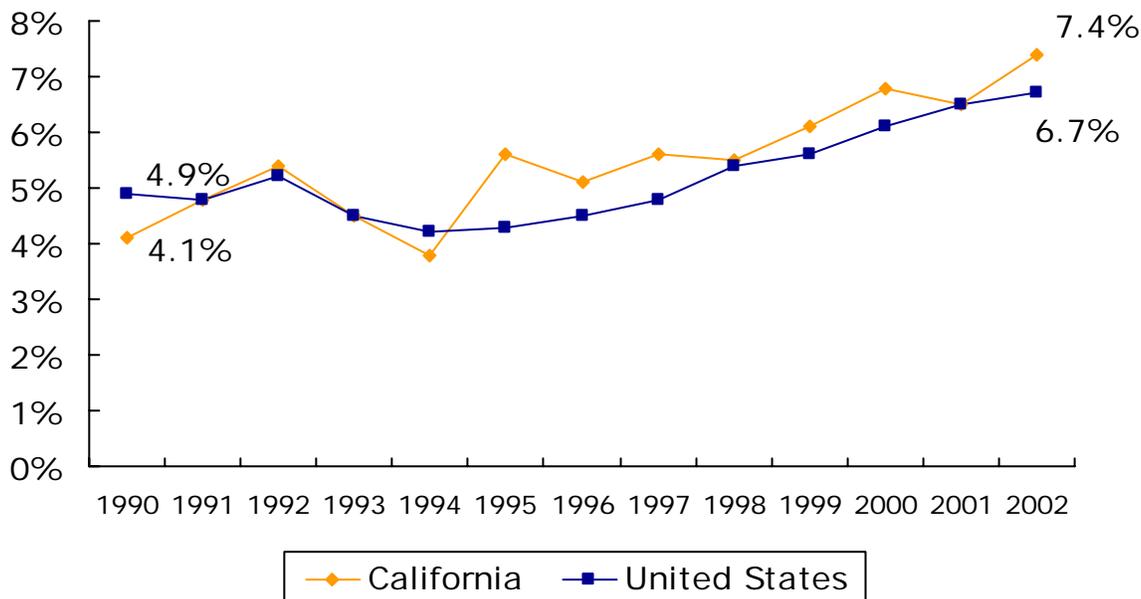
Notes: Excludes basal and squamous cell skin cancers and *in situ* carcinomas except urinary bladder. These estimates are calculated according to the distribution of estimated cancer deaths in 2003 by state. Categories may not total to 100% due to rounding.

Source: American Cancer Society, *Cancer Facts and Figures 2003*, New York, NY, 2003.

Exhibit 2.6

Percentage of Adults Who Have Been Diagnosed with Diabetes, California and the United States, 1990-2002

Between 1990 and 2002, the percentage of adults diagnosed with diabetes fluctuated, but overall rose in both California (from 4.1% to 7.4%) and the United States (from 4.9% to 6.7%).



Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 years and older.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, Trend Data 1990-2002, <http://apps.nccd.cdc.gov/brfss/Trends/TrendData.asp>.

Exhibit 2.7

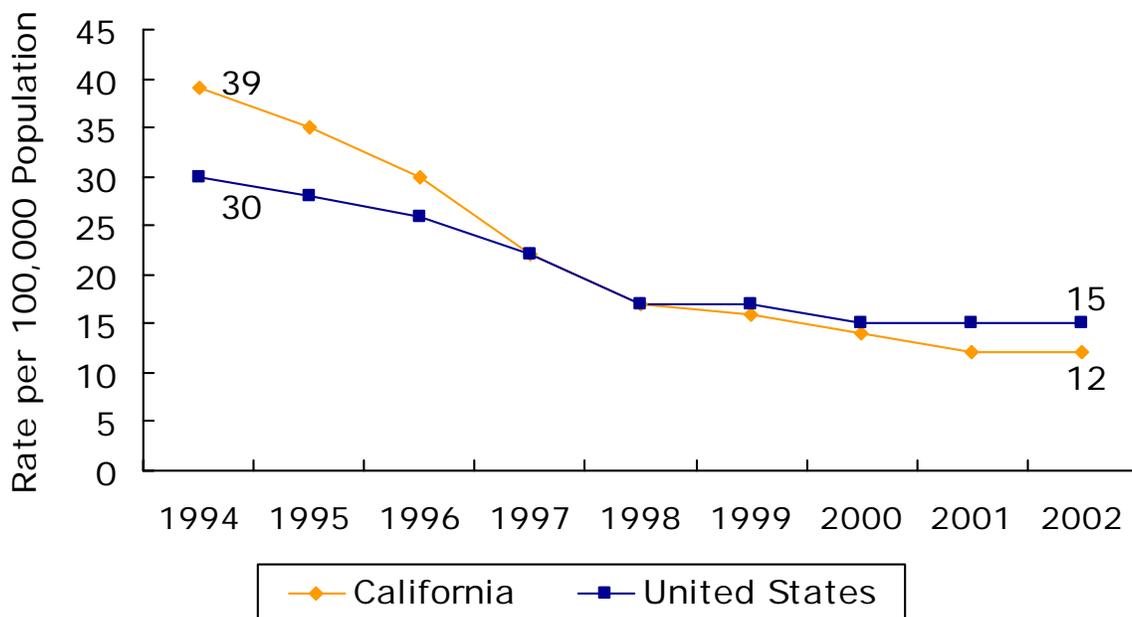
AIDS

Since 1994, the rate of new AIDS cases in both California and the United States has been declining. Between 1994 and 2002, rates of new AIDS cases fell by two-thirds in California (from 39 to 12 cases per 100,000 population) and by one-half in the United States (from 30 to 15 cases per 100,000 population). (Exhibit 2.7a) There were 52,716 Californians estimated to be living with AIDS at the end of 2002, approximately 14 percent of people estimated to be living with AIDS in the United States (384,906 persons).

Although the overall rates of new AIDS cases were similar for California and the United States in 2002, with a slightly lower rate in California, a breakdown of these rates by gender and race/ethnicity illuminates some differences. For example, although rates of new AIDS cases among males were essentially the same in California and the United States in 2001 (27 and 28 cases per 100,000 population, respectively), the rate of new AIDS cases among females was much lower in California compared to the United States (4 vs. 9 cases per 100,000 population). The 2000 new AIDS case rate reported among Whites in California was higher than the rate among Whites in the United States (14 vs. 8 cases per 100,000 population), while rates among Hispanics and Blacks in California were lower than those in the United States. (Exhibit 2.7b).

Exhibit 2.7a

New AIDS Cases per 100,000 Population, California and the United States, 1994-2001

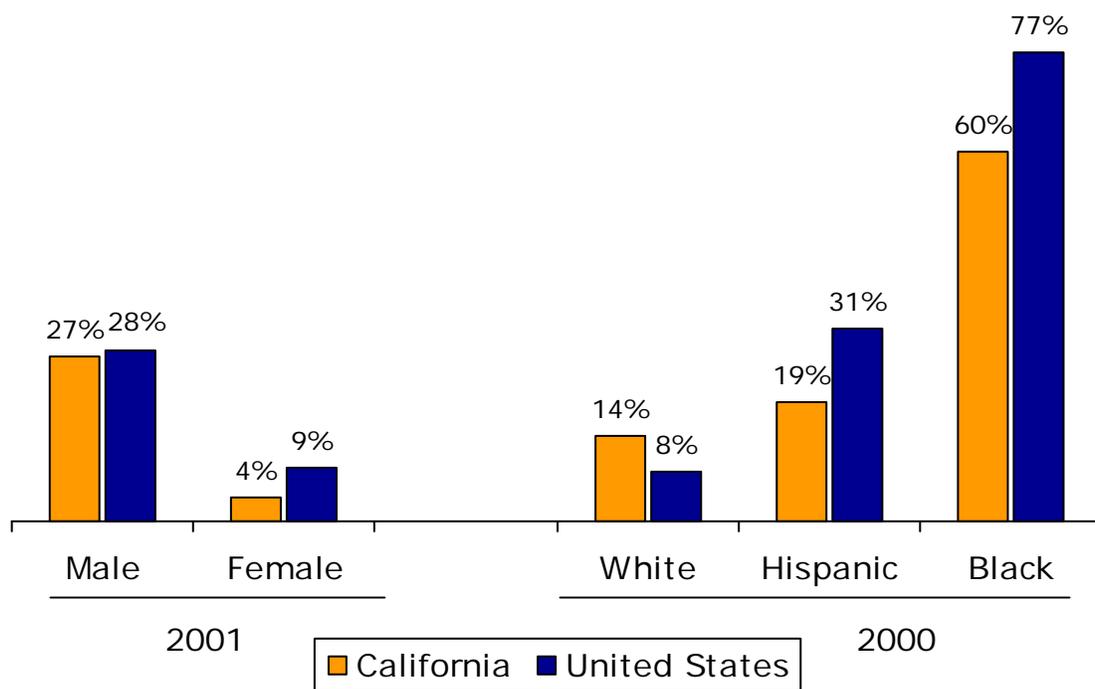


Notes: AIDS: Acquired immunodeficiency syndrome. Data reflect the year cases were reported.

Source: Centers for Disease Control and Prevention, *HIV/AIDS Year-end Surveillance Reports*, 1995-2002, www.cdc.gov/hiv/stats/hasrlink.htm. See Detailed Notes and Sources at the end of Section 2 for exact references.

Exhibit 2.7b

New AIDS Cases per 100,000 Population, by Gender and Race/Ethnicity, California and the United States, 2001/2000



Notes: AIDS: Acquired immunodeficiency syndrome. New AIDS cases by gender are presented for 2001, while new AIDS cases by race/ethnicity are presented for 2000. White and Black categories do not include Hispanics.

Source: Centers for Disease Control and Prevention, *HIV/AIDS Surveillance Report*, 13, No.2 (2001), www.cdc.gov/hiv/stats/hasrlink.htm (gender data); State Health Facts Online, www.statehealthfacts.kff.org/cgi-bin/healthfacts.cgi?action=compare&categoryHIV%2fAIDS&subcategory=Annual+AIDS+Case+Rate&topic=Adult%2fAdolescent+by+Race%2fEthnicity, using data from Centers for Disease Control and Prevention, HIV/AIDS Slide Set (race/ethnicity data).

Exhibit 2.8

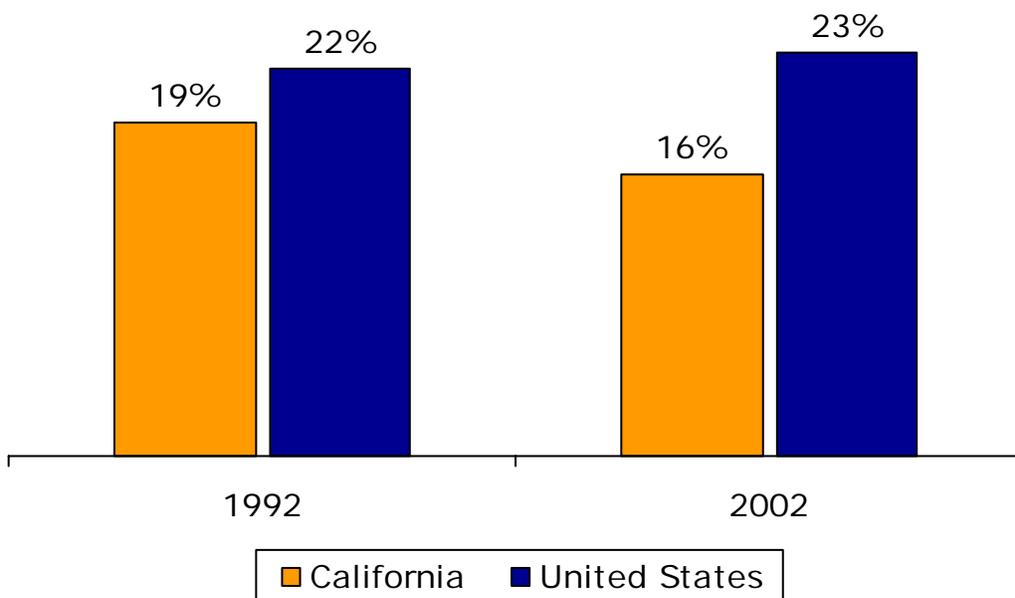
Smoking Rates

Smoking rates in California have remained lower than those in the United States over the last decade. Smoking rates among California adults declined from 19% to 16% between 1992 and 2002, while smoking rates in the United States as a whole rose from 22% to 23%. (Exhibit 2.8a)

In both California and the United States, males have higher smoking rates compared to females. For example, in California, the 2002 smoking rate among males was 20% compared to 13% among females. The rates in California were lower for both males (20% vs. 26%) and females (13% vs. 21%) compared to the United States overall. (Exhibit 2.8b)

Exhibit 2.8a

Percentage of Adults Who Are Current Smokers, California and the United States, 1992 and 2002

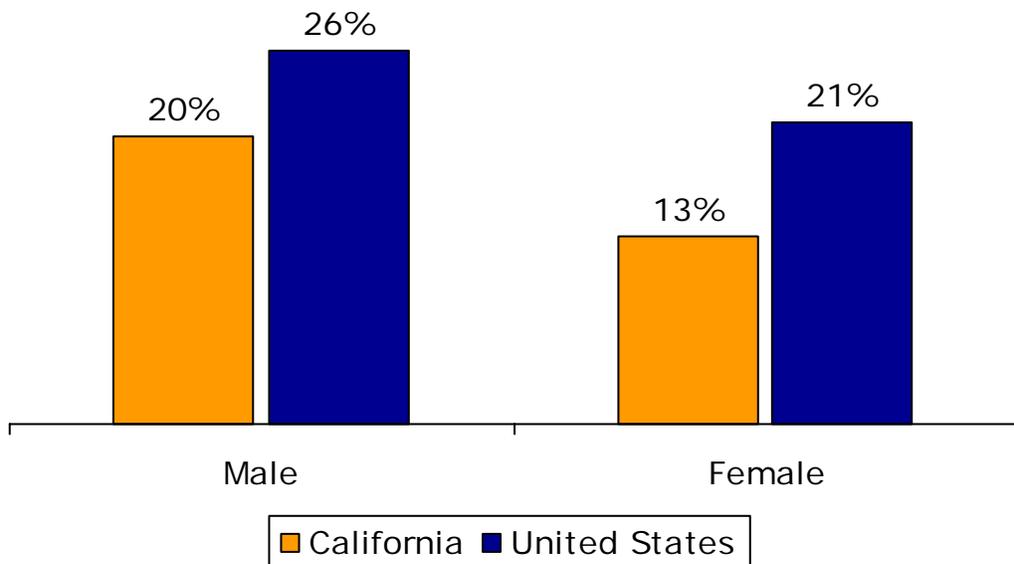


Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older. Current smokers are defined as those who have smoked 100 cigarettes in their lifetime and reported smoking every day or some days.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, Trend Data 1990-2002, <http://apps.nccd.cdc.gov/brfss/Trends/TrendData.asp>.

Exhibit 2.8b

Percentage of Males and Females Who Are Current Smokers, California and the United States, 2002



Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older. Current smokers are defined as those who have smoked 100 cigarettes in their lifetime and reported smoking every day or some days.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, Trend Data 2002, <http://apps.nccd.cdc.gov/brfss/Trends/TrendData.asp>.

Exhibit 2.9

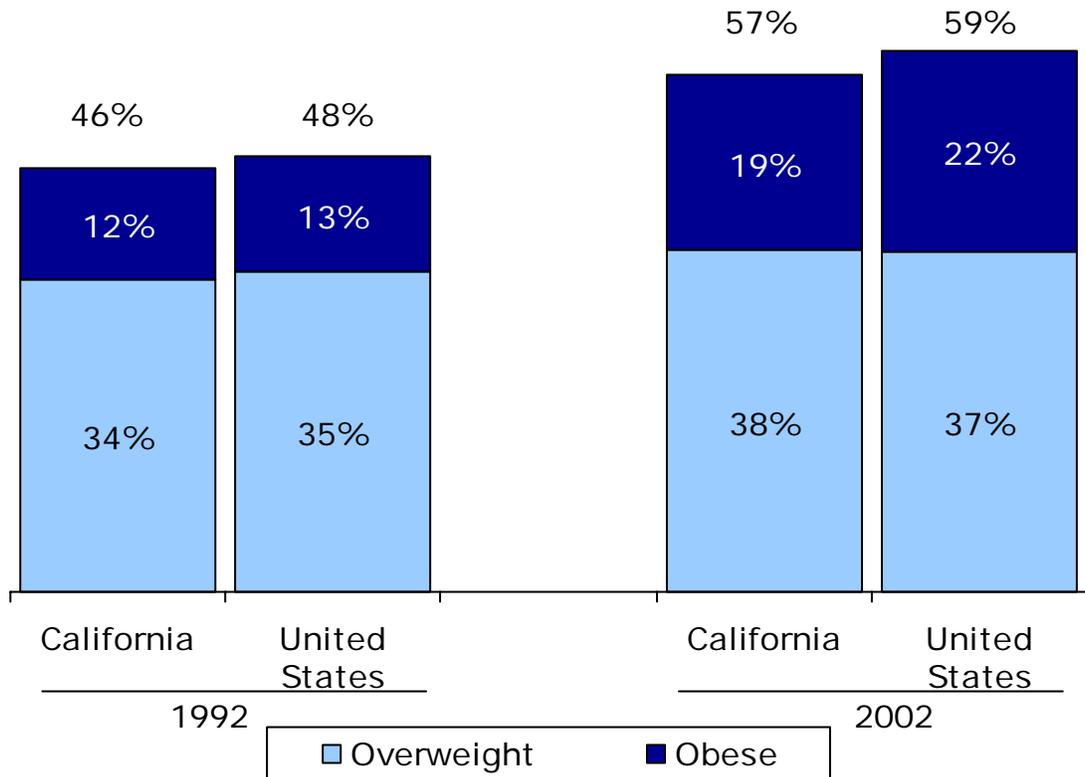
Overweight/Obesity and Exercise

In 2002, more than half of the population in both California and the U.S. were either overweight or obese. Rates of overweight and obesity in the adult population increased in both California and United States between 1992 and 2002, from approximately 46% to 59%. Rates of being overweight increased slightly in both California and the United States, while rates of obesity rose by more than one-half in California (from 12% to 19%) and the nation as a whole (from 13% to 22%). (Exhibit 2.9a)

In 2000, more than three-quarters of the adult populations in both California and the United States lacked regular and sustained physical activity, which may put them at risk for health problems. Hispanics had the highest rates of physical inactivity in California, while Blacks had the highest rates in the United States as a whole. (Exhibit 2.9b)

Exhibit 2.9a

Percentage of Adults Who Are Overweight or Obese, California and the United States, 1992 and 2002

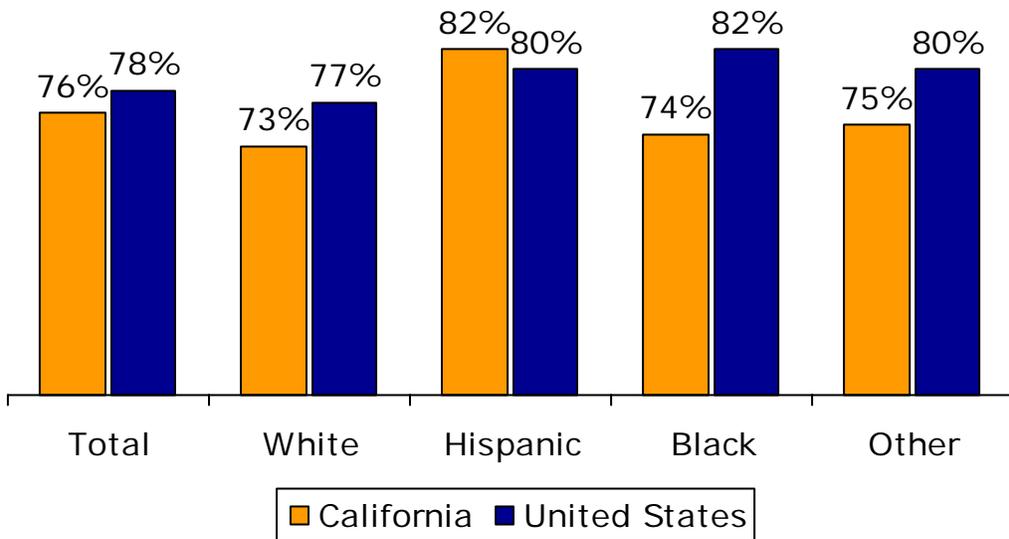


Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older. Obesity is classified as Body Mass Index (BMI) greater than or equal to 30; overweight is classified as BMI between 25 and 29.9. $BMI = \text{weight} / (\text{height squared})$, where weight is in kilograms and height is in meters. The percentages for overweight and obese may not add to the totals due to rounding.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, Trend Data 1990-2002, <http://apps.nccd.cdc.gov/brfss/Trends/TrendData.asp>.

Exhibit 2.9b

Percentage of Adults Lacking Regular and Sustained Physical Activity, by Race/Ethnicity, California and the United States, 2000



Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older. Regular and sustained physical activity is defined as participating in physical activity for at least 30 minutes, five or more times per week. White, Black, and Other categories do not include Hispanics.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, 2000, <http://apps.nccd.cdc.gov/brfss/index.asp>.

Exhibit 2.10

Preventive Care, Infants and Children

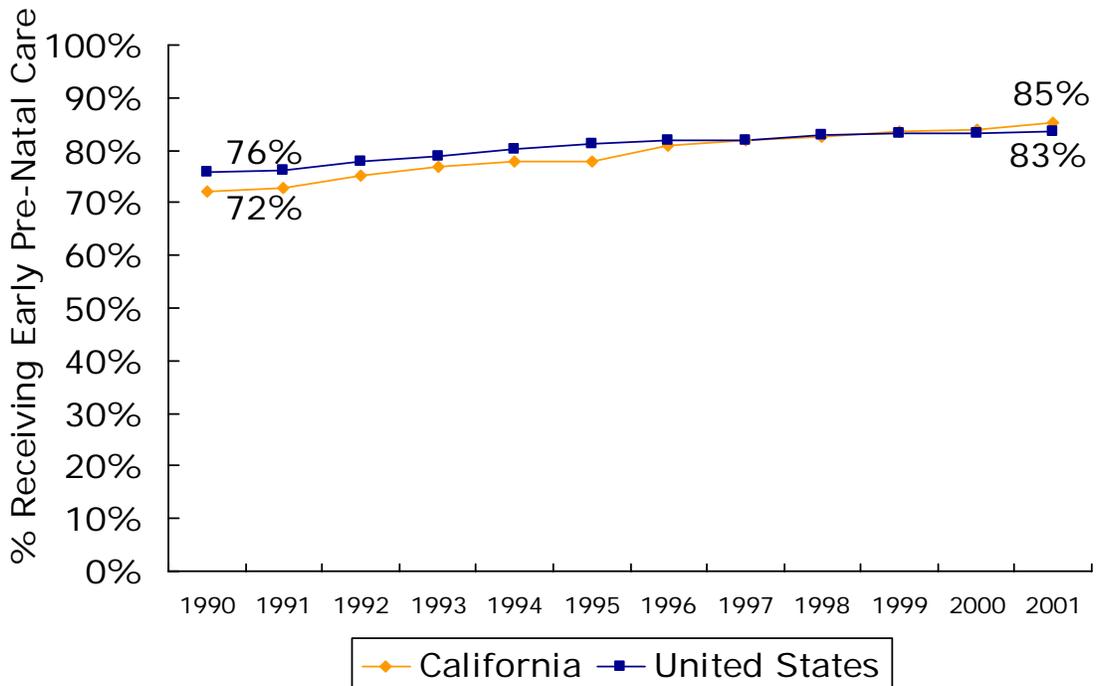
Prenatal care and immunizations are key preventive services for infants and children. One indicator of the level of preventive care for infants is early prenatal care received by pregnant women. In both California and the United States, the percent of live births for which the mother received early prenatal care (care in the first trimester) rose between 1990 and 2001. In California, the rates grew from 72% to 85%, while the rates across the United States grew from 76% to 83%. (Exhibit 2.10a)

Early and timely prenatal care is associated with a decreased incidence of low birthweight babies. The rate of births of low birthweight babies increased slightly from 1990 to 2001 in both California (from 5.8% to 6.3%) and the United States (from 7.0% to 7.7%). The rate of low birthweight has consistently been lower in California compared to the nation as a whole. (Exhibit 2.10b)

The percentage of children between 19 and 35 months old who had up-to-date immunizations increased between 1995 and 2002 in both California and the United States, from 58% to 73% in California, and from 55% to 75% in the United States. (Exhibit 2.10c)

Exhibit 2.10a

Percent of Live Births Where Mothers Received Early Prenatal Care, California and the United States, 1990-2001

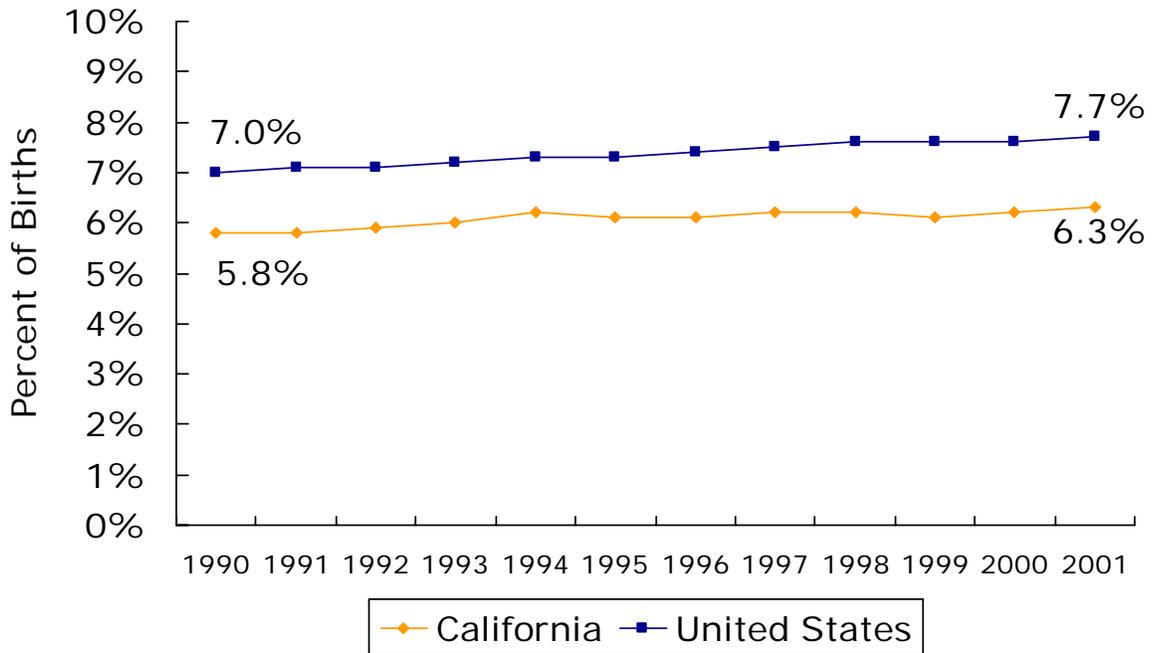


Notes: Early prenatal care is defined as pregnancy-related care beginning in the first trimester of pregnancy.

Source: The March of Dimes, PeriStats, <http://peristats.modimes.org/>.

Exhibit 2.10b

Births of Low Birthweight Babies, California and the United States, 1990-2001

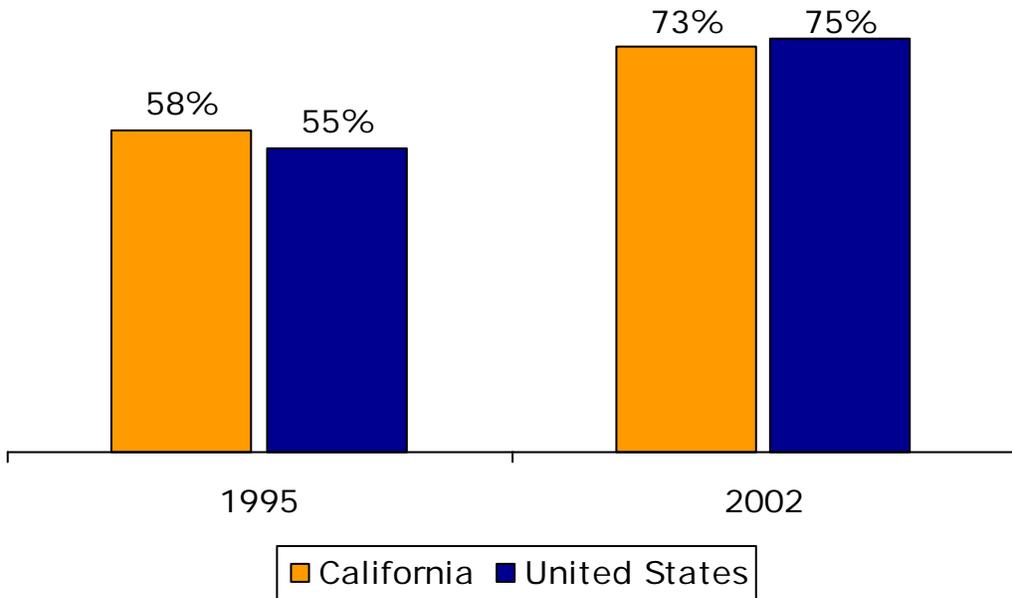


Notes: Low birthweight is defined as under 2,500 grams (5 lbs. 8 oz).

Source: The March of Dimes, PeriStats, <http://peristats.modimes.org/>.

Exhibit 2.10c

Percent of Children, Ages 19-35 Months, Who Have Up-to-Date Immunizations, California and the United States, 1995 and 2002



Notes: Up-to-date immunizations are defined as 4 or more doses of diphtheria, tetanus, and pertussis vaccine; 3 or more doses of poliovirus vaccine; 1 or more doses of any measles containing vaccine; 3 or more doses of haemophilus influenza type B vaccine; and 3 or more doses of hepatitis B vaccine.

Source: Centers for Disease Control and Prevention, *National Immunization Survey*, www.cdc.gov/nip/coverage/#NIS.

Exhibit 2.11

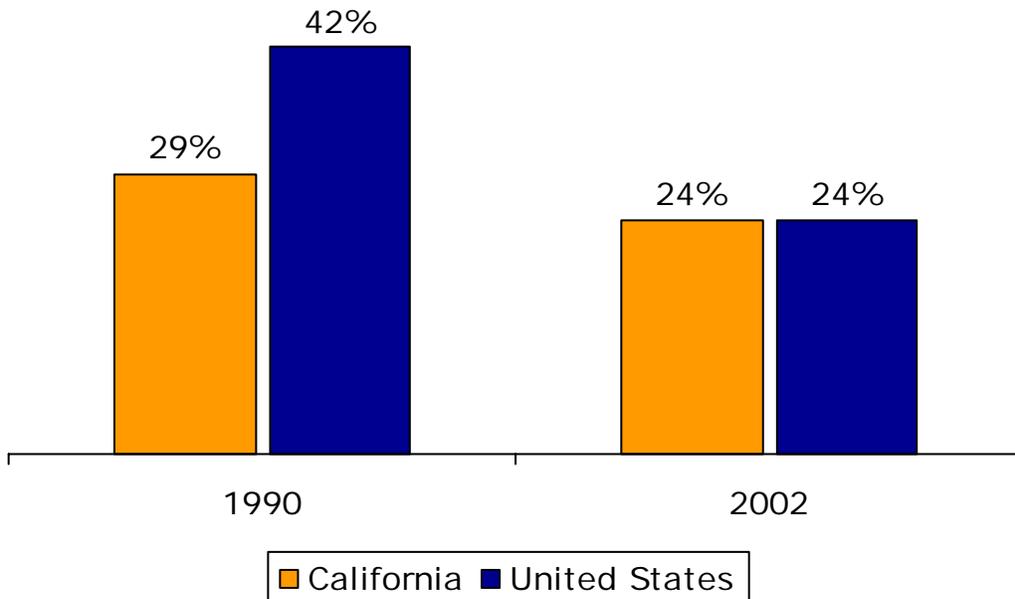
Preventive Care, Women

Mammograms and Pap smears are critical preventive services for women. The rates of women aged 40 and older who have not had mammograms in the past two years declined in both California and the United States from 1990 to 2002. Although, a decade ago, women ages 40 and older in California were much more likely to have preventive care for breast cancer compared to women nationwide, this gap had disappeared by 2002, with women in California and the United States reporting the same rate of not having a mammogram in the past two years (24%). (Exhibit 2.11a)

The percentage of women 18 and older who reported not having had a Pap smear within the last three years fluctuated from 1992 to 2002 in California while declining slightly in the United States. The share of women who did not receive Pap smears remained the same in California (16%) in 1992 as in 2002, compared to a decline in the United States from 16% to 14%. (Exhibit 2.11b)

Exhibit 2.11a

Percentage of Women 40 and Older Who Have Not Had a Mammogram in the Last Two Years, California and the United States, 1990 and 2002

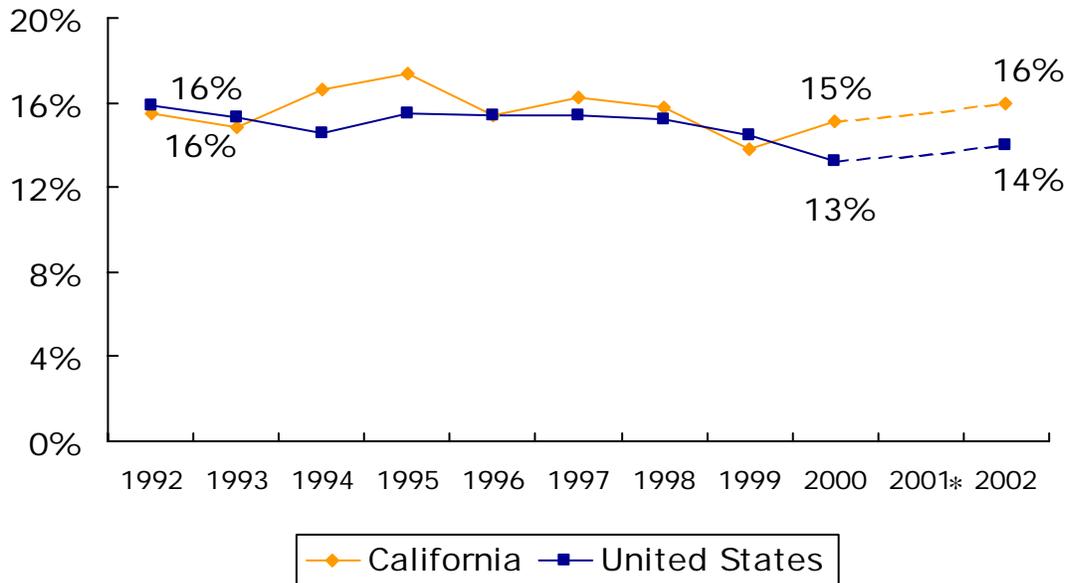


Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, Trend Data 1990-2002, <http://apps.nccd.cdc.gov/brfss/Trends/TrendData.asp>.

Exhibit 2.11b

Percentage of Adult Women Who Have Not Had a Pap Smear Within the Last Three Years, California and the United States, 1992-2002



Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. This question was asked of females with a uterine cervix, ages 18 and older. *No data available for 2001.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, Trend Data 1992-2002, <http://apps.nccd.cdc.gov/brfss/Trends/TrendData.asp>.

Exhibit 2.12

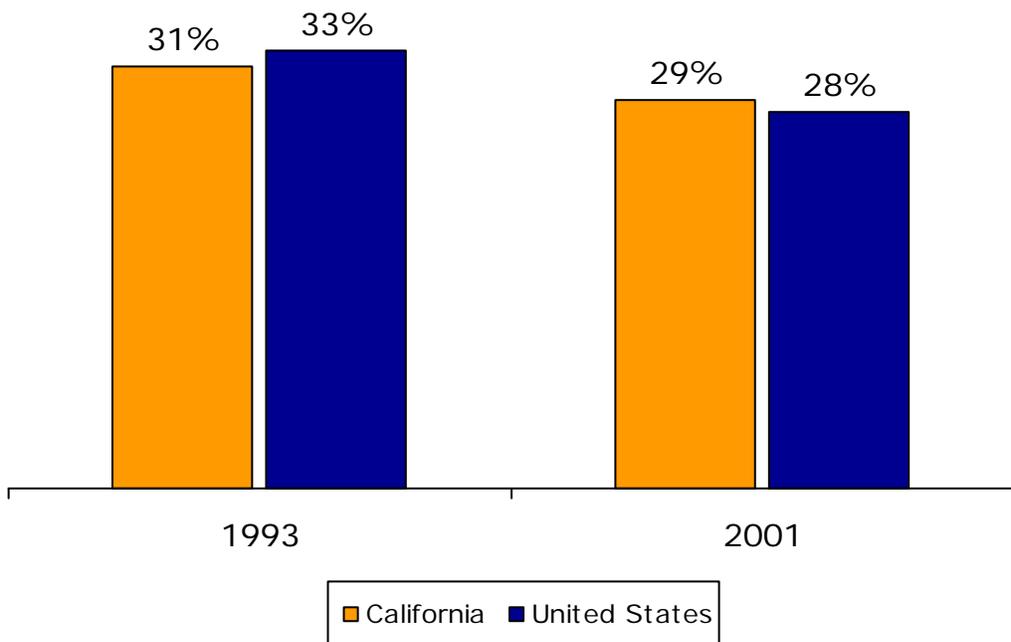
Preventive Care, Adults

In 1993, one third of adults in the U.S. had not had their cholesterol checked over the past five years, while the rate in California was slightly lower at 31%. There was a small increase in cholesterol screening among Californians in 2001, bringing the rate to 29%, and a more substantial increase across the United States as a whole, bringing the national rate to 28%. (Exhibit 2.12a)

In 2001, fewer than half of adults age 50 and older in California (42%) and the United States (41%) reported having a sigmoidoscopy or colonoscopy exam (screening services for colon cancer) in the last 10 years. These rates were similar for men and women both in California and the United States. (Exhibit 2.12b)

Exhibit 2.12a

Percentage of Adults Who Have Not Had Their Cholesterol Checked in the Past Five Years, California and the United States, 1993 and 2001

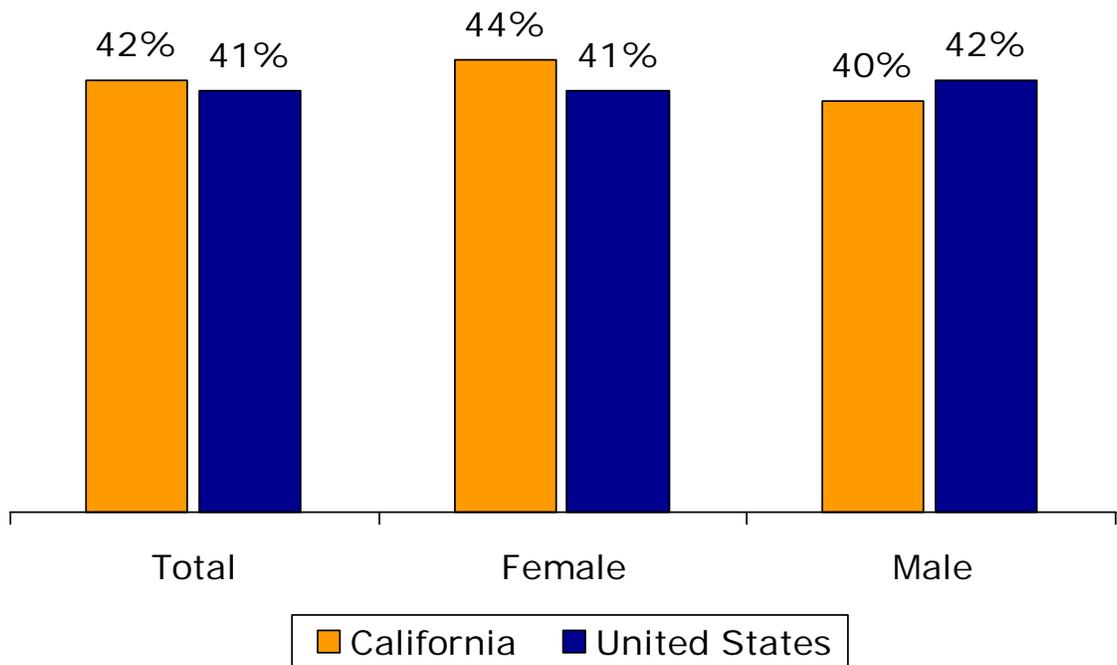


Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, Trend Data 1993-2001, <http://apps.nccd.cdc.gov/brfss/Trends/TrendData.asp>.

Exhibit 2.12b

Percentage of Adults Ages 50 and Older Who Have Had a Sigmoidoscopy or Colonoscopy Exam in the Past 10 Years, California and the United States, 2001



Notes: Percentages are weighted to reflect population characteristics.

Source: UC Berkeley analysis of the 2001 *Behavioral Risk Factor Surveillance System* survey data, Centers for Disease Control and Prevention, www.cdc.gov/brfss/ti-surveydata2001.htm.

Exhibit 2.13

Health Care Access and Use

Adult Californians who were most likely to use a doctor's office or HMO as their usual source of care were those with job-based health insurance (82%) or privately purchased insurance (77%). Only 26% of the uninsured, 54% of those enrolled in Medi-Cal or Healthy Families, and 29% of those with other public coverage reported using a doctor's office or HMO as their usual source of care. Uninsured adults were the most likely to report that they had no usual source of care (46%). (Exhibit 2.13a)

Rates for a usual source of care were similar among children. Children covered by job-based health insurance (85%) or privately purchased health insurance (81%) had the highest rates of using a doctor's office or HMO as their usual source of care. Children with public forms of health insurance, like Medi-Cal and Healthy Families (55%), were more likely to utilize a doctor's office or HMO as their usual source of care, compared to uninsured children (31%) or those with other forms of public coverage (33%). Uninsured children were most likely to use a clinic or community-based hospital (40%), as well as being the most likely to report no usual source of care (26%). (Exhibit 2.13b)

The percentage of adults reporting that they did not visit a doctor in the past year because of the cost was slightly higher in California in 1995 compared to the United States as a whole (14% vs. 11%). The California rate remained higher in 2000 when 13% of Californians and 10% of Americans reported that they had not visited a doctor in the past year because of cost. (Exhibit 2.13c)

Exhibit 2.13a

Usual Source of Care by Insurance Type, Ages 18-64, California, 2001

	Doctor's Office/HMO	Clinic/ Community- Based Hospital	Emergency Room	No Usual Source of Care	Total
Uninsured	26%	25%	3%	46%	100%
Medi-Cal/ Healthy Families	54%	28%	3%	15%	100%
Job-Based Insurance	82%	8%	1%	9%	100%
Privately Purchased Insurance	77%	9%	1%	14%	100%
Other Public Coverage	29%	58%	3%	10%	100%

Notes: Categories may not total to 100% due to rounding.

Source: E.R. Brown, N. Ponce, T. Rice, and S.A. Lavarreda, *The State of Health Insurance in California: Findings from the 2001 California Health Interview Survey*, Exhibit 29 (Los Angeles, CA: UCLA Center for Health Policy Research, 2002), www.healthpolicy.ucla.edu.

Exhibit 2.13b

Usual Source of Care by Insurance Type, Ages 0-17, California, 2001

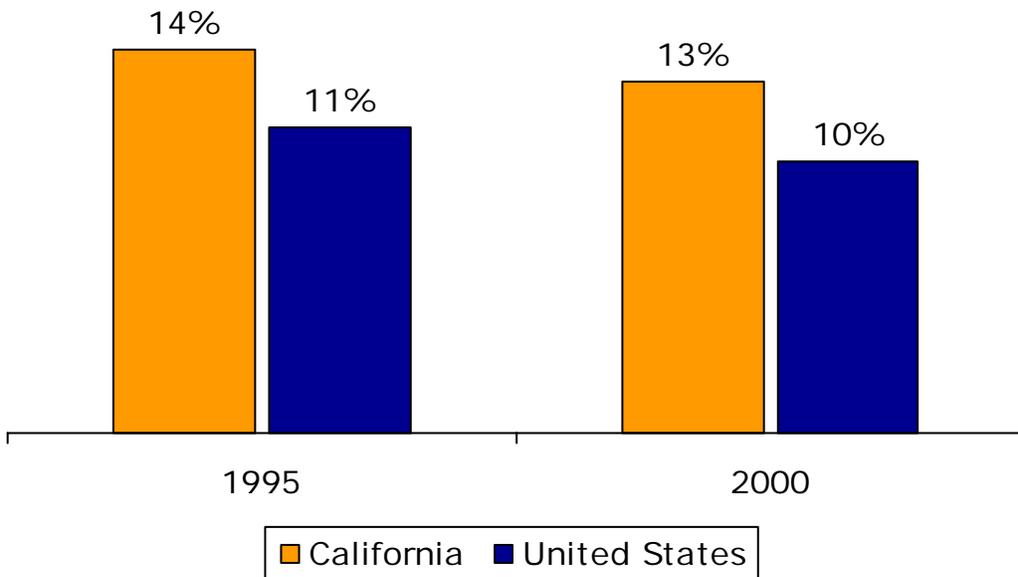
	Doctor's Office/HMO	Clinic/ Community- Based Hospital	Emergency Room	Other	No Usual Source of Care	Total
Uninsured	31%	40%	1%	1%	26%	100%
Medi-Cal/ Healthy Families	55%	38%	1%	<1%	6%	100%
Job-Based Insurance	85%	10%	<1%	<1%	4%	100%
Privately Purchased Insurance	81%	11%	<1%	1%	7%	100%
Other Public Coverage	33%	48%	<1%	2%	17%	100%

Notes: Categories may not total to 100% due to rounding.

Source: E.R. Brown, N. Ponce, T. Rice, and S.A. Lavarreda, *The State of Health Insurance in California: Findings from the 2001 California Health Interview Survey*, Exhibit 31 (Los Angeles, CA: UCLA Center for Health Policy Research, 2002), www.healthpolicy.ucla.edu .

Exhibit 2.13c

Percentage of Adults Who Did Not Visit a Doctor at Least Once in the Past Year Because of the Cost, California and the United States, 1995 and 2000



Notes: Percentages are weighted to reflect population characteristics. U.S. total represents the median of states' averages. Adults are defined as persons ages 18 and older.

Source: Centers for Disease Control and Prevention, *Behavioral Risk Factor Surveillance System*, 1995-2000, <http://apps.nccd.cdc.gov/brfss/index.asp>.

Detailed Notes and Sources for Section 2

Exhibit 2.2b

Monthly Vital Statistics Reports (1990-1995 data),
www.cdc.gov/nchs/about/major/dvs/mortdata.htm.

1990 CA Data

National Center for Health Statistics, "Births, Marriages, Divorces, and Deaths for 1991," *Monthly Vital Statistics Report* 40, No.12 (Hyattsville, Maryland: Public Health Service, April 1992), Table 4, p.10.

1991 CA Data

National Center for Health Statistics, "Births, Marriages, Divorces, and Deaths for 1992," *Monthly Vital Statistics Report* 41, No 13 (Hyattsville, Maryland: Public Health Service, May 1993), Table 4, p.14.

1990-1991 US, 1992 CA Data

National Center for Health Statistics, "Annual Summary of Births, Marriages, Divorces, and Deaths United States, 1993," *Monthly Vital Statistics Report* 42, No.13 (Hyattsville, Maryland: Public Health Service, Oct 1994), Table 3, p.13 (CA Data), Table A, p.2 (US Data).

1993 CA and US, 1992 US Data

National Center for Health Statistics, "Births, Marriages, Divorces, and Deaths for 1994," *Monthly Vital Statistics Report* 43, No.12 (Hyattsville, Maryland: Public Health Service, June 1995), Table 4, p.13 (CA Data), p.1 (US Data).

1994 Data

National Center for Health Statistics, "Births, Marriages, Divorces, and Deaths for 1995," *Monthly Vital Statistics Report* 44, No.12 (Hyattsville, Maryland: Public Health Service, July 1996), Table 4, p.9 (CA Data), p.1 (US Data).

1995 Data

National Center for Health Statistics, "Births, Marriages, Divorces, and Deaths for 1996," *Monthly Vital Statistics Report* 42, No.13 (Hyattsville, Maryland: Public Health Service, July 1997), Table 4, p.9 (CA Data), p.1 (US Data).

Exhibit 2.2b (Continued)

Centers for Disease Control and Prevention, National Vital Statistics Reports (1996-2000 data),

www.cdc.gov/nchs/about/major/dvs/mortdata.htm

1996 Data

K.D. Peters, K.D. Kochanek, and S.L. Murphy, "Deaths: Final Data for 1996," *National Vital Statistics Reports* 47, No.9 (Hyattsville, Maryland: National Center for Health Statistics, 1998), Table 31, p.87.

1997 Data

D.L. Hoyert, K.D. Kochanek, and S.L. Murphy, "Deaths: Final Data for 1997," *National Vital Statistics Reports* 47, No.19 (Hyattsville, Maryland: National Center for Health Statistics, June 1999), Table 31, p.93.

1998 Data

S.L. Murphy, "Deaths: Final Data for 1998," *National Vital Statistics Reports* 48, No. 11 (Hyattsville, Maryland: National Center for Health Statistics, July 2000), Table 31, p.94.

1999 Data

D.L. Hoyert, E. Arias, B.L. Smith, S.L. Murphy, and K.D.Kochanek, "Deaths: Final Data for 1999," *National Vital Statistics Reports* 49, No.8 (Hyattsville, Maryland: National Center for Health Statistics, Sept 2001), Table 29, p.88.

2000 Data

A.M. Minino, E. Arias, K.D. Kochanek, S.L. Murphy, and B.L. Smith, "Deaths: Final data for 2000," *National Vital Statistics Reports* 50, No.15 (Hyattsville, Maryland: National Center for Health Statistics, Sept 2002), Table 36, p.105.

2001 Data

E. Arias, R.N. Anderson, H-C. Kung, S.L. Murphy, K.D. Kochanek, "Deaths: Final Data for 2001," *National Vital Statistics Reports* 52, No.3 (Hyattsville, Maryland: National Center for Health Statistics, Sept 2003), Table 33, p.97.

Exhibit 2.7a

1994 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 1995," *HIV/AIDS Surveillance Report*, No.2, 1995, Table 1.

1995 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 1996," *HIV/AIDS Surveillance Report*, No.2, 1996, Table 1.

1996 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 1997," *HIV/AIDS Surveillance Report*, 1997, Table 1.

1997 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 1998," *HIV/AIDS Surveillance Report*, 1998, Table 2.

1998 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 1999," *HIV/AIDS Surveillance Report*, 1999, Table 2.

1999 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 2000," *HIV/AIDS Surveillance Report*, 2000, Table 2.

2000, 2001 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 2001," *HIV/AIDS Surveillance Report*, 2001, Table 2.

2002 Data

Centers for Disease Control and Prevention, "U.S. HIV and AIDS cases reported through December 2002," *HIV/AIDS Surveillance Report*, 2001, Table 14.

SECTION 3

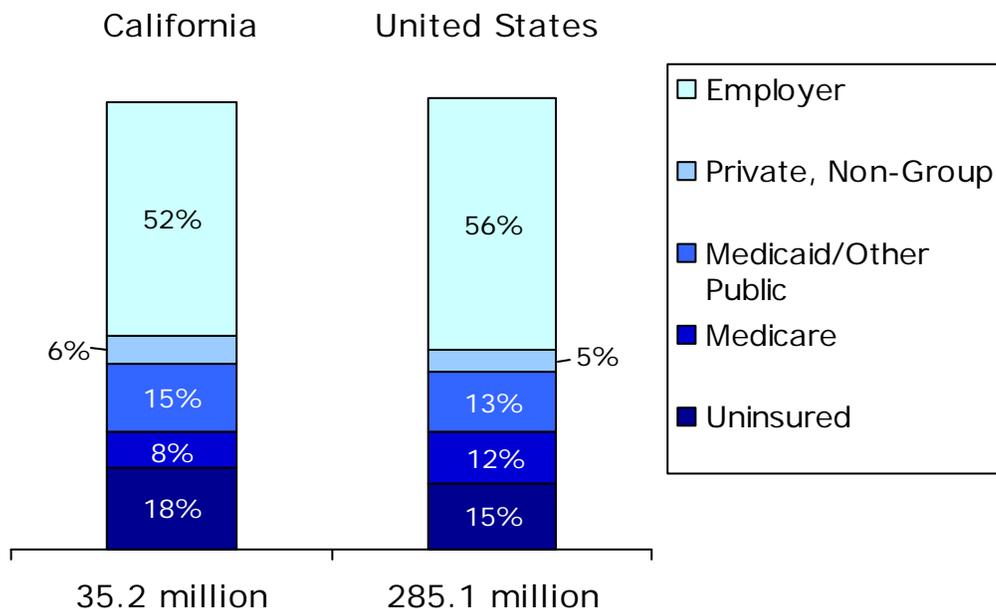
Health Insurance Coverage

This section provides an overview of health insurance coverage in California and the United States, with particular attention given to the health insurance status of the non-elderly. The insurance status of low-income persons and the uninsured is addressed by characteristics such as gender, poverty status, race/ethnicity, and citizenship status. This section also includes data on uninsured workers.

Exhibit 3.1

Distribution of the Total Population by Health Insurance Status, California and the United States, 2002

California had a higher share of uninsured residents compared to the United States overall (18% vs. 15%) in 2002. Among others, a contributing factor was California's higher immigrant population compared to the United States (26.5% vs. 11.5%, Exhibit 1.6); compared to the rest of the population, immigrants are less likely to have health insurance coverage (Exhibit 3.3). California also had lower rates of employer-based health insurance coverage compared to the United States (52% vs. 56%). Among residents receiving coverage under public programs, California had a higher proportion of its population enrolled in Medicaid and other public programs compared to the United States (15% vs. 13%), and a lower proportion of its population enrolled in the Medicare program (8% vs. 12%).



Notes: May not total to 100% due to rounding. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.2

Distribution of Population Groups by Health Insurance Status

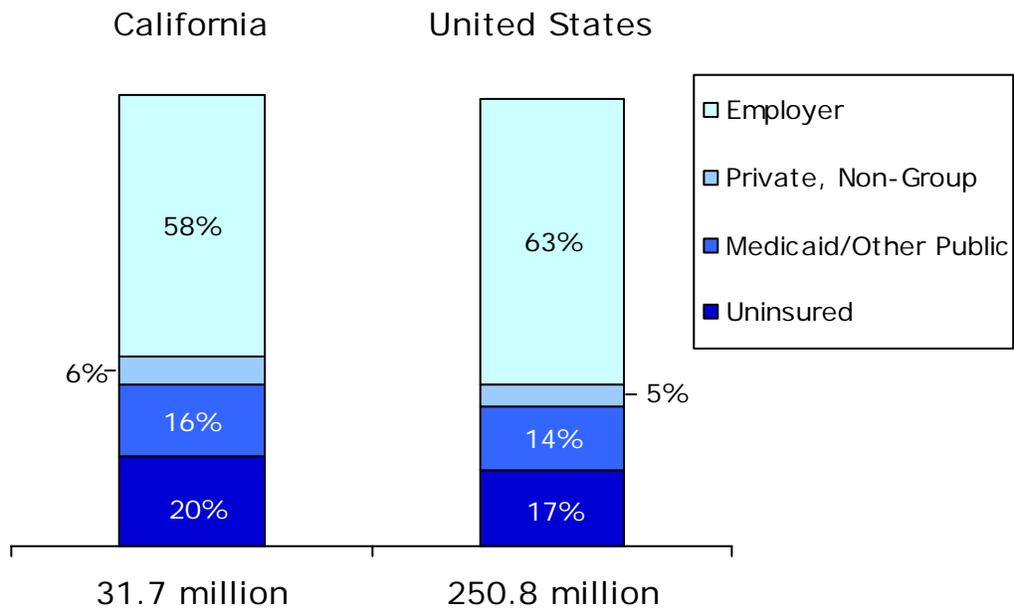
Among the non-elderly population (ages 0-64), California had a higher rate of uninsured persons than the United States as a whole (20% vs. 17%) and a lower rate of employer-based health insurance compared to the United States (58% vs. 63%) in 2002. California and the United States had the same proportion of the population enrolled in both private, non-group health insurance plans (6% vs. 5%), and a similar proportion in Medicaid and other public programs (16% vs. 14%). (Exhibit 3.2a)

Health insurance coverage was similarly distributed among the non-elderly adult population (ages 19-64). Again, California had a higher rate of uninsured (23% vs. 20%) and a lower rate of employer-based insurance coverage (60% vs. 65%) compared to the United States as a whole. In both California and the United States, the same share of the population was enrolled in private, non-group health insurance plans (7% vs. 6%), and Medicaid and other public programs (10% vs. 9%). (Exhibit 3.2b)

Among children (up to age 18), California had a slightly higher proportion of uninsured (14% vs. 12%) and a lower proportion of children covered by employer-sponsored health insurance (53% vs. 59%). California also had a slightly higher proportion of children enrolled in Medicaid and other public programs compared to the United States (28% vs. 25%). In both California and the United States, children were much more likely to be covered by Medicaid and other public forms of health insurance than non-elderly adults. (Exhibit 3.2c)

Exhibit 3.2a

Distribution of the Non-Elderly (Ages 0-64) by Health Insurance Status, California and the United States, 2002

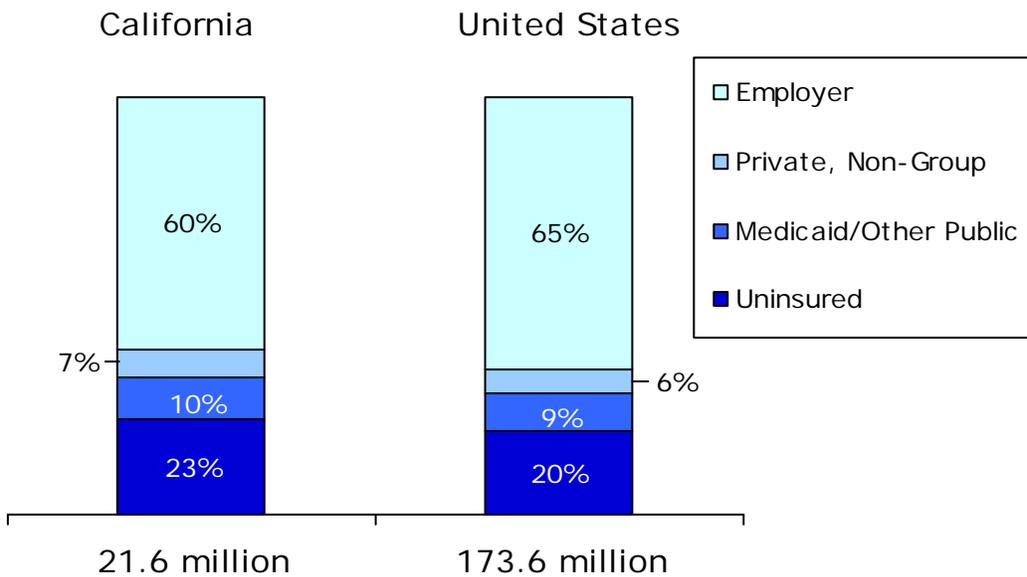


Notes: May not total to 100% due to rounding. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.2b

Distribution of Non-Elderly Adults (Ages 19-64) by Health Insurance Status, California and the United States, 2002

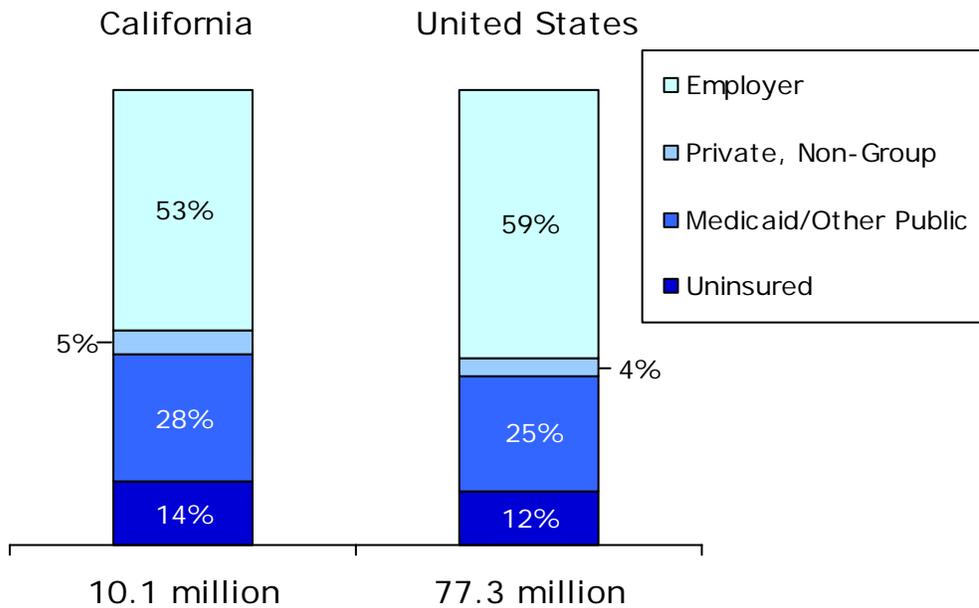


Notes: See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.2c

Distribution of Children (Ages 18 and Under) by Health Insurance Status, California and the United States, 2002



Notes: The State Children's Health Insurance Program (known as Healthy Families in California) is included in Medicaid. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.3

Health Insurance Coverage of the Non-Elderly (Ages 0-64) by Selected Characteristics, California and the United States, 2002

	Non-Elderly (millions)		Percent Distribution by Coverage Type					
			Private		Public		Uninsured	
	CA	US	CA	US	CA	US	CA	US
Total- Non-Elderly	31.7	250.8	64.0%	68.6%	15.9%	14.1%	20.0%	17.3%
Annual Family Income								
<\$20,000	8.3	61.3	26.1%	28.9%	33.6%	34.8%	40.2 %	36.3%
\$20,000 - \$39,999	7.4	56.5	55.7%	62.5%	19.4%	15.6%	24.9%	21.9%
\$40,000+	16.0	133.0	87.7%	89.5%	5.1 %	4.0%	7.3%	6.5%
Family Poverty Level								
<100%	6.0	42.2	20.9%	21.9%	39.3%	41.4%	39.8%	36.7%
100-199%	6.1	43.5	42.4%	47.9%	26.2%	23.8%	31.3%	28.3%
200%+	19.7	165.2	83.8%	86.0%	5.7 %	4.6%	10.6%	9.4%
Family Work Status								
2 Full-time	8.1	71.2	81.3%	87.0%	8.0%	4.7%	10.7%	8.3%
1 Full-time	17.8	135.4	67.2%	71.0%	12.7%	11.2%	20.1%	17.8%
Only Part-time	2.1	17.1	44.6%	43.9%	21.8%	25.4%	33.6%	30.8%
Non-Workers	3.7	27.1	22.8%	23.8%	45.0%	46.6%	32.2%	29.6%
Race/Ethnicity								
White (non-Hispanic)	14.2	165.8	77.9%	77.4%	9.9%	10.1%	12.2%	12.5%
Black (non-Hispanic)	2.0	31.6	57.9%	52.1%	25.6%	26.3%	16.5%	21.6%
Hispanic	11.2	37.2	46.1%	44.5%	22.7%	21.4%	31.2%	34.1%
Asian/Pacific Islander	3.7	11.0	69.1%	69.4%	11.6%	10.6%	19.3%	20.0%
Citizenship								
U.S. citizen-native	23.4	221.1	68.7%	70.7%	16.8%	14.7%	14.5%	14.6%
U.S. citizen-naturalized	3.0	10.3	68.1%	68.9%	10.4%	9.4%	21.5%	21.7%
Non-U.S. citizen, resident for < 5 years	1.4	7.2	31.6%	37.9%	16.4%	10.9%	52.1%	51.3%
Non-U.S. citizen, resident for 5+ years	3.9	12.3	44.9%	47.5%	14.7%	10.6%	40.4%	41.9%

Notes: May not total 100% due to rounding. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.4

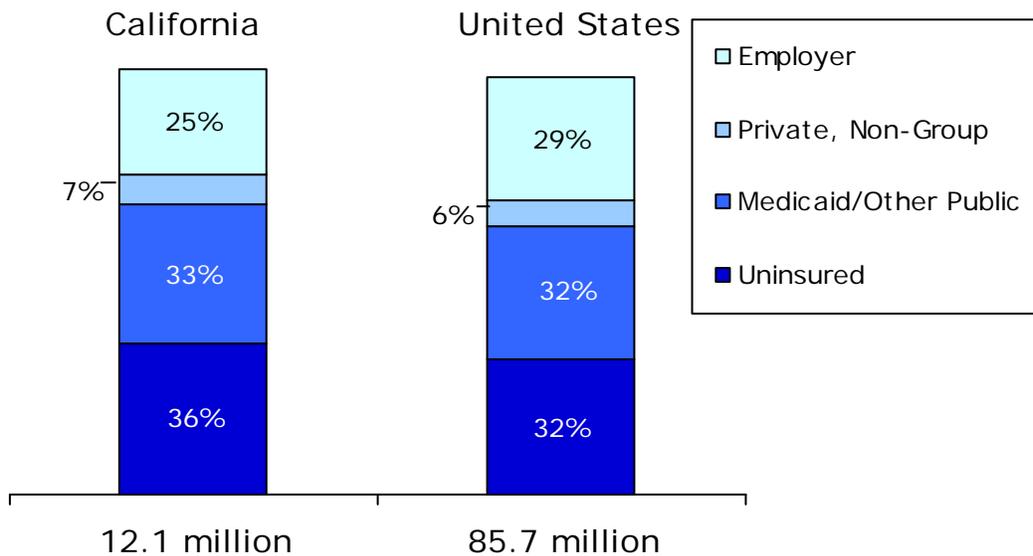
Health Insurance Coverage of Low-Income Individuals

Low-income non-elderly persons (with family incomes below 200% of the federal poverty threshold) were more than one and a half times more likely to be uninsured compared to the non-elderly population as a whole in 2002; approximately one-third of the low-income non-elderly persons in both California and the United States were uninsured (36% and 32%, respectively). The low-income non-elderly in California and the United States were more than twice as likely to be covered by Medicaid or other public programs as the non-elderly as a whole. Only 25% of low-income non-elderly Californians and 29% of the low-income non-elderly population in the United States received health insurance coverage through an employer, less than half the rate of employer-sponsored health insurance coverage among the total non-elderly population. (Exhibit 3.4a and 3.2b)

Health insurance coverage varied considerably between low-income children and adults in California and the United States. Poor and near-poor children in California and the United States were much more likely to receive Medicaid and less likely to be uninsured compared to adult women or men. Poor and near-poor men in California and the United States were the least likely to be enrolled in Medicaid, and the most likely to be uninsured. (Exhibit 3.4b)

Exhibit 3.4a

Distribution of the Low-Income Non-Elderly by Health Insurance Status, California and the United States, 2002

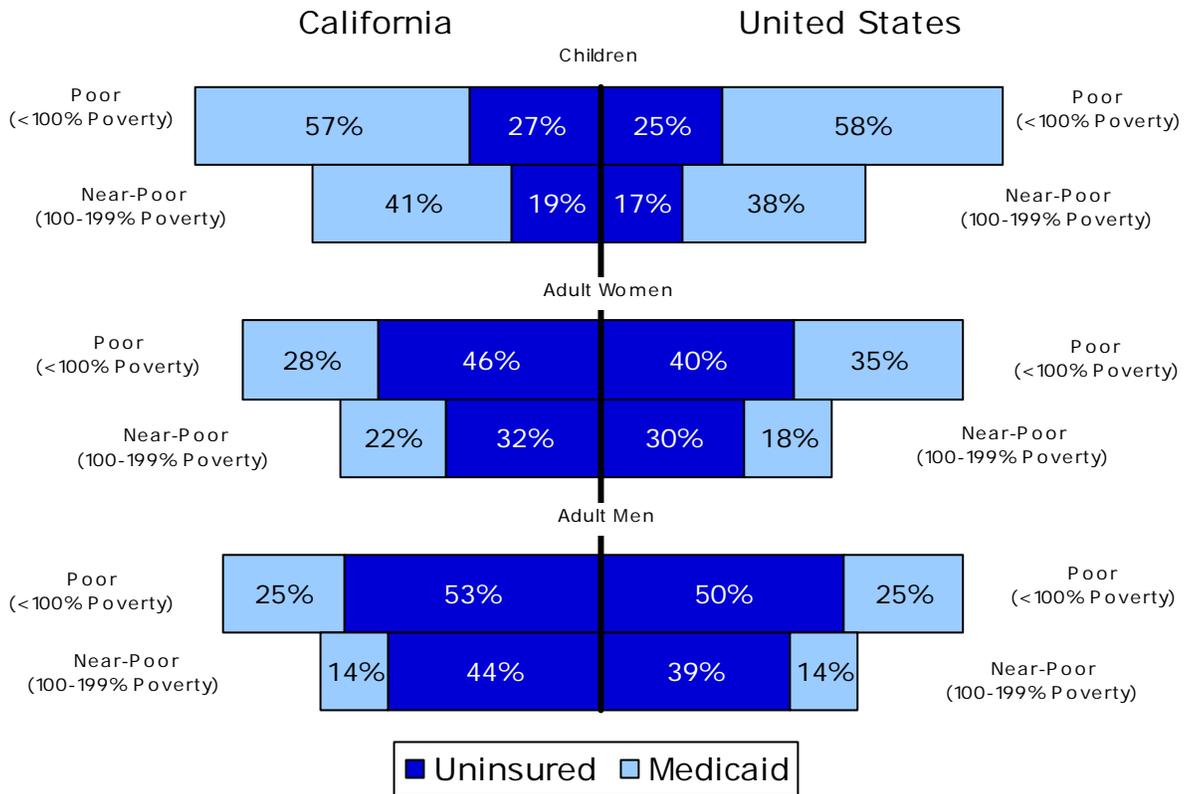


Notes: The non-elderly population includes all individuals under age 65. Low-income is defined as below 200% of the federal poverty threshold (\$18,366 for an individual and \$28,696 for a family of three in 2002). See Detailed Notes and Sources at the end of Section 3 for additional notes.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.4b

Health Insurance Coverage of Low-Income Children and Non-Elderly Adults, California and the United States, 2002



Notes: Children are ages 18 and under. Non-elderly adults are individuals ages 19-64. Poverty is defined as annual income less than the federal poverty threshold, which in 2002 was \$9,183 for an individual and \$14,348 for a family of three. See Detailed Notes and Sources at the end of Section 3.

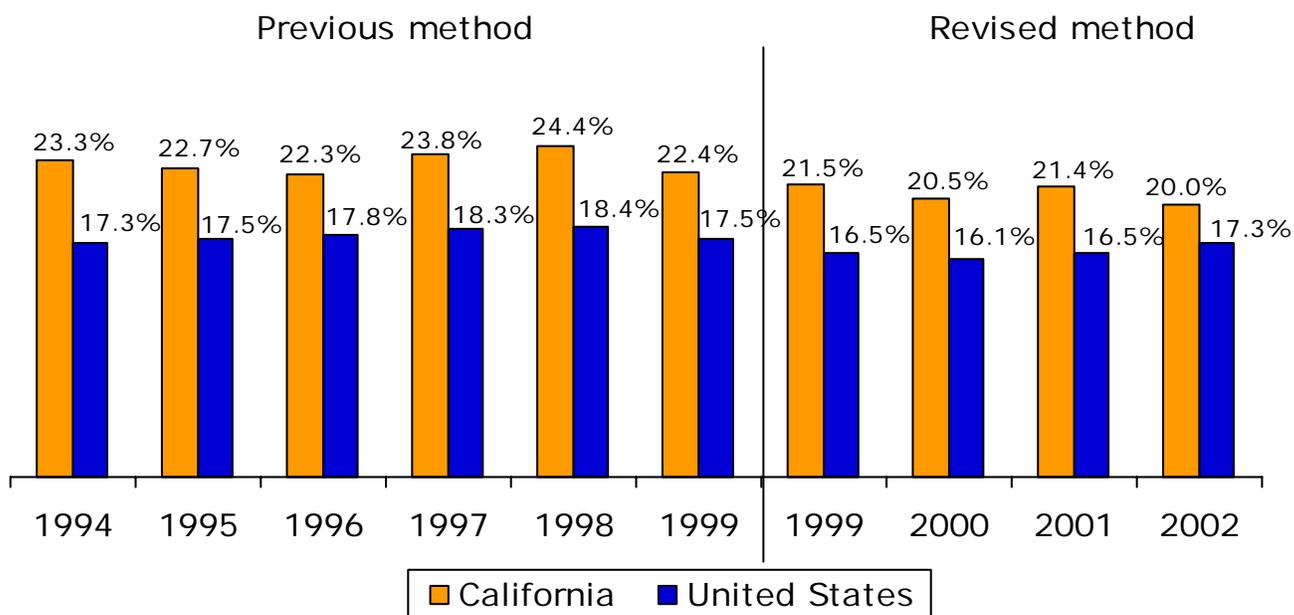
Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.5

Non-Elderly Uninsured, California and the United States, 1994-2002

From 1994 to 2002, California has consistently had higher rates of uninsured non-elderly persons compared to the United States overall. In 1998, 24.4% of Californians and 18.4% of all Americans reported that they lacked any source of coverage. Most recently, in 2002, 20.0% of Californians (6.4 million) and 17.3% of the United States nonelderly population (43.3 million) were uninsured.

Uninsured Rates (Ages 0-64)



	Number of Non-Elderly Uninsured (Ages 0-64), in millions									
	1994	1995	1996	1997	1998	1999	(rev.) 1999	2000	2001	2002
CA	6.6	6.5	6.5	7.0	7.3	6.8	6.5	6.3	6.7	6.4
US	39.8	40.6	41.7	43.1	43.9	42.1	40.0	39.6	40.9	43.3

Notes: The revised method rates estimated for 1999 are comparable to later years, except they are based on a smaller sample. See Detailed Notes and Sources at the end of Section 3 for information about multi-year comparisons.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.6

Characteristics of Non-Elderly Uninsured

Non-elderly adult men (ages 19-64) were more likely to be uninsured than non-elderly adult women or children in 2002. In California, 25% of adult men were uninsured, compared to 20% of adult women and 14% of children. Similarly, in the United States, 22% of adult men were uninsured compared to 18% of adult women and 12% of children. A higher percentage of adult men, adult women, and children in California were uninsured compared to their counterparts in the United States overall. (Exhibit 3.6a)

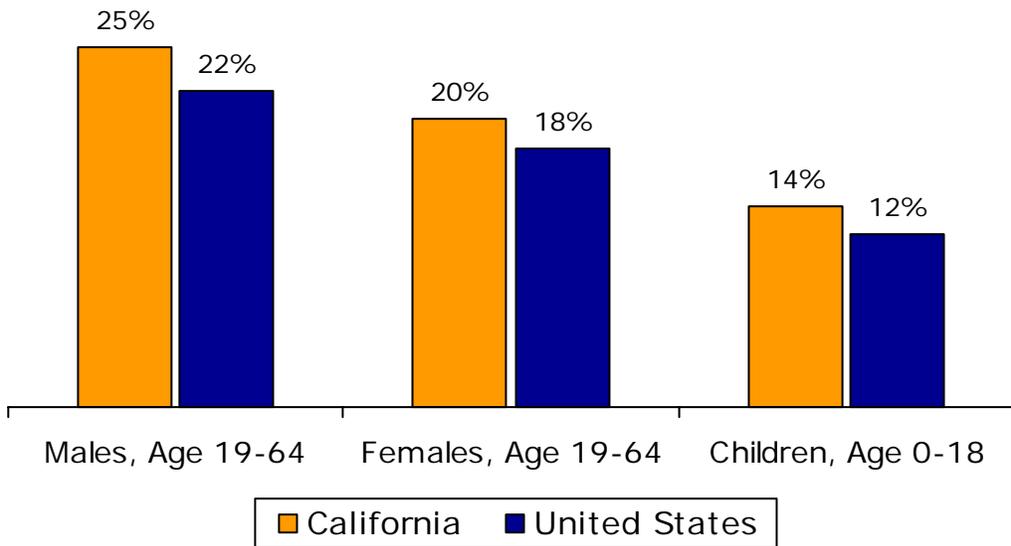
In both California and the United States, individuals with lower incomes were more likely to be uninsured. For example, 40% of Californians with incomes below the poverty threshold were uninsured, compared to 31% of those with incomes between 100-199% of poverty, 21% of those with incomes between 200-299% of poverty, and 7% of those with incomes 300% or more of the poverty threshold. Within all but the highest income category, California had a greater proportion of uninsured compared to the United States overall. (Exhibit 3.6b)

Rates of the uninsured varied greatly by racial and ethnic groups. Non-Hispanic Whites had the lowest proportion of uninsured (12% in California and the United States), while Hispanics were the most likely to lack coverage (31% in California and 34% across the United States). The high uninsured rates among California's large Hispanic population (35% of California's population was Hispanic vs. 13% of the total U.S. population, Exhibit 1.4) contributes to the state's higher uninsured rate compared to the United States overall. (Exhibit 3.6c)

Disparities in health insurance coverage also exist across citizenship status, both in California and in the United States. In California, native U.S. citizens were about one-third as likely to be uninsured as non-citizen residents (15% compared to 51% of non-citizens who were residents for less than 5 years). Rates in the United States were similar, with native citizens reporting the lowest rates of uninsured (15%) and non-citizens who had been residents for less than 5 years reporting the highest rates of uninsured (52%). The large immigrant share of the population in California (27% vs. 12% in the U.S., Exhibit 1.6) contributed to the higher uninsured rate in California compared to the United States. (Exhibit 3.6d)

Exhibit 3.6a

Non-Elderly Uninsured Rates by Age and Gender, California and the United States, 2002

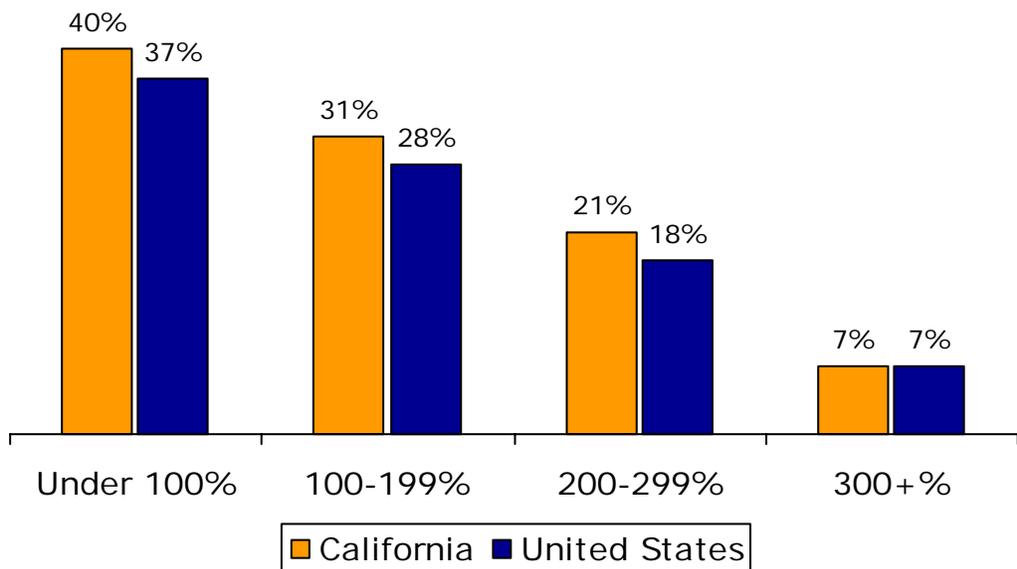


Notes: See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.6b

Non-Elderly Uninsured Rates by Federal Poverty Threshold, California and the United States, 2002

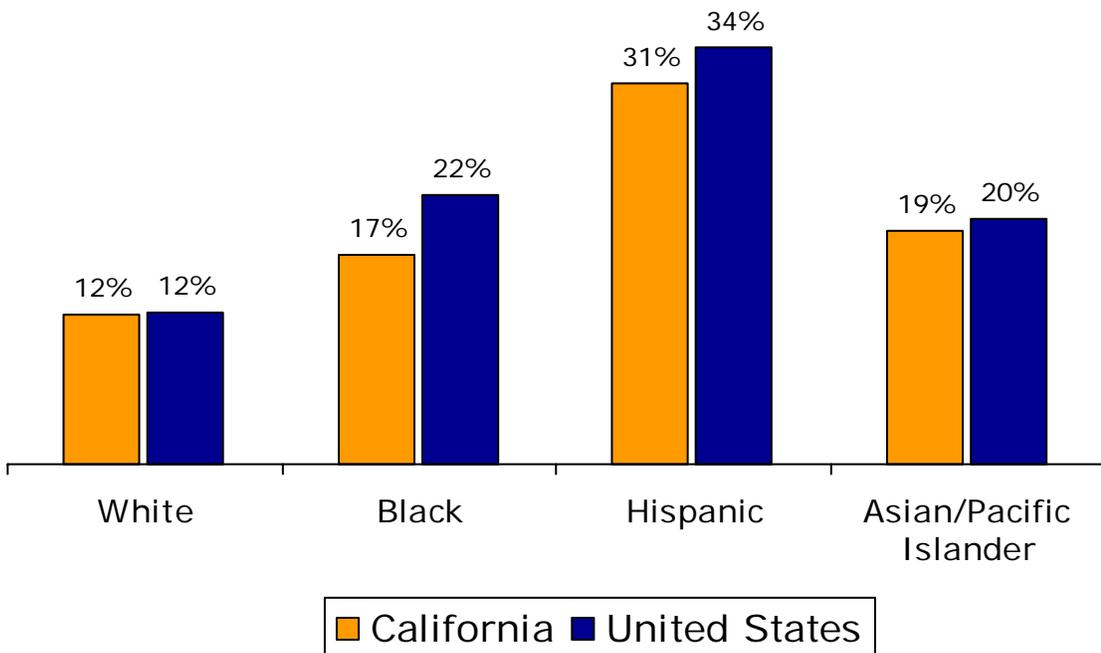


Notes: The non-elderly population includes all individuals under age 65. In 2002, the federal poverty threshold was \$9,183 for an individual and \$14,348 for a family of three. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003.

Exhibit 3.6c

Non-Elderly Uninsured Rates by Race/Ethnicity, California and the United States, 2002

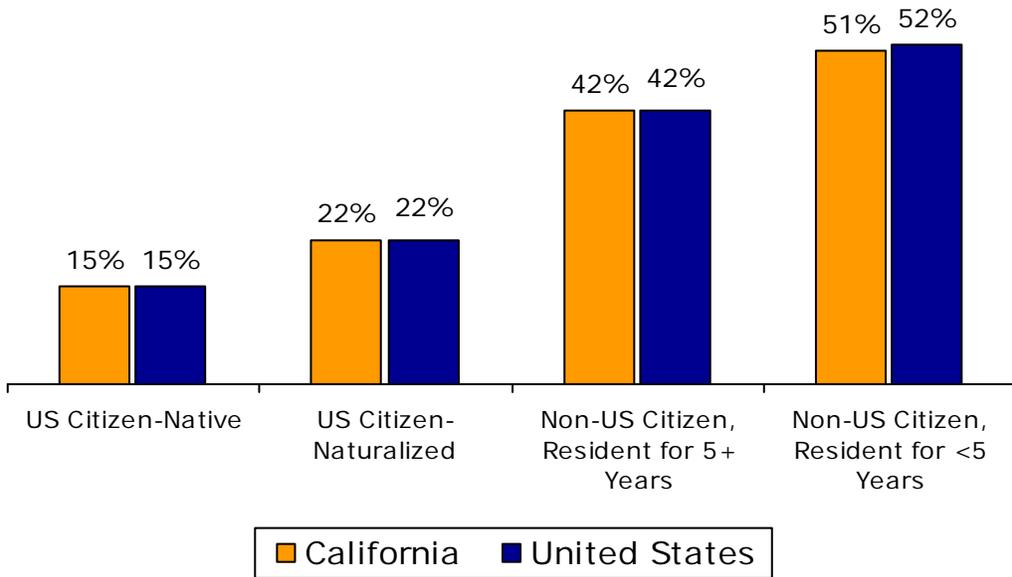


Notes: The non-elderly population includes all individuals under age 65. White, Black, and Asian/Pacific Islander exclude Hispanic ethnicity. Hispanics may be of any race. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.6d

Non-Elderly Uninsured Rates by Citizenship Status, California and the United States, 2002



Notes: The non-elderly population includes all individuals under age 65. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.6e

Characteristics of the Non-Elderly Uninsured, California and the United States, 2002

	Uninsured (millions)		Percent of Uninsured		Uninsured Rate	
	CA	US	CA	US	CA	US
Total-Non-Elderly	6.4	43.3	100%	100%	20.0%	17.3%
Age						
Children-Total	1.5	9.3	22.9%	21.5%	14.4%	12.0%
Adults-Total	4.9	34.0	77.1%	78.5%	22.7%	19.6%
Annual Family Income						
<\$20,000	3.4	22.3	52.7%	51.4%	40.2%	36.3%
\$20,000 - \$39,999	1.8	12.4	29.1%	28.6%	24.9%	21.9%
\$40,000+	1.2	8.7	18.2%	20.0%	7.3%	6.5%
Family Poverty Level						
<100%	2.4	15.5	37.4%	35.7%	39.8%	36.7%
100-199%	1.9	12.3	30.0%	28.5%	31.3%	28.3%
200%+	2.1	15.5	32.6%	35.8%	10.6%	9.4%
Household Type						
Single Adults Living Alone	0.3	3.0	5.3%	6.8%	16.0%	16.2%
Single Adults Living Together	1.3	9.3	20.9%	21.6%	34.7%	33.9%
Married Adults	1.0	8.0	16.5%	18.5%	19.1%	15.7%
1 Parent with children	0.7	5.9	10.6%	13.7%	18.6%	19.3%
2 Parents with children	2.5	13.3	38.8%	30.8%	16.5%	12.0%
Multigenerational/Other with children	0.5	3.8	8.1%	8.7%	29.4%	30.5%
Family Work Status						
2 Full-time	0.9	5.9	13.6%	13.6%	10.7%	8.3%
1 Full-time	3.6	24.1	56.2%	55.7%	20.1%	17.8%
Only Part-time	0.7	5.3	11.4%	12.1%	33.6%	30.8%
Non-Workers	1.2	8.0	18.9%	18.6%	32.2%	29.6%
Race/Ethnicity						
White (non-Hispanic)	1.7	20.7	27.1%	47.8%	12.2%	12.5%
Black (non-Hispanic)	0.3	6.8	5.2%	15.7%	16.5%	21.6%
Hispanic	3.5	12.7	55.0%	29.3%	31.2%	34.1%
Asian/Pacific Islander	0.7	2.2	11.2%	5.1%	19.3%	20.0%
American Indian/Aleutian/Eskimo	---	0.4	0.3%	1.0%	---	28.5%
Citizenship						
U.S. citizen-native	3.4	32.3	53.1%	74.5%	14.5%	14.6%
U.S. citizen-naturalized	0.6	2.2	10.1%	5.1%	21.5%	21.7%
Non-U.S. citizen, resident for < 5 years	0.7	3.7	11.8%	8.5%	52.1%	51.3%
Non-U.S. citizen, resident for 5+ years	1.6	5.1	25.1%	11.9%	40.4%	41.9%

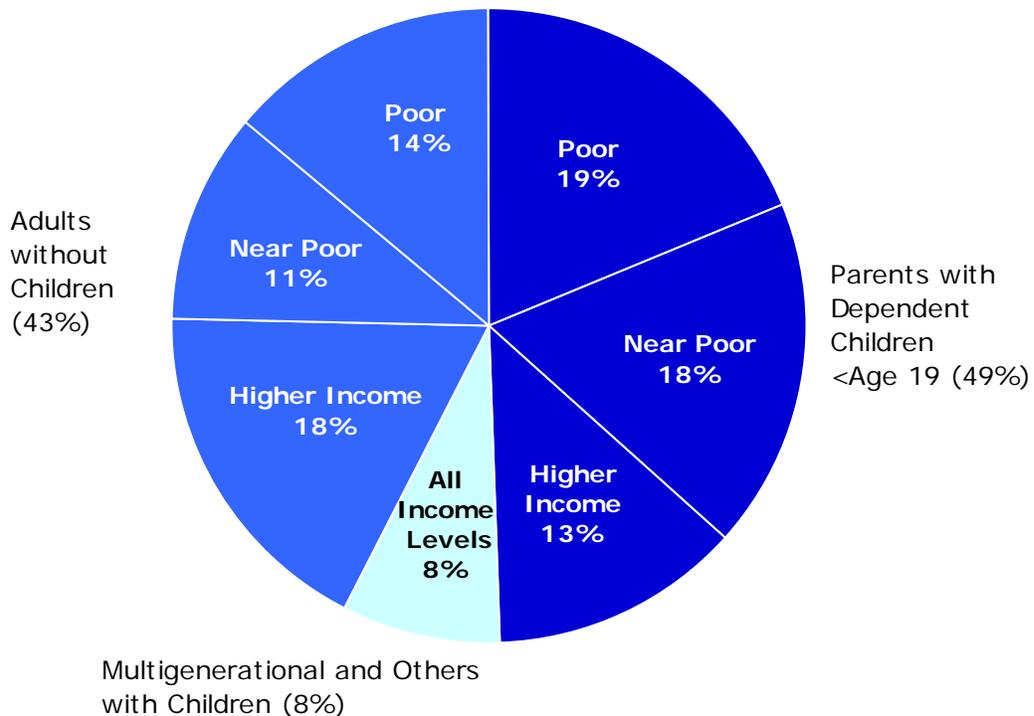
Notes: The non-elderly population includes all individuals under age 65. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.7

Uninsured Non-Elderly Adults by Parental Status and Income, California, 2002

Half of the uninsured non-elderly adult population were parents with dependent children (49%) in 2002. An additional 43% of the uninsured non-elderly adult population were adults without children, while the remaining 8% were multigenerational families. Uninsured parents with dependent children were more likely to be poor and near poor (37%) compared to adults without children (25%).



Notes: May not total due to rounding. Non-elderly adults include individuals ages 19-64. Poor is defined as under the federal poverty threshold; Near Poor is defined as 100-199% of poverty; and Higher Income is defined as 200% of poverty or higher. The 2002 federal poverty threshold was \$9,183 for an individual and \$14,348 for a family of 3. Parents are defined as any person with a dependent child. Multigenerational/Others with Children includes families with at least three generations in a household, plus families in which adults are caring for children other than their own (e.g., a niece living with an aunt). See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003 Current Population Survey.

Exhibit 3.8

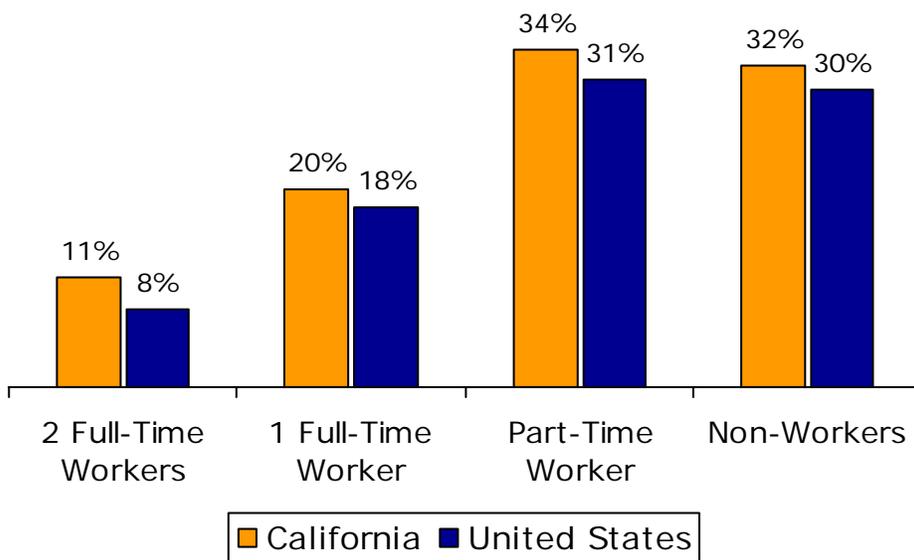
Uninsured Workers

The non-elderly in families with part-time workers and in non-working families were one and a half to three times more likely to be uninsured in both California and the United States in 2002 than families with full-time workers. Uninsured rates in California were consistently higher than those in the United States across all family work status categories. (Exhibit 3.8a)

Rates of uninsured workers in California varied by industry in 2001. For example, agriculture had the highest rate (54%) of uninsured workers compared to all other industries, followed by construction (35%), retail/wholesale trade (31%), and personal services/entertainment (30%). Government jobs had the lowest rate of uninsured workers with only 6% lacking coverage, followed by finance/insurance/real estate (11%) and professional services (14%). (Exhibit 3.8b)

Exhibit 3.8a

Rate of Non-Elderly Uninsured by Family Work Status, California and the United States, 2002

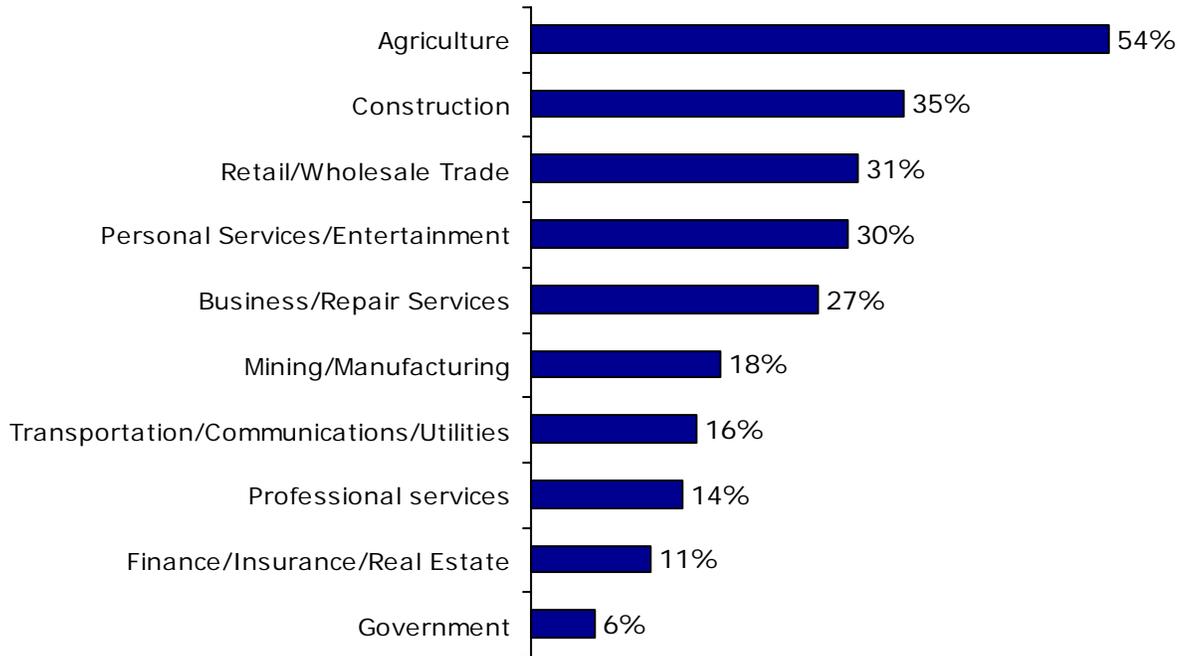


Notes: Non-elderly includes all individuals under age 65. Part-time workers are defined as working <35 hours per week. See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2003.

Exhibit 3.8b

**Rates of Uninsured Workers by Industry,
California, 2001**



Notes: See Detailed Notes and Sources at the end of Section 3.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Detailed Notes and Sources for Section 3

Exhibits 3.1 through 3.8b:

Population

The population included in this section's data is the civilian, non-institutionalized population.

Grouping Household Members

For this section of the report, family is defined not by their household or relatedness, but according to insurance eligibility, or "health insurance unit": -- i.e., related persons whose combined income would be counted in determining Medicaid eligibility in most states, which is similar to persons who would be able to jointly purchase private insurance. Grouping individuals by health insurability versus households or relatedness increases the number of low-income people.

Classifying by Type of Health Coverage

The sorting hierarchy used in this section of the report to assign coverage when a nonelderly person has more than one type of coverage is as follows:

Medicaid: Those covered by Medicaid (known as Medi-Cal in California), the State Children's Health Insurance Program (known as Healthy Families in California), those who have both Medicaid and another type of coverage such as dual eligibles who are also covered by Medicare, and those covered by any other government source.

Employer-based: Those with employer-sponsored coverage for employees and their dependents, either from their own job or another's job.

Private, non-group: Those covered by private insurance other than employer-sponsored coverage.

Other public coverage: Those covered by the VA and with military-related coverage.

Uninsured: Those without health insurance. Individuals who use the Indian Health Service and have no other source of coverage are also considered uninsured.

Exhibit 3.3:

Non-elderly includes all individuals under age 65. Part-time workers were defined as working < 35 hours per week. White, Black, and Asian/Pacific Islander exclude Hispanic ethnicity. Hispanics may be of any race. Public insurance includes Medicaid and other public coverage, and private insurance includes employer-based and private, non-group coverage.

Exhibit 3.5

Several changes were made to the March 2001 Current Population Survey (the source of the 2000 health insurance coverage data) and to subsequent CPS surveys which affect data comparisons over time. These changes include: new questions to verify respondents' answers about whether or not they had any type of health insurance coverage over the year (thus decreasing the number of uninsured); enlarging the size of the CPS sample (which affects state health insurance data more than national data); and reweighting data to the 2000 Census. Thus, health insurance data for 2000 and later years cannot be directly compared with CPS estimates from earlier years.

Exhibit 3.6e:

Non-elderly includes all individuals under age 65. A parent is defined as any person with a dependent child. Multigenerational/other families with children includes families with at least three generations in a household, plus families in which adults are caring for related children other than their own (e.g., a niece living with her aunt). Part-time workers are defined as working < 35 hours per week. White, Black, and Asian/Pacific Islander exclude Hispanic ethnicity. Hispanics may be of any race. Public insurance includes Medicaid and other public coverage, and private insurance includes employer-based and private, non-group coverage.

SECTION 4

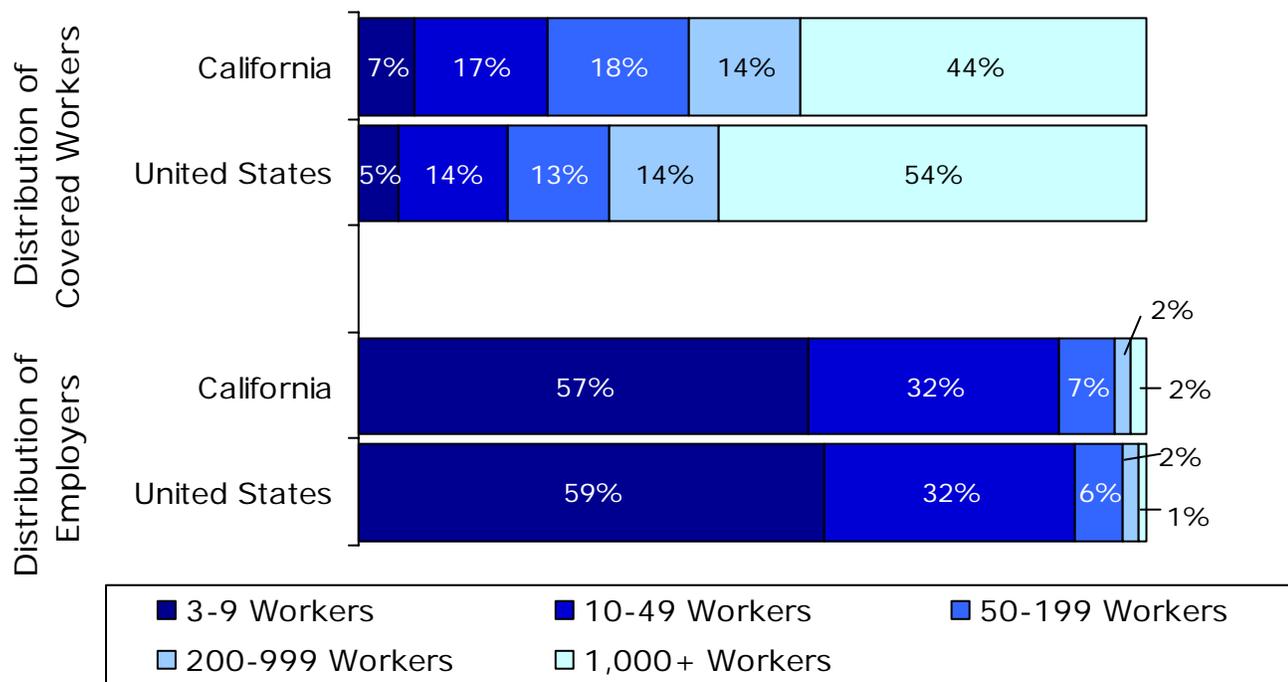
Employer-Sponsored Health Insurance

This section provides information about employer-sponsored health insurance, the most important source of health coverage for Californians and Americans. Specifically, the section includes data on the availability of employer health coverage and the percentage of covered workers. This section also presents the extent to which employees are offered choices of health plans and the types of plans they enroll in. Premium amounts and trends are discussed, including enrollee cost sharing.

Exhibit 4.1

Distribution of Covered Workers and Employers, by Firm Size, California and the United States, 2003

California had a higher percentage of covered workers (workers covered by health insurance) in small firms in 2003 than did the United States as a whole (42% of California covered workers were in firms with 3-199 workers, compared to 32% in the United States). The distribution of employers by firm size in California was quite similar to that of the United States, with approximately 96% of firms employing 3-199 workers, and only about 4% employing a larger number of workers.



Notes: May not total to 100% due to rounding. See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Survey Sample Chart (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit M.2, <http://www.kff.org/insurance/ehbs2003-2-2.cfm> (US data).

Exhibit 4.2

Availability of Health Insurance Coverage

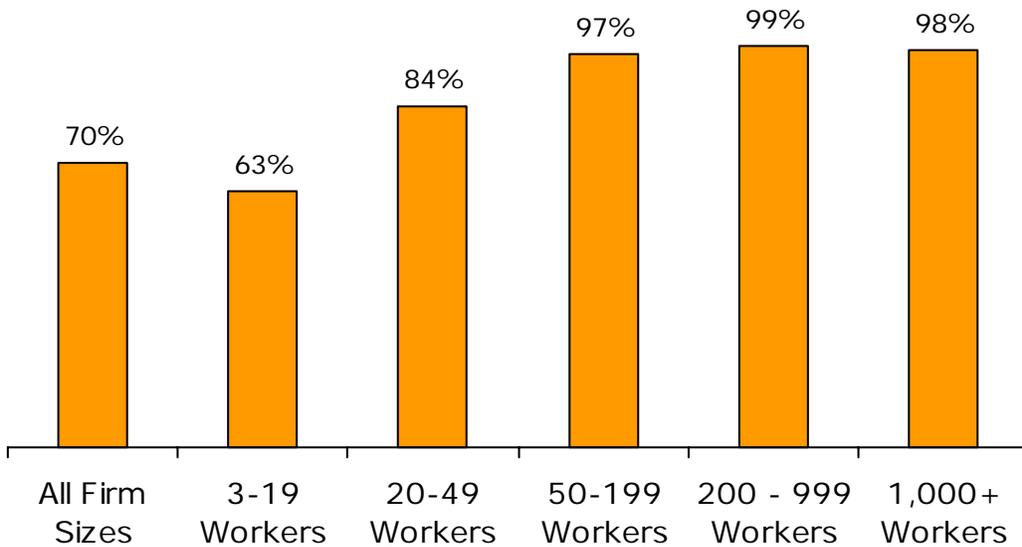
Overall, 70% of firms in California offered coverage in 2003. Small firms were less likely to offer insurance to their workers than larger firms. (Exhibit 4.2a)

About four-fifths (79%) of workers in firms that offered coverage in California were eligible for health insurance. Of those eligible for coverage, 87% accepted health insurance coverage, resulting in 69% of workers (in firms offering coverage) having health insurance through their employer. (Exhibit 4.2b)

The percentage of workers offered employer-based health insurance was dramatically lower for part-time workers and temporary workers. In firms that offered health insurance coverage, approximately half of workers in both California and the United States were in firms that offered coverage to part-time workers (49% and 46%, respectively, in 2003). In contrast, only a small fraction of workers either in California or the United States were in firms that offered health insurance coverage to temporary workers (6% and 7%, respectively, in 2003). (Exhibit 4.2c) In 2001, workers in California (39%) were more than twice as likely as those in the United States (18%) to be in firms that offered health insurance coverage for non-traditional partners (defined as unmarried heterosexual and same-sex couples who live together).

Exhibit 4.2a

Percentage of Employers Offering Health Benefits, by Firm Size, California, 2003

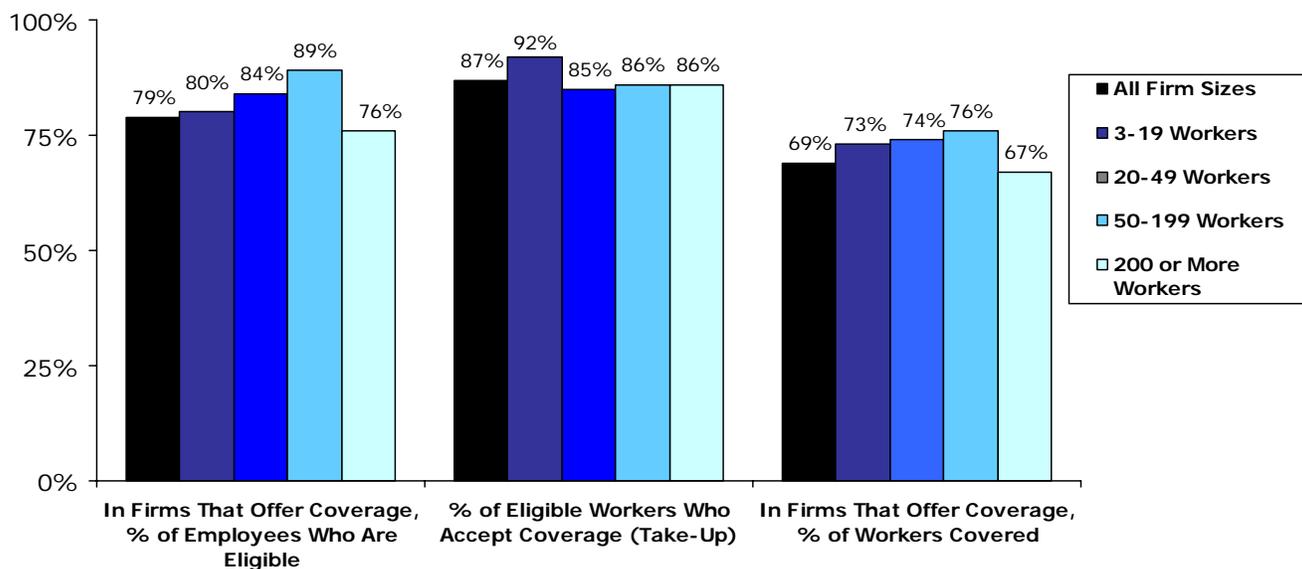


Notes: See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #2 and unpublished data.

Exhibit 4.2b

Eligibility, Take-up Rates, and Coverage in Firms Offering Health Benefits, by Firm Size, California, 2003

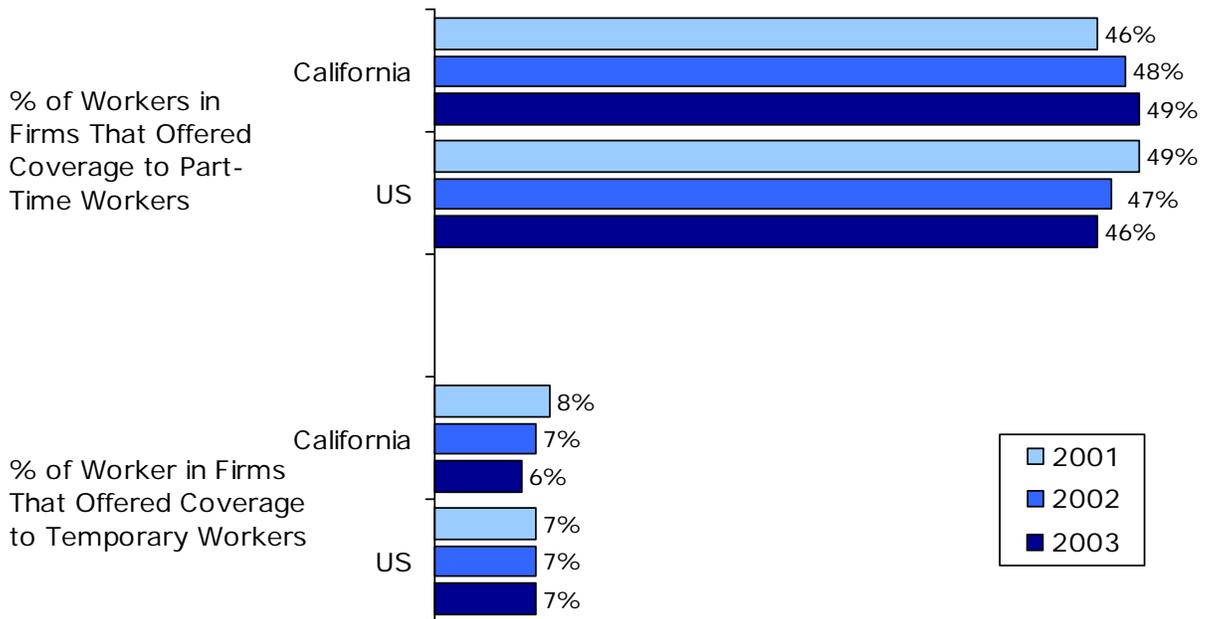


Notes: Eligible workers are those to whom firms offer the option of electing health benefits. The take-up rate is the percentage of eligible workers who choose to participate in health benefits offered by their employer. See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #6 and unpublished data.

Exhibit 4.2c

Percentage of Workers Employed in Firms That Offered Health Coverage to Part-Time and Temporary Workers, California and the United States, 2001-2003



Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #5 (CA data); *Employer Health Benefits 2003*, September 2003, Ex. 3.6, www.kff.org/insurance/ehbs2003-5-2.cfm (US data).

Exhibit 4.3

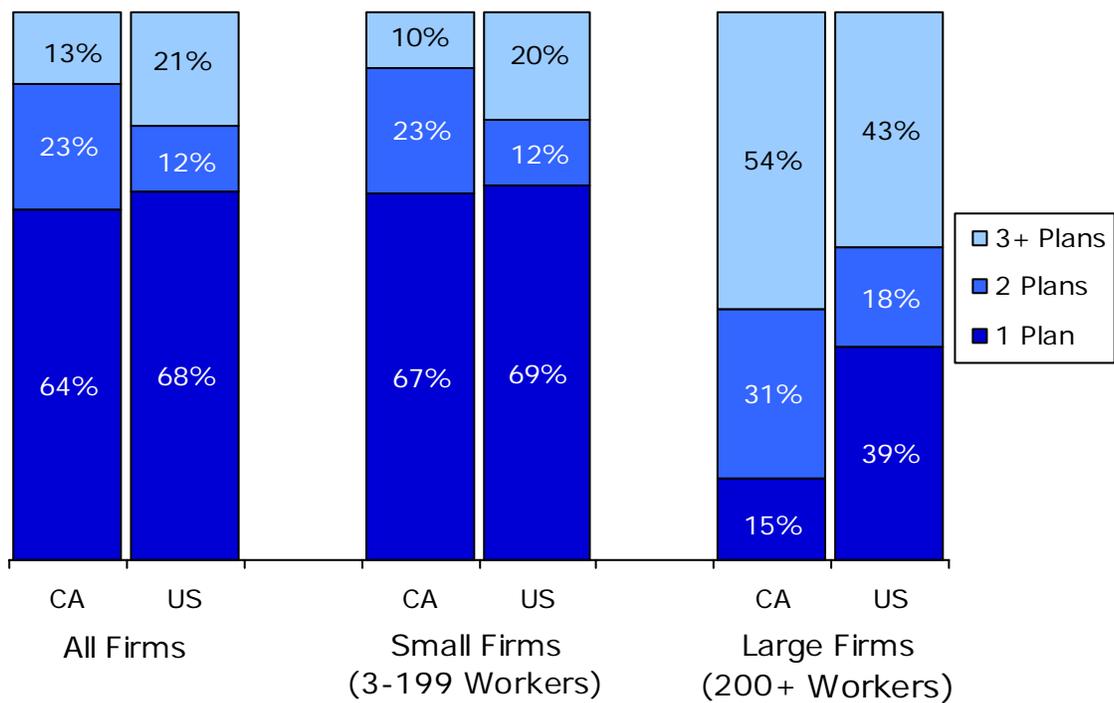
Choice of Health Insurance Plans

The majority of employers do not offer their employees a choice of health plans. However, large firms are much more likely than small firms to offer their employees a choice of plans. In 2003, the majority of small firms did not offer any choice of health plans (67% in CA and 69% in the U.S.). Only 10% of small firms in California and 20% in the United States offered a choice of three or more plans. Large firms present a different picture -- only 15% in California and 39% in the United States did not offer a choice of plans. More than half (54%) of large firms in California and about two-fifths (43%) in the United States offered a choice of three or more health plans. (Exhibit 4.3a)

Although the total share of firms offering any type of choice was fairly small in 2003 (36% in CA and 33% in the U.S. -- see Exhibit 4.3a), the percentage of workers with a choice was high (74% in California and 63% in the United States). This is because most covered workers in California were employed by large firms (58% were in firms with 200+ workers), and most large firms offered a choice of plans (85%). The majority of covered workers in large firms in California (65%) and in the United States (59%) had a choice of three or more health plans, while only 29% of covered workers in small firms in California and 21% in the United States had a choice of three or more health plans. Across all firm sizes, California workers were more likely to have a choice of health plan compared to workers in the United States. (Exhibit 4.3b)

Exhibit 4.3a

Percentage of Employers Providing a Choice of Health Plans, by Firm Size, California and the United States, 2003

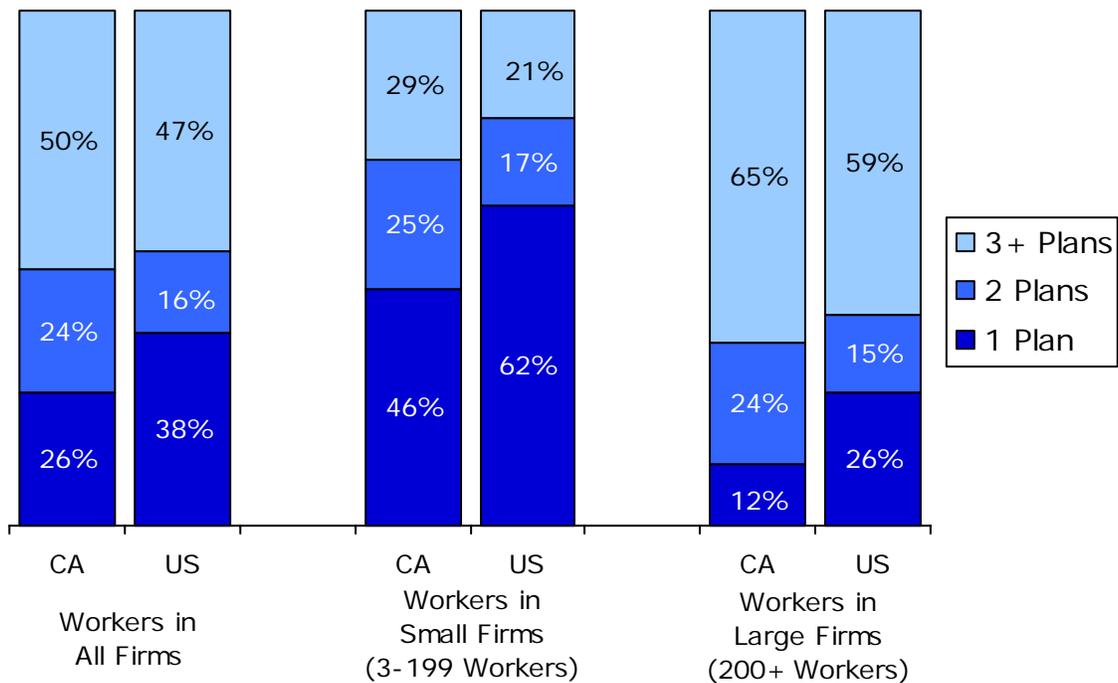


Notes: May not total 100% due to rounding. See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #20 and unpublished data (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 4.2, <http://www.kff.org/insurance/ehbs2003-6-set.cfm>, and unpublished data (US data).

Exhibit 4.3b

Percentage of Covered Workers with a Choice of Health Plans, by Firm Size, California and the United States, 2003



Notes: May not total 100% due to rounding. See Detail Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, unpublished data (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 4.4, www.kff.org/insurance/ehbs2003-6-set.cfm (US data).

Exhibit 4.4

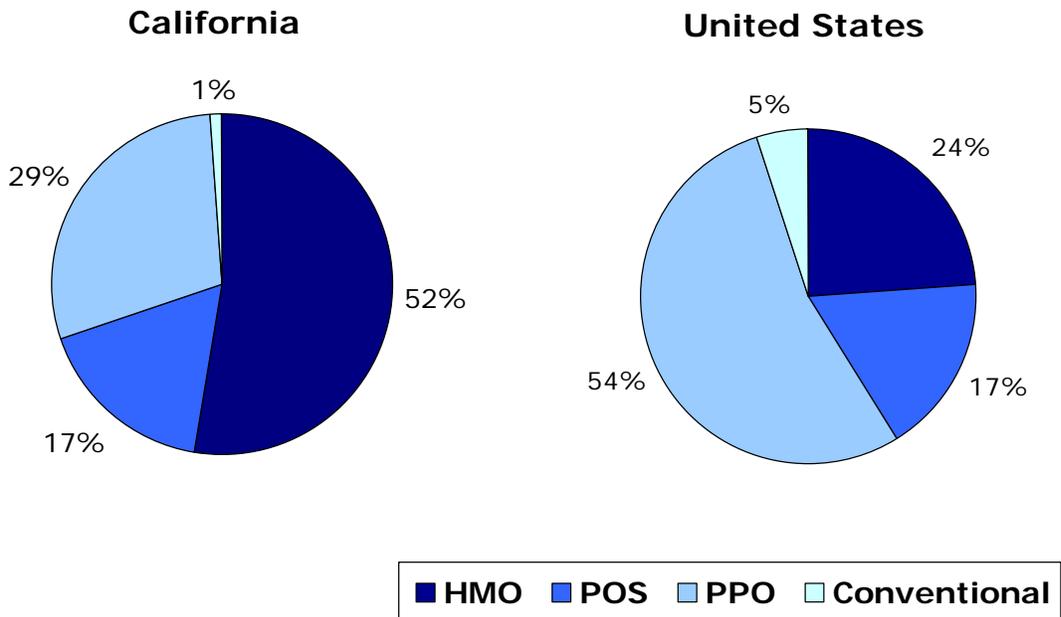
Health Plan Enrollment

California workers covered by employer health plans in 2003 were much more likely to be enrolled in HMOs than covered workers in the United States (52% vs. 24%), and much less likely to be enrolled in PPOs than covered workers in the United States (29% vs. 54%). In California, 1% of covered workers were enrolled in conventional plans, compared to 5% in the United States. (Exhibit 4.4a)

Overall and across all plan types, California workers were much less likely than workers nationwide to be in self-insured plans (27% vs. 52%), in which the employer assumes responsibility for paying health care claims rather than buying coverage from an insurer or HMO. States are prohibited by federal law from regulating self-insured health plans, so the proportion of workers enrolled in such plans determines the impact of state law pertaining to patients' rights and benefit requirements. The difference between California and the United States is, in most part, because more Californians are enrolled in HMOs, which are less likely than other types of plans to be self-insured. (Exhibit 4.4b)

Exhibit 4.4a

**Health Plan Enrollments for Covered Workers,
by Plan Type,
California and the United States, 2003**

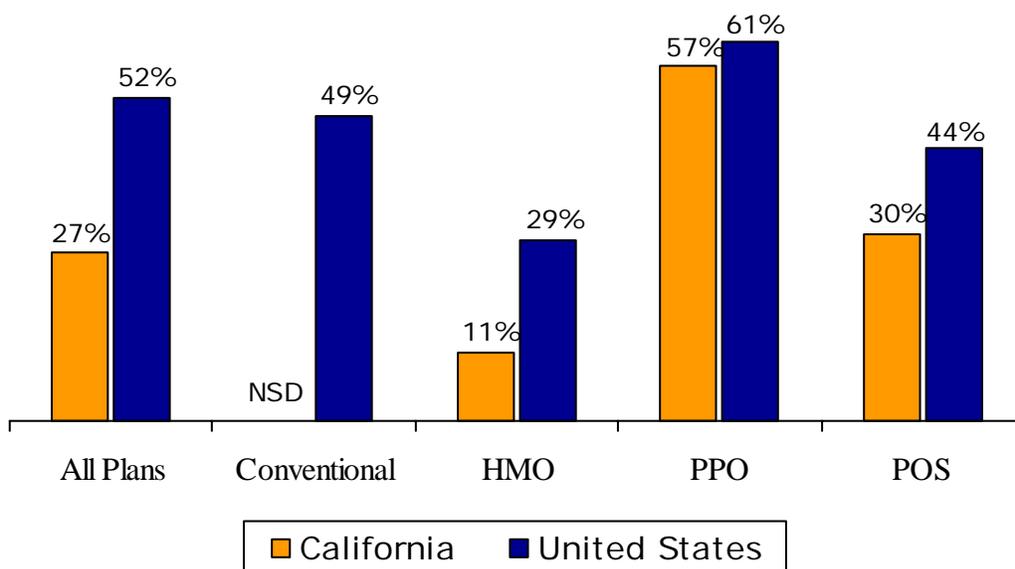


Notes: May not total 100% due to rounding. See Detailed Notes and Sources at the end of Section 4 for definitions of plan types.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #19.

Exhibit 4.4b

Percentage of Covered Workers in Partly or Completely Self-Insured Plans, by Plan Type, California and the United States, 2003



Notes: There are not enough employees enrolled in conventional plans in California to break out enrollment by self-insured plans (NSD = not sufficient data). Self-insured plans are plans where an employer assumes responsibility for paying health care claims rather than buying coverage from an insurer. See Detailed Notes and Sources at the end of Section 4 for definitions of plan types.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #21.

Exhibit 4.5

Health Plan Premiums

Average monthly premiums in California in 2003 were consistently lower than those in the United States for single and family coverage for all types of plans except PPO coverage. PPO premiums for both single and family coverage were higher in California compared to the United States. Across all plan types, the cost of coverage in California was an average of \$258 per month for single coverage and \$709 per month for family coverage in 2003. (Exhibit 4.5a)

Annual average worker premium contributions for both single and family coverage increased in California from 2002 to 2003. In California, workers paid on average \$418 per year in 2003 for single coverage, compared to \$342 in 2002. For family coverage, workers paid an average of \$2,452 annually in 2003, compared to \$1,832 in 2002. (Exhibit 4.5b)

On average, covered workers in 2003 in California paid 14% of the total premium for single coverage and 30% for family coverage, a slightly smaller share for single coverage but a slightly larger share for family coverage than covered workers nationwide (16% and 27%, respectively). Only with respect to family coverage in California did the workers' share of premiums rise significantly from 2002 to 2003 (from 26% to 30%). Workers in California and the United States paid a larger proportion of total premiums for family coverage compared to single coverage. (Exhibit 4.5c)

Exhibit 4.5a

Average Monthly Premiums, by Plan Type, California and the United States, 2003

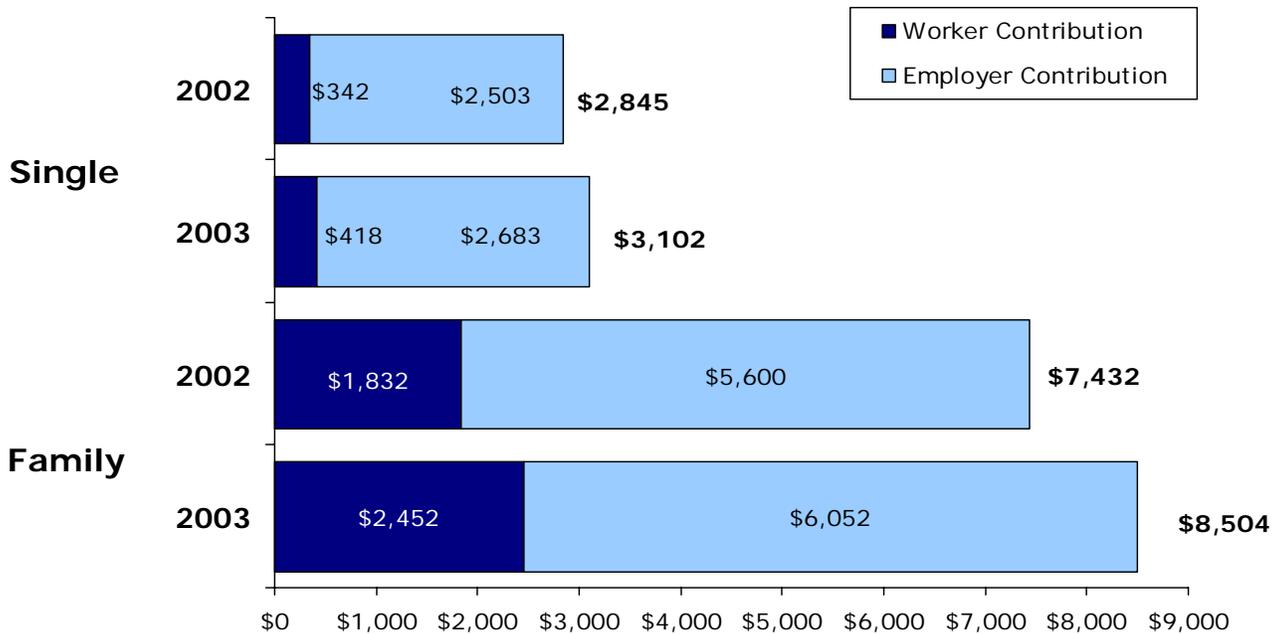
	Single Coverage		Family Coverage	
	California	United States	California	United States
All Plan Types	\$258	\$282	\$709	\$756
HMO	\$222	\$263	\$623	\$709
PPO	\$317	\$292	\$835	\$776
POS	\$266	\$272	\$737	\$761
Conventional	NSD	\$298	NSD	\$733

Notes: NSD = Not sufficient data. Family premium data reflect the cost of health insurance premiums for a family of four. See Detailed Notes and Sources at the end of Section 4 for definitions of plan types.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #9 and unpublished data.

Exhibit 4.5b

Average Annual Worker and Employer Premium Contributions, California, 2002 and 2003

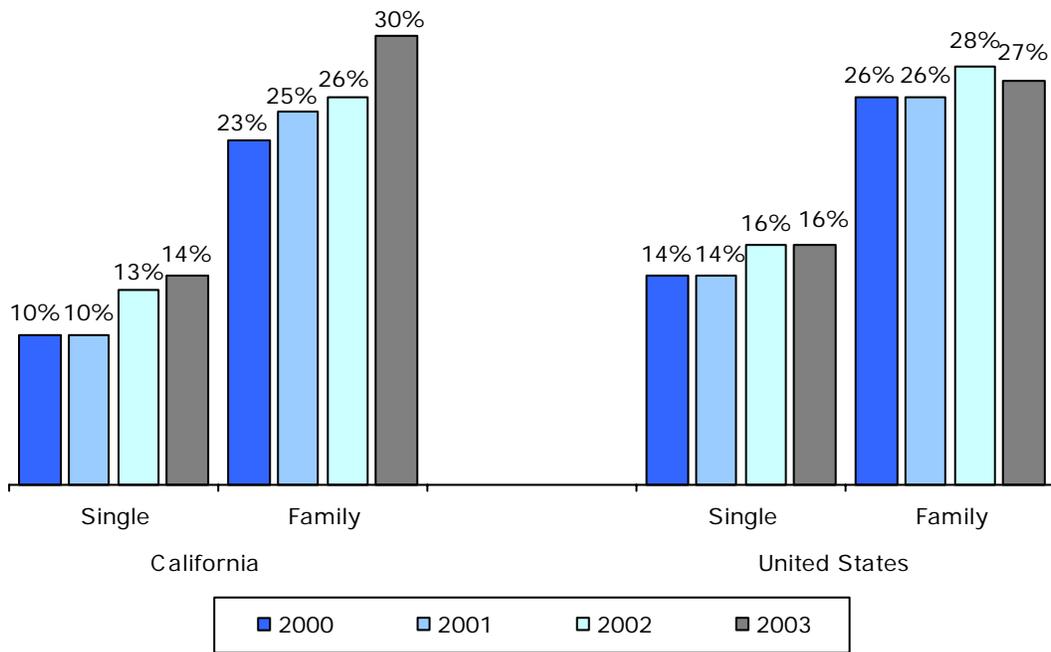


Notes: Numbers may not add due to rounding. Family premium data reflect the cost of health insurance premiums for a family of four. See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #11.

Exhibit 4.5c

Percentage of Premiums Paid by Covered Workers for Single and Family Coverage, California and the United States, 2000-2003



Notes: Family premium data reflect the cost of health insurance premiums for a family of four. See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #12.

Exhibit 4.6

Changes in Health Insurance Premiums

Employer health plans in California faced an average increase in health insurance premiums of 16% in 2003, compared to an increase of 14% in the United States as a whole. The differences in the percentage increases in health insurance premiums between small firms (3-199 workers) and large firms (200+ workers) were insignificant. (Exhibit 4.6a)

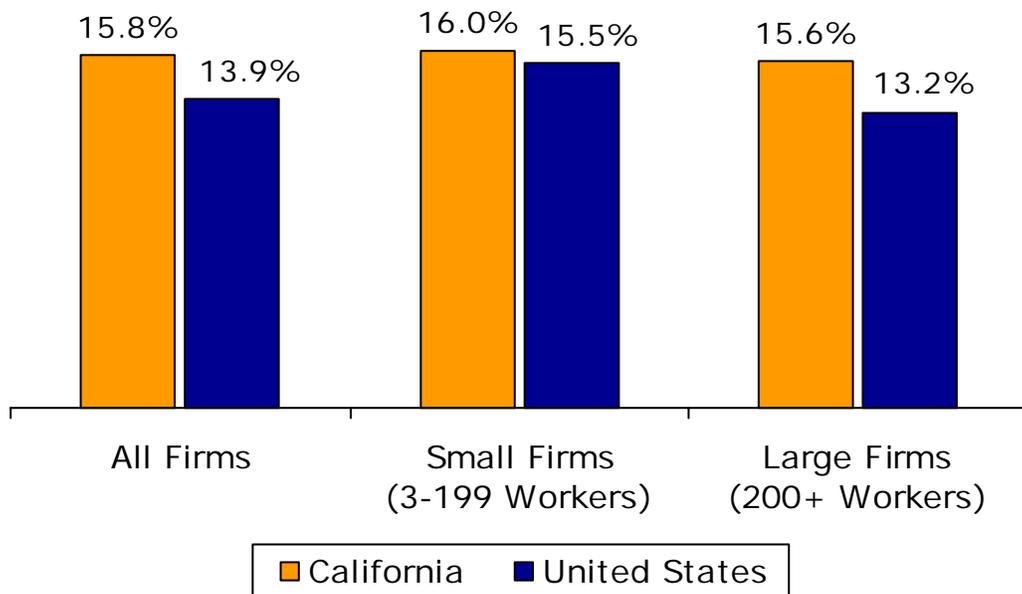
Health insurance premium increases varied little by plan type in either California or the United States in 2003. Firms in both California and the United States reported increases in health insurance premiums of 13% to 17% in HMO, PPO, POS, and Conventional plans. (Exhibit 4.6b)

Health insurance premiums have grown by increasing percentages every year since 2000 overall and across plan types in California firms. HMOs, PPOs, and POS plans have experienced similar increases from 2000 to 2003. (Exhibit 4.6c)

In California, self-insured PPO and POS plans experienced higher percentage increases in premiums from 2002 to 2003 than fully-insured PPO and POS plans; for HMOs, fully-insured California plans had higher increases. However, in the United States as a whole, across all plan types, fully-insured plans experienced higher percentage increases compared to self-insured plans. (Exhibit 4.6d)

Exhibit 4.6a

**Percentage Change in Health Insurance Premiums,
by Firm Size,
California and the United States, 2003**



Notes: Data on premium increases reflect the cost of health insurance premiums for a family of four.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #8, (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 1.5, <http://www.kff.org/insurance/ehbs2003-3-set.cfm> (US data).

Exhibit 4.6b

Percentage Change in Health Insurance Premiums, by Plan Type, California and the United States, 2003

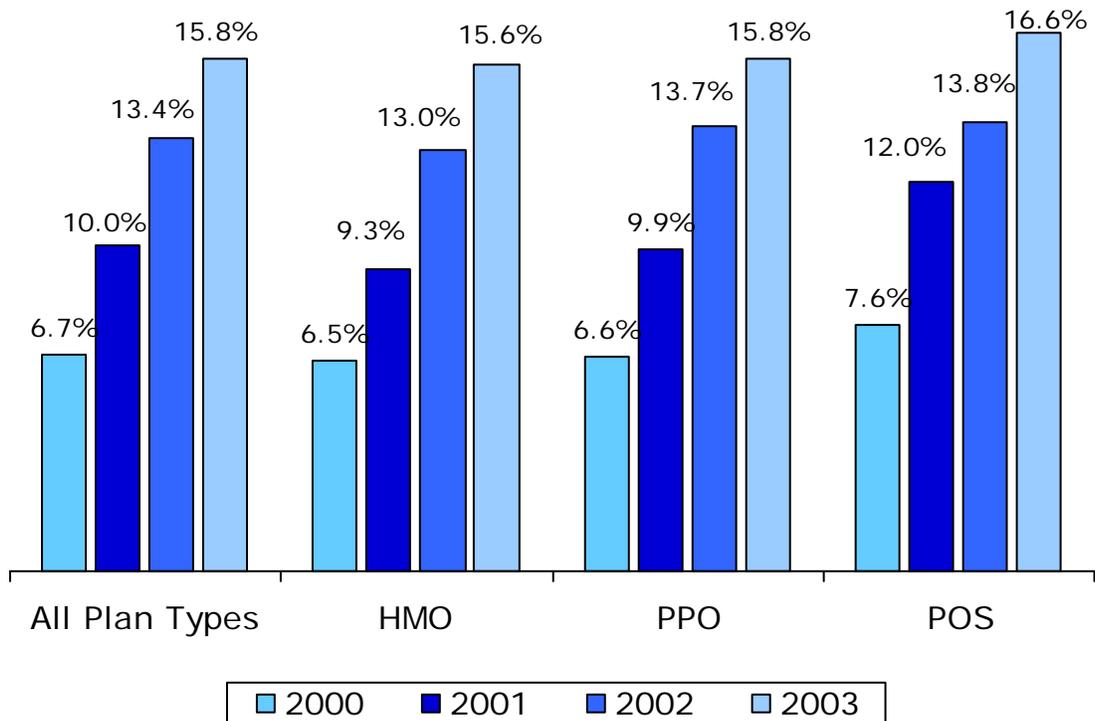
	California	United States
All Plan Types	15.8%	13.9%
HMO	15.6%	15.2%
PPO	15.8%	13.7%
POS	16.6%	13.2%
Conventional	NSD	14.3%

Notes: NSD = Not sufficient data. Data on premium increases reflect the cost of health insurance premiums for a family of four. See Detailed Notes and Sources at the end of Section 4 for definitions of plan types.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #7 (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 1.1, <http://www.kff.org/insurance/ehbs2003-3-set.cfm> (US data).

Exhibit 4.6c

Percentage Increases in Annual Health Insurance Premiums, by Plan Type, California, 2000-2003



Notes: Data on premium increases reflect the cost of health insurance premiums for a family of four. See Detailed Notes and Sources at the end of Section 4 for definitions of plan types.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #7.

Exhibit 4.6d

Percentage Change in Health Insurance Premiums, by Plan Type and Funding Arrangement, California and the United States, 2003

	California		United States	
	Self-Insured	Fully-Insured	Self-Insured	Fully-Insured
All Plan Types	16.9%	15.3%	12.4%	15.6%
HMO	15.3%	15.6%	14.5%	15.8%
PPO	16.6%	14.7%	12.3%	15.6%
POS	21.7%	14.3%	11.1%	14.9%
Conventional	NSD	NSD	11.5%	16.9%

Notes: NSD = Not sufficient data. Self-insured plans are plans where an employer assumes responsibility for paying health care claims rather than buying coverage from an insurer. Data on premium increases reflect the cost of health insurance premiums for a family of four. See Detailed Notes and Sources at the end of Section 4 for definitions of plan types.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2003, unpublished data (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 1.6, <http://www.kff.org/insurance/ehbs2003-3-set.cfm> (US data).

Exhibit 4.7

Percentage of Covered Workers With Selected Benefits, California and the United States, 2003

More than nine in ten workers in both California and the United States with employer coverage were covered in 2003 for prenatal care, prescription drugs, outpatient mental health, annual OB/GYN visits, well-baby care, adult physicals, and inpatient mental health care. Covered workers in California were more likely than United States counterparts to have benefits for oral contraceptives, sterilization, reversible contraceptives, and abortion.

	California	United States
Prenatal Care	100%	99%
Prescription Drugs	99%	99%
Outpatient Mental Health	99%	99%
Annual OB/GYN	99%	98%
Well-Baby Care	99%	97%
Adult Physicals	97%	93%
Inpatient Mental Health	95%	98%
Oral Contraceptives	94%	88%
Sterilization	89%	87%
All Five Leading Reversible Contraceptives	86%	72%
Abortion	68%	46%

Notes: California's coverage for prenatal care is 99.9%, which is shown as 100% due to rounding. The five leading reversible contraceptives are oral contraceptives, Norplant (an implant), Depo-Provera (injected), the IUD, and the diaphragm. See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, unpublished data (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 8.2, <http://www.kff.org/insurance/ehbs2003-10-set.cfm> (US data).

Exhibit 4.8

Cost Sharing

In California, the most common HMO copayment for a physician office visit in 2003 was \$10 (40%); in the United States as a whole, it was \$15 (35%). In California, the percentage of HMO enrollees paying \$20 copays increased from 6% to 16% between 2002 and 2003, while in the United States the biggest increase was for the \$15 copay (from 27% to 35%). (Exhibit 4.8a)

While most Californians enrolled in employer-sponsored health plans have prescription drug coverage, tiered cost sharing for prescription drugs has emerged as a method to control prescription drug costs. The use of three-tiered cost sharing (different payments for generic drugs, brand name drugs with no generic substitute, and brand name drugs with generic substitutes) increased from 2002 to 2003 in both California (from 35% to 41%) and the United States (from 55% to 63%). Covered workers in California were less likely to face tiered cost sharing (79%) than workers in the United States (86%) in 2003. (Exhibit 4.8b).

In 2003, large firms in California and the United States were more likely to increase the amount employees pay for health insurance, prescription drugs, deductibles, and office copays than were small firms. Comparing California firms to those in the United States, a smaller percentage of small firms in California reported that they increased the amount employees paid for drugs and deductibles, and a larger percentage of large firms increased the amount employees paid for office visit copays. (Exhibit 4.8c)

Exhibit 4.8a

Percent of HMO Enrollees with Specified Copayments per Physician Visit, California and the United States, 2002 and 2003

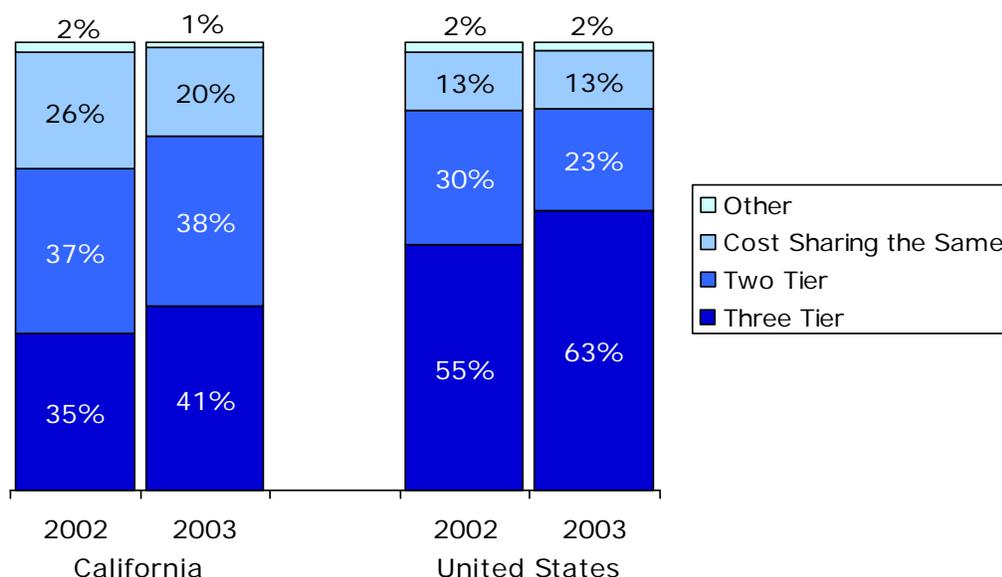
Copayment per Physician Visit	California		United States	
	2002	2003	2002	2003
No copay	6%	5%	3%	4%
\$5	14%	11%	7%	4%
\$10	48%	40%	51%	33%
\$15	25%	24%	27%	35%
\$20	6%	16%	10%	12%
Other/Don't Know	1%	3%	3%	11%

Notes: See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #16 (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 7.7, <http://www.kff.org/insurance/ehbs2003-9-set.cfm> (US data).

Exhibit 4.8b

Percent of Covered Workers Facing Different Cost-Sharing Formulas for Prescription Drugs, California and the United States, 2002 and 2003



Notes: May not total 100% due to rounding.

Cost Sharing the Same: payment the same regardless of type of drug

Two Tier: one payment for generic drugs and one for all brand name drugs

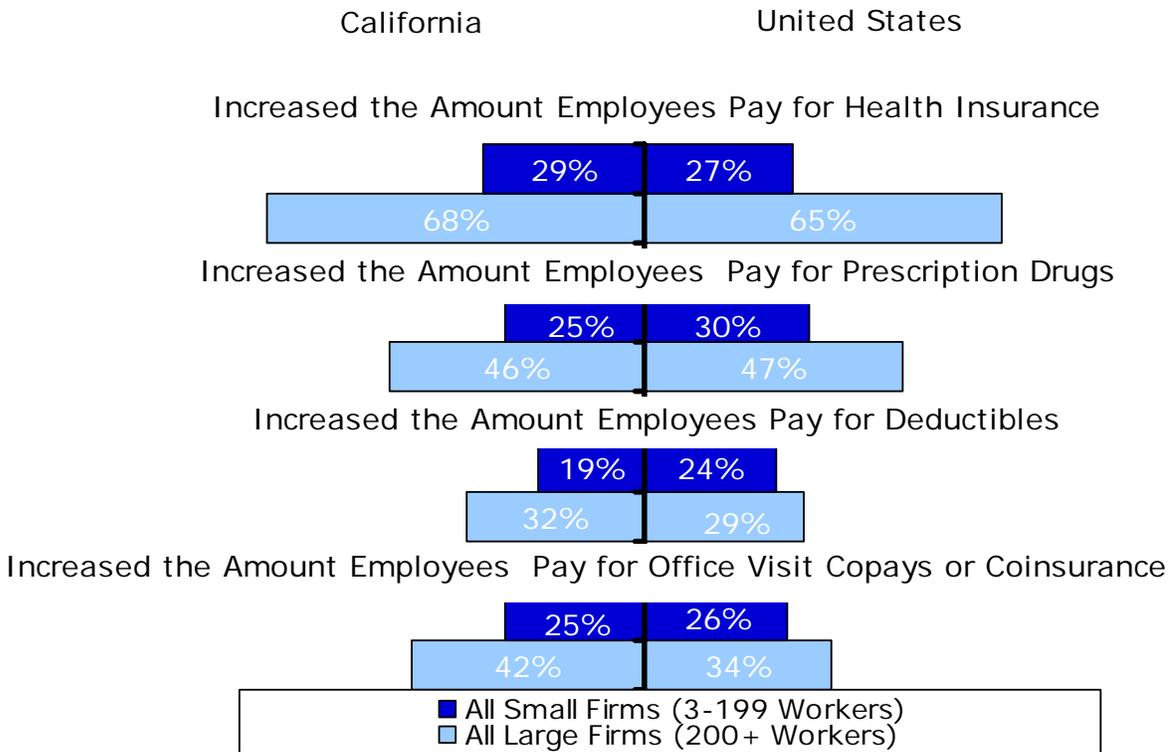
Three Tier: one payment for generic drugs, another for preferred drugs, and a third for non-preferred drugs.

Generic drugs are drug products that are no longer covered by patent protection and thus may be produced and/or distributed by many firms. *Brand name drugs* are drug products that are covered by patents and are manufactured and sold exclusively by one firm, though occasionally cross-licensing allows an additional firm to market the drug. After the patent expires, multiple firms can produce the drug product, but the brand name or trademark remains with the original manufacturer's product. *Preferred drugs* are drugs included on a formulary or preferred drug list, such as a brand name drug without a generic substitute. *Non-preferred drugs* are drugs not included on a formulary or preferred drug list, such as a brand name drug with a generic substitute.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #17 (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 9.1, <http://www.kff.org/insurance/ehbs2003-11-set.cfm> (US data).

Exhibit 4.8c

Percent of Firms That Report They Made the Following Changes to Their Health Plans in the Past Year, by Firm Size, California and the United States, 2003



Notes: See Detailed Notes and Sources at the end of Section 4.

Source: Kaiser Family Foundation and Health Research and Educational Trust: *California Employer Health Benefits Survey, 2003*, March 2004, Chart #15 (CA data); *Employer Health Benefits 2003*, September 2003, Exhibit 12.2, <http://www.kff.org/insurance/ehbs2003-14-set.cfm> (US data).

Detailed Notes and Sources for Section 4

Applies to Most Section 4 Exhibits:

Data Differences from Earlier Releases

In prior years, the sample of employers was post stratified using frequency distributions from Dun & Bradstreet. Concerns about the volatility of counts in recent years led Kaiser/HRET to use the Statistics of U.S. Businesses conducted by the U.S. Census as the basis for the post-stratification adjustment in 2003. Due to this change, Kaiser/HRET recalculated the weights for survey years 2000-2002 and modified estimates in this chartbook where appropriate. This change has little impact on worker-based estimates, but the impact on estimates expressed as a percentage of employers (e.g., the percent of firms offering retiree health coverage) may be significant. Please note, therefore, that the survey data in this chartbook may vary slightly from previous reports.

Exhibits 4.4a, 4.4b, 4.5a, 4.6b, 4.6c, 4.6d:

Definitions of Health Plan Types:

Conventional Plan: Under conventional (also known as indemnity or fee-for-service) health insurance, enrollees can go to any physician, hospital, or other health care provider they choose. The enrollee typically pays a deductible and coinsurance.

HMO (Health Maintenance Organization): Generally, HMO enrollees choose a primary care physician ("gatekeeper") from the HMO's network, who coordinates the enrollee's medical care (though some HMOs offer open access plans that permit enrollees to get specialty care without referral from a primary care physician). Except for emergency care, enrollees must receive their health care from the HMO's network of physicians, hospitals, and other health care providers or the HMO will not cover the expenses.

PPO (Preferred Provider Organization): PPO enrollees can go to any physician, hospital, or other health care provider they choose, but they will pay lower cost-sharing amounts (deductibles, copayments, or coinsurance) if they use "participating" doctors or hospitals that have contracted with the plan.

POS (Point-of-Service) Plan: Under a POS plan (sometimes called an HMO/PPO hybrid, or open-ended HMO), enrollees generally choose a primary care physician ("gatekeeper") who coordinates their medical care (like an HMO), but enrollees can elect to receive services from non-plan providers at higher cost (like a PPO).

Section 5

Trends in
Public Health
Insurance Programs

Medicaid Enrollment

Medicaid is the nation's major public health insurance program for low-income Americans. The program is administered by each state under broad federal guidelines and in California is known as Medi-Cal. Medicaid finances health and long term care services for 44 million individuals in the United States, among them 32 million children and parents, nearly 7 million people with disabilities, and approximately 5 million low income seniors. In FY2000, California's Medi-Cal program provided coverage for 8 million individuals. In addition, the program covered 42% of all births in California, higher than the national average of 37%.

Medicaid is a means-tested program that is financed jointly by the federal government and the states. The federal government matches state spending at differing percents that range from 50% of Medicaid costs to 77%. Medi-Cal spending in California is matched at a 50% rate. Although low-income children and parents made up 73% of Medi-Cal enrollees in FY2000, they accounted for just 27% of spending. Comparatively, elderly, blind and disabled enrollees comprised 27% of total Medi-Cal enrollment, but accounted for 71% of all spending.

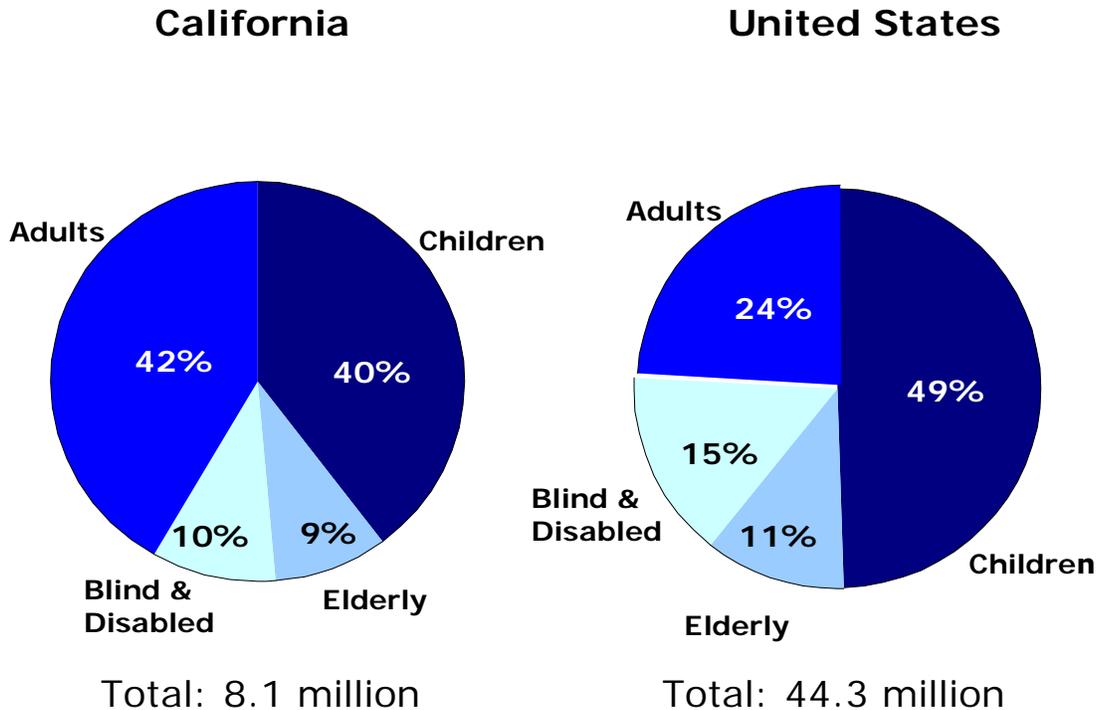
Medicaid enrollees qualify for the program based on financial criteria, and on their "categorical eligibility" as a member of a specific group. Eligible groups may include low-income children, pregnant women, the elderly, people with disabilities, and parents. California's income eligibility levels exceed the federal Medicaid requirement for many groups of enrollees.

Medicaid covers a broad range of benefits, and optional benefits are commonly offered, such as prescription drugs, clinic services, hearing aides, and dental care. Long-term care is an important benefit under Medicaid, which finances care for 60% of nursing home residents in the U.S. Due to the low-income status of enrollees, cost-sharing requirements are very limited.

Exhibit 5.1a

Medicaid Enrollees by Enrollment Group, California and the United States, FY2000

Medicaid provides health insurance to a range of low-income populations, primarily children, the elderly, the disabled, and parents of dependent children. Four in ten Medi-Cal enrollees in California in 2000 were children, which is a smaller share compared to the United States overall, where approximately half (49%) of the Medicaid population was comprised by children. Adults made up a similar share of the Medi-Cal population in California as children (42%), compared to the nation overall where only a quarter (24%) of all Medicaid enrollees were adults. Medi-Cal had a somewhat smaller share of the elderly and the disabled than the national Medicaid population, 9% vs. 11%, and 10% vs. 15%, respectively.



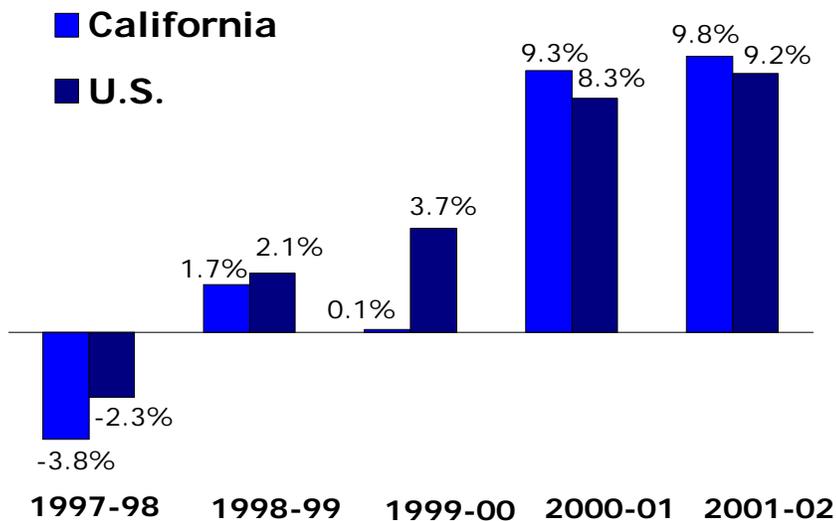
Notes: Enrollees are individuals who sign up for Medicaid for any length of time in a given fiscal year. Due to variations in the duration of enrollment periods, the reported number of enrollees tends to be higher than point-in-time estimates.

Source: Kaiser Family Foundation, Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on data from the Medicaid Statistical Information System.

Exhibit 5.1b

Monthly Medicaid Enrollment: Percent Change from Previous Year and Number of Enrollees, California and the United States, June 1997 – June 2002

Over the past six years, Medicaid enrollment has grown substantially in California and the United States. Medicaid experienced negative enrollment growth in 1997 largely due to changes made to the enrollment procedure that were related to the Temporary Assistance for Needy Families program. By 2002, however, annual enrollment was growing by over 9%. Increased enrollment under California's Medi-Cal trailed the growth of Medicaid overall in the United States from 1997 to 2000, but the state program's growth topped national figures in both 2001 and 2002 when the California economy hit a recession. From 1997 to 2002, Medicaid enrollment grew by 17.5% in California and 22.2% in the United States overall, with average annual increases of 3.3% and 4.1%, respectively.



(June enrollment in millions)

	1997	1998	1999	2000	2001	2002
California	5.2	5.0	5.1	5.1	5.5	6.1
U.S.	31.2	30.5	31.1	32.2	34.9	38.1

Notes: Data are "point-in-time" monthly enrollment counts. These figures do not include family planning waiver enrollees, which included approximately one million enrollees in California in 2002.

Source: Kaiser Commission on Medicaid and the Uninsured, Medicaid Enrollment in 50 States, 2002 Data Update, July 2003, Table 1.

Exhibit 5.1c

California's Medi-Cal Enrollment by County, January 2003

More than six million Californians were enrolled in Medi-Cal, California's Medicaid program, in January 2003. The percentage of residents covered by Medi-Cal varied in different counties. For example, 33% of Tulare County residents and 30% of Merced County residents were covered by Medi-Cal. In comparison, Medi-Cal covered 6% of Marin county residents and 7% of residents in Placer and Mono counties.

County **% of
Enrolled Population**

<i>Alameda</i>	193,736	13%
<i>Alpine</i>	262	22%
<i>Amador</i>	3,199	9%
<i>Butte</i>	46,995	22%
<i>Calaveras</i>	5,436	13%
<i>Colusa</i>	4,326	22%
<i>Contra Costa</i>	95,175	10%
<i>Del Norte</i>	7,624	27%
<i>El Dorado</i>	13,120	8%
<i>Fresno</i>	247,395	29%
<i>Glenn</i>	6,038	22%
<i>Humboldt</i>	24,671	19%
<i>Imperial</i>	44,118	29%
<i>Inyo</i>	2,649	14%
<i>Kern</i>	175,266	25%
<i>Kings</i>	28,172	21%
<i>Lake</i>	14,597	24%
<i>Lassen</i>	4,793	14%
<i>Los Angeles</i>	2,463,272	25%
<i>Madera</i>	33,738	26%
<i>Marin</i>	14,364	6%
<i>Mariposa</i>	2,250	13%
<i>Mendocino</i>	19,173	22%
<i>Merced</i>	66,850	30%
<i>Modoc</i>	2,225	24%
<i>Mono</i>	983	7%
<i>Monterey</i>	73,309	18%
<i>Napa</i>	11,467	9%
<i>Nevada</i>	7,760	8%

County **% of
Enrolled Population**

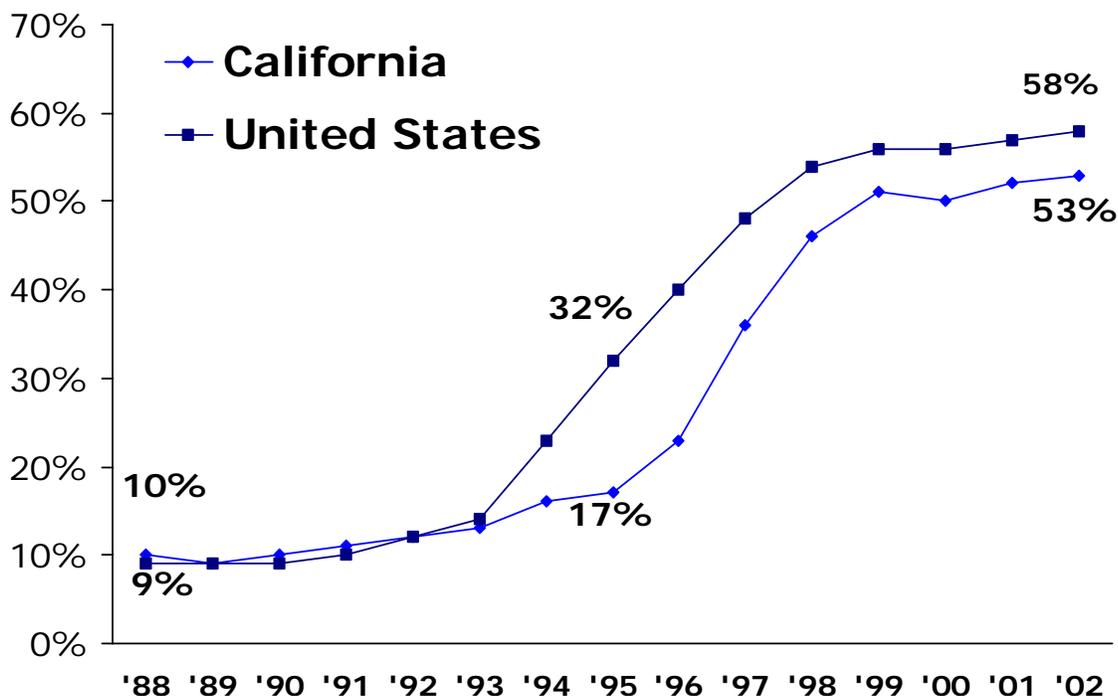
<i>Orange</i>	337,758	11%
<i>Placer</i>	18,537	7%
<i>Plumas</i>	2,816	13%
<i>Riverside</i>	253,325	15%
<i>Sacramento</i>	255,367	19%
<i>San Benito</i>	6,727	12%
<i>San Bernardino</i>	338,067	18%
<i>San Diego</i>	336,076	11%
<i>San Francisco</i>	117,265	15%
<i>San Joaquin</i>	128,934	21%
<i>San Luis Obispo</i>	26,584	10%
<i>San Mateo</i>	58,074	8%
<i>Santa Barbara</i>	59,367	14%
<i>Santa Clara</i>	190,711	11%
<i>Santa Cruz</i>	30,338	12%
<i>Shasta</i>	34,990	20%
<i>Sierra</i>	446	13%
<i>Siskiyou</i>	9,611	22%
<i>Solano</i>	48,790	12%
<i>Sonoma</i>	42,880	9%
<i>Stanislaus</i>	105,590	22%
<i>Sutter</i>	16,603	20%
<i>Tehama</i>	13,396	23%
<i>Trinity</i>	2,378	18%
<i>Tulare</i>	127,215	33%
<i>Tuolumne</i>	6,892	12%
<i>Ventura</i>	93,233	12%
<i>Yolo</i>	26,069	14%
<i>Yuba</i>	17,501	28%

Source: Kaiser Family Foundation estimates based on: (Medi-Cal enrollment) California Department of Health Services, Medi-Cal Beneficiary Profiles by County, January 2003 Month of Eligibility, and (County Population) California Department of Finance, Demographic Research Unit, E-1 City/County Population Estimates with Annual Percent Change - January 1, 2003.

Exhibit 5.2

Percent of Medicaid Enrollees in Managed Care Plans, California and the United States, 1988-2002

Enrollment in Medicaid managed care rose gradually in both California and the United States overall during the 1980s and early 1990s, similar to the growth experienced by private sector managed care during this period. Starting in the mid-1990s, Medicaid managed care enrollment began to grow rapidly. In 1994, the share of Medicaid enrollees in managed care arrangements was just 16% in California and 23% in the United States, but within 5 years managed care accounted for over half of all Medicaid enrollees. By 2002, 53% of California's Medicaid enrollees and 58% of enrollees across the United States were enrolled in managed care.

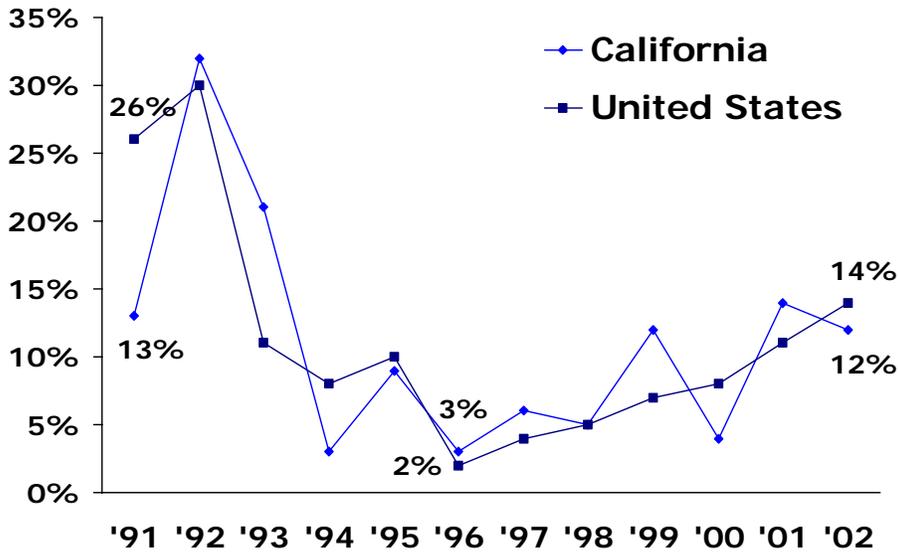


Source: California: California Department of Health Services, Medi-Cal Managed Care Annual Statistical Report, 2002. U.S.: 1991-2002 data: Centers for Medicare and Medicaid Services, "Medicaid Managed Care Enrollment Report," June 30, 1995-2002. 1990 data: Health Care Financing Administration, National Summary of Medicaid Managed Care Programs Enrollment, June 30, 1997. 1988-89 data: Kaiser Family Foundation, Kaiser Commission on the Future of Medicaid, Medicaid Expenditures and Beneficiaries, National and State Profiles and Trends, 1984-1994, 1995.

Exhibit 5.3

Annual Growth and Amount of Total Medicaid Expenditures (Federal and State), California and the United States, FY1991-FY2002

Between 1991 and 2001, Medicaid spending tripled in California and the United States. Growth in the early 1990s was due to increased use of disproportionate share hospital payments and financing methods designed to accrue additional federal matching funds. This period was followed in the mid-1990s by record low growth in response to federal limitations on state use of these financing schemes, and a prosperous economy that resulted in lower enrollment growth. As the economy began to falter during the late 1990's, a weakened job market led to declines in employer-based coverage and reductions in income, and Medicaid enrollment grew in response. Consequently, Medicaid expenditures began to climb.



	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002
California	\$9.0	\$14.4	\$16.2	\$16.6	\$17.5	\$18.4	\$20.5	\$21.4	\$24.3	\$27.2
U.S.	\$88.6	\$128.0	\$151.9	\$155.4	\$161.3	\$169.3	\$181.8	\$196.5	\$217.8	\$248.7

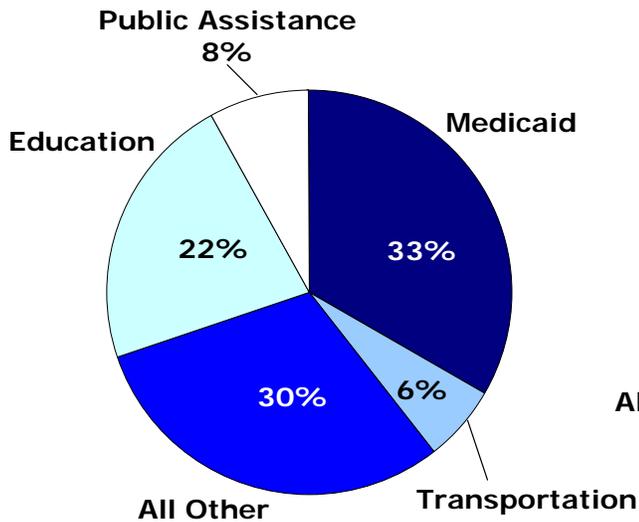
Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute unpublished estimates based on CMS-64 reports.

Exhibit 5.4a

Federal Medicaid Funds as a Percent of Total Federal Funds to States, California and the United States, FY2001

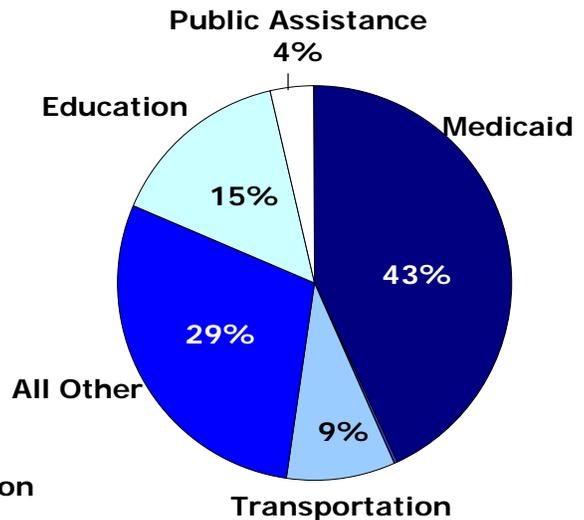
In California, federal funds spent on Medicaid as a share of all federal spending account for a smaller proportion than the average federal spending for Medicaid among all states. One-third of federal dollars spent in California in fiscal year 2001 supported Medicaid, while the program accounted for 43% of federal spending among all states. Twice as many federal funds spent in California went towards public assistance as in the United States overall (8% vs. 4%), and a larger share of federal funds was also spent on education (22% in California vs. 15% among all states).

California



Total: \$46.6 billion

United States



Total: \$288.5 billion

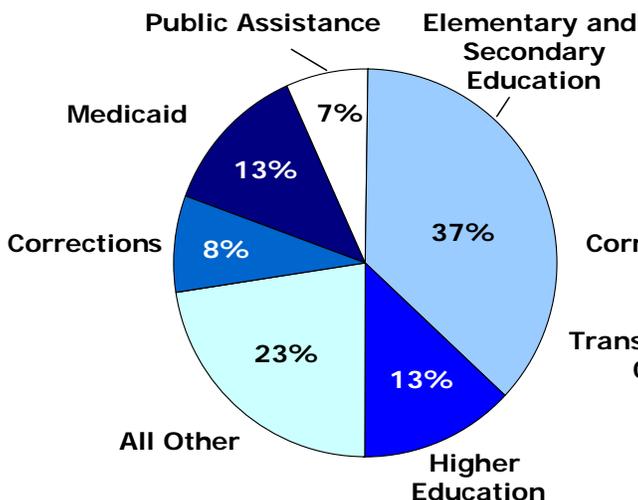
Source: National Association of State Budget Officers, 2002 State Expenditure Report, 2003, at www.nasbo.org/Publications/2002ExpendReport.pdf.

Exhibit 5.4b

State Medicaid General Fund Spending as a Percent of Total General Fund Expenditures, California and the United States, FY2001

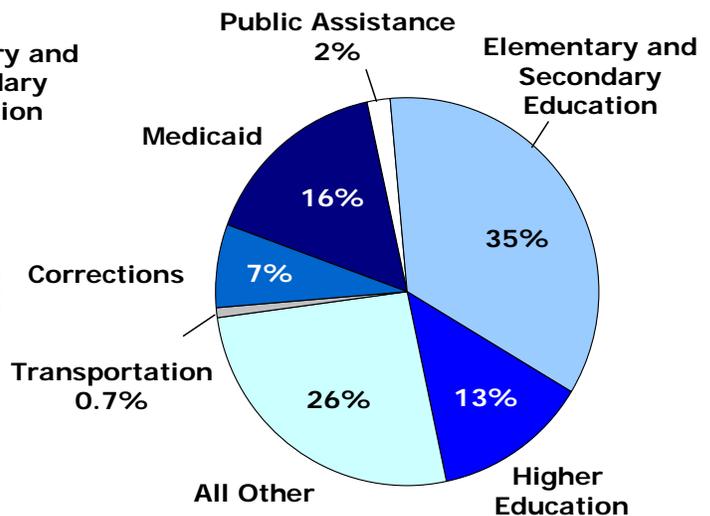
California spends a smaller share of total general fund spending on Medicaid than the average spent by all states. In 2001 nationwide, states spent an average of 16% of all general fund expenditures on Medicaid overall, compared to 13% in California. The highest share of general fund spending went toward education, and California spent a slightly larger share than all states overall (50% vs. 48%).

California



Total: \$76.8
billion

United States

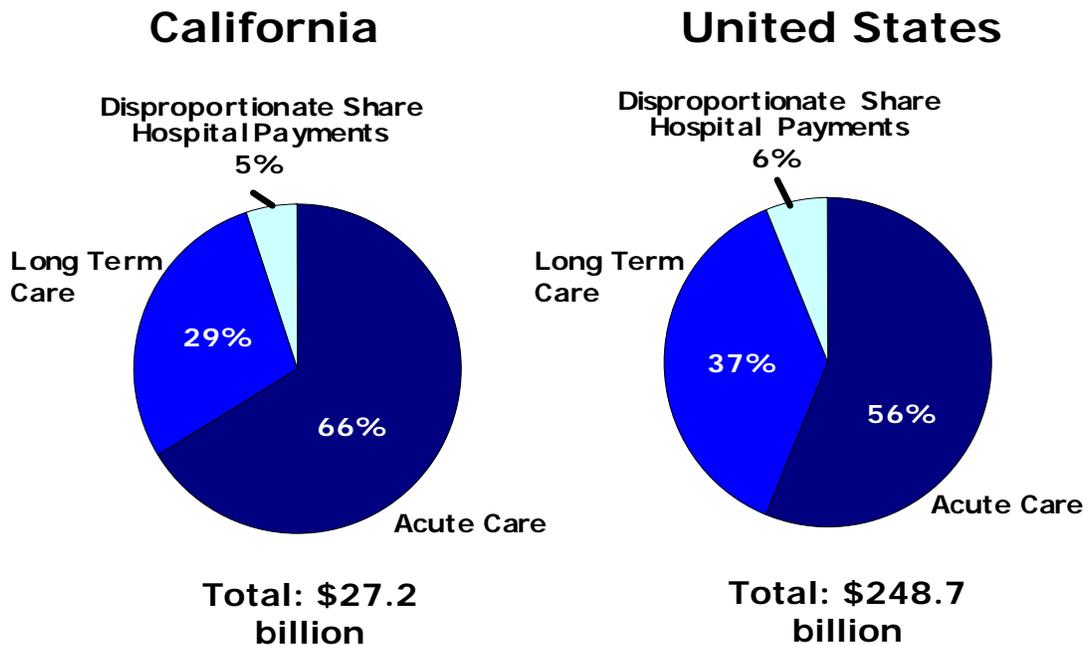


Total: \$495.6
billion

Exhibit 5.4c

Medicaid Spending by Type of Service, California and the United States, FY 2002

Medicaid spending primarily goes toward acute care in both California and the United States, which includes spending for inpatient and outpatient services, prescription drugs, managed care payments, and payments to Medicare. Acute care spending in fiscal year 2001 accounted for over half of all Medicaid spending (56%), and approximately two-thirds of Medicaid spending in California (66%). California's younger population contributes to a greater need for acute care compared to long-term care services. Long-term care spending accounted for 37% of Medicaid spending overall but only 29% of total Medicaid spending in California. Payments to hospitals that care for a disproportionately high share of Medicaid and low-income populations, called disproportionate share hospital payments, accounted for just a small share of Medicaid spending in both California and the United States.



Notes: Includes both federal and state funding. Does not include administrative costs, accounting adjustments or the U.S. Territories. "DSH" refers to disproportionate share hospital payments, which are special payments Medicaid makes to hospitals that treat a disproportionately high number of low-income patients. Acute care services include inpatient, physician, lab, X-ray, outpatient, clinic, prescription drugs, EPSDT, family planning, dental vision, other practitioners' care, payments to managed care organizations, and payments to Medicare. Long-term care services include nursing facilities, intermediate care facilities for the mentally retarded, mental health, home health services, and personal support services.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on CMS-64 reports.

Exhibit 5.5

Public Coverage for Low-Income Children

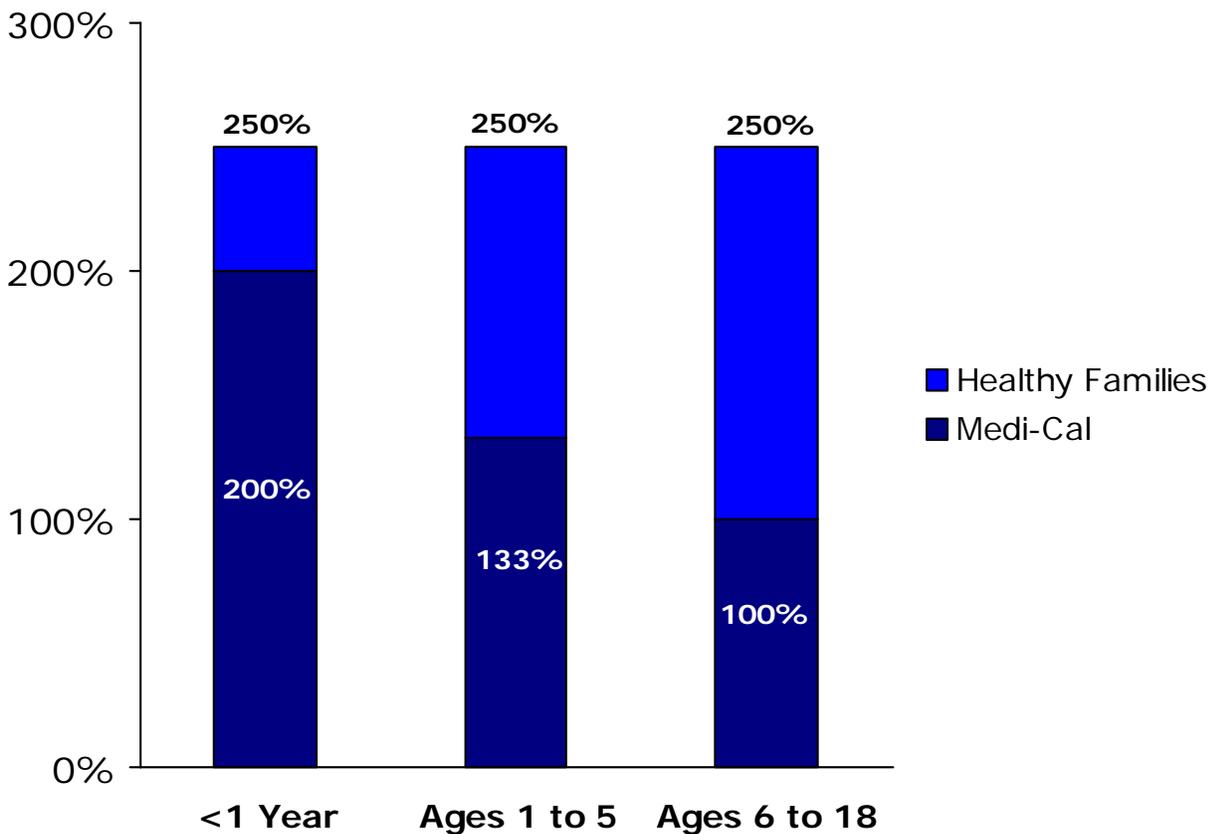
Medi-Cal, California's Medicaid program, and Healthy Families, California's State Children's Health Insurance Program (SCHIP), are critical sources of health insurance for low-income children. In 2001, these two programs provided coverage for over half of poor children (54%) and nearly four in ten (39%) near-poor children. In the United States overall, Medicaid and SCHIP covered approximately the same share of poor children (55%) and over one-third (34%) of near-poor children. Still, more than one in five low-income children lacked coverage, both in California and the U.S. overall.

Medi-Cal and Healthy Families provide coverage to children based on family income eligibility. All children 18 years and younger whose family incomes are below the federal poverty level are covered by Medi-Cal. Children up to age five with somewhat higher incomes are also eligible for the program. Healthy Families provides coverage for children with family incomes up to 250% of the federal poverty level who fall outside of Medi-Cal's eligibility requirements.

Exhibit 5.5a

Eligibility Levels for Children in Medi-Cal and Healthy Families, 2003

To qualify for California's Medi-Cal program, children ages 0 to 1 must have incomes that do not exceed 200% of the federal poverty level. Children ages 1 to 5 with incomes up to 133% of the federal poverty level qualify for the program, as well as children ages 6 to 18 with incomes up to 100% of poverty. Children who do not qualify for Medi-Cal and whose incomes do not exceed 250% of the federal poverty level are eligible for California's SCHIP program, Healthy Families.



Notes: Persons in poverty are defined as those who make less than the federal poverty level in annual income. In 2003, the poverty level was \$8,980 for an individual and \$15,260 for a family of three.

Source: Kaiser Family Foundation, prepared by the Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured, Preserving Recent Progress on Health Coverage for Children and Families: New Tensions Emerge, July 2003. Available at <http://www.kff.org/content/2003/4125/4125.pdf>.

Exhibit 5.5b

Children Enrolled in Medi-Cal and Healthy Families, California and the United States, December 2002

In December 2002, California children covered by Medi-Cal, California's Medicaid program, made up approximately 16% of all children with Medicaid in the United States. Medi-Cal's 3.2 million children in California were among the 20.7 million children enrolled in Medicaid in the U.S. overall in 2002.

Healthy Families, California's SCHIP program, covered about one-fifth the number of children covered by Medi-Cal in December 2002. Healthy Families enrollment comprised nearly 17% of total SCHIP enrollment in the United States.

Children Enrolled in Medicaid and SCHIP, December 2002			
	California	United States	California, as a % of the U.S.
Medi-Cal/Medicaid	3,213,000	20,678,000	16%
Healthy Families/SCHIP	606,500	3,623,400	17%

Notes: Data are "point in time" monthly enrollment counts for December 2002. "SCHIP" refers to the State Children's Health Insurance Program.

Source: California Medi-Cal data: Kaiser Commission on Medicaid and the Uninsured, Medicaid Enrollment in 50 States: June 2002 Data Update, July 2003, Table 2, compiled by Health Management Associates from state enrollment reports.

U.S. Medicaid data: Kaiser Commission on Medicaid and the Uninsured estimate. California Healthy Families and U.S. SCHIP data: Kaiser Commission on Medicaid and the Uninsured, SCHIP Program Enrollment: December 2002 Update, July 2003, Appendix Table 1, compiled by Health Management Associates from state enrollment reports.

Exhibit 5.5c

Healthy Families and Medi-Cal Enrollment for Children Ages 0-17, by County, 2003

Medi-Cal and Healthy Families provided coverage for nearly 4 million children in 2003. Enrollment varied by county. For example, Medi-Cal enrollment ranged from covering just 145 children in Alpine County to nearly 1.3 million children in Los Angeles County. Healthy Families similarly covered just a few children in Alpine, compared to over 190,000 children in Los Angeles.

County	Medi-Cal	Healthy Families
<i>Alameda</i>	91,109	14,970
<i>Alpine</i>	145	3
<i>Amador</i>	1,566	340
<i>Butte</i>	23,164	3,073
<i>Calaveras</i>	2,648	525
<i>Colusa</i>	2,240	1,248
<i>Contra Costa</i>	47,266	7,810
<i>Del Norte</i>	3,774	421
<i>El Dorado</i>	6,239	2,226
<i>Fresno</i>	141,706	18,437
<i>Glenn</i>	3,261	1,018
<i>Humboldt</i>	11,427	2,183
<i>Imperial</i>	21,505	3,555
<i>Inyo</i>	1,280	265
<i>Kern</i>	98,382	16,140
<i>Kings</i>	16,111	2,816
<i>Lake</i>	6,524	1,454
<i>Lassen</i>	2,371	300
<i>Los Angeles</i>	1,292,662	192,719
<i>Madera</i>	18,844	2,963
<i>Marin</i>	5,745	1,939
<i>Mariposa</i>	1,107	249
<i>Mendocino</i>	9,511	1,962
<i>Merced</i>	37,803	5,786
<i>Modoc</i>	1,099	127
<i>Mono</i>	554	351
<i>Monterey</i>	40,454	12,247
<i>Napa</i>	5,510	1,540
<i>Nevada</i>	3,517	2,005

County	Medi-Cal	Healthy Families
<i>Orange</i>	180,783	65,429
<i>Placer</i>	8,742	2,588
<i>Plumas</i>	1,283	270
<i>Riverside</i>	145,313	45,616
<i>Sacramento</i>	136,867	15,804
<i>San Benito</i>	3,661	1,252
<i>San Bernardino</i>	196,264	46,966
<i>San Diego</i>	175,824	56,347
<i>San Francisco</i>	37,995	10,511
<i>San Joaquin</i>	70,096	13,642
<i>San Luis Obispo</i>	12,793	3,897
<i>San Mateo</i>	26,535	6,201
<i>Santa Barbara</i>	31,876	7,768
<i>Santa Clara</i>	86,359	20,279
<i>Santa Cruz</i>	15,325	4,276
<i>Shasta</i>	16,348	3,940
<i>Sierra</i>	204	34
<i>Siskiyou</i>	4,404	606
<i>Solano</i>	24,881	3,609
<i>Sonoma</i>	20,599	7,016
<i>Stanislaus</i>	56,127	9,076
<i>Sutter</i>	8,387	2,524
<i>Tehama</i>	6,742	1,190
<i>Trinity</i>	1,074	300
<i>Tulare</i>	72,895	10,161
<i>Tuolumne</i>	3,189	859
<i>Ventura</i>	48,943	15,496
<i>Yolo</i>	13,547	2,468
<i>Yuba</i>	9,448	1,406

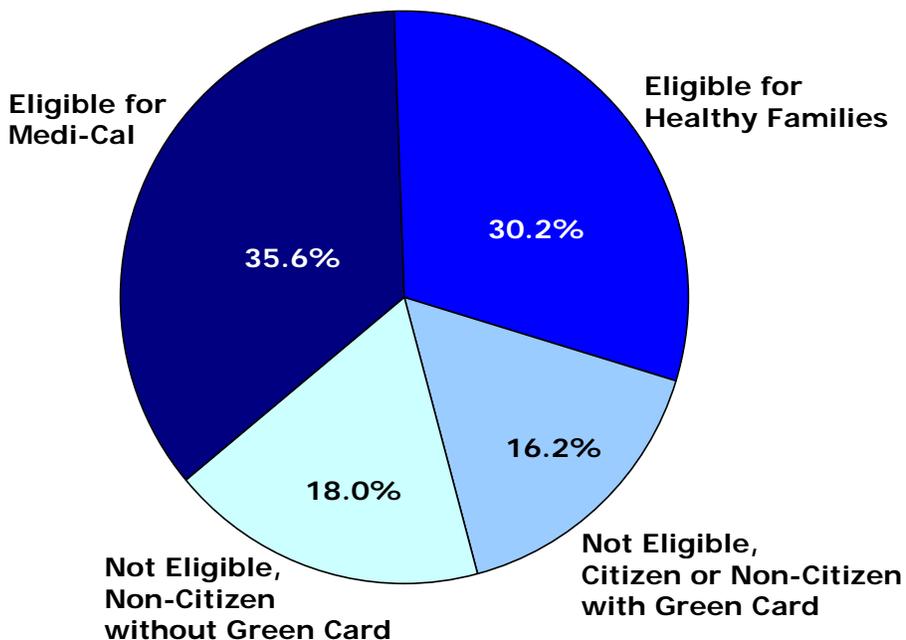
Notes: Medi-Cal data as of January 2003. Healthy Families data as of May 2003.

Source: 100% Campaign, County Level Data Factsheet, August 2003. Medi-Cal data based on Medi-Cal Eligibility Profiles by County, California Department of Health Services, Medical Care Statistics Section. Healthy Families data based on Healthy Families Program Subscribers Enrolled by County.

Exhibit 5.5d

Uninsured Children, by Eligibility for Medi-Cal and Healthy Families, California 2001

Nearly one million children in California are uninsured. Approximately two-thirds of these children are eligible for health insurance coverage under one of California's public programs. Thirty-six percent qualify for Medi-Cal and another 30% qualify for Healthy Families. Among the remaining third of uninsured children, approximately half (161,000) are in families with incomes that exceed the Healthy Families' ceiling, and half (180,000) are ineligible because they are non-citizens and do not qualify for these programs.



Total: 997,000 Uninsured Children

Notes: Point-in-time estimates. Includes children 18 years old and younger.

Source: E. R. Brown, N. Ponce, T. Rice, and S.A. Lavarreda, The State of Health Insurance in California: Findings from the 2001 California Health Interview Survey, UCLA Center for Health Policy Research, June 2002.

Exhibit 5.5e

Healthy Families Expenditures, FY2002

Expenditures for California's SCHIP program, Healthy Families, were approximately \$700 million dollars in FY2002. Of this total, the state spent slightly over \$230 million, with the remainder paid by federal matching funds. California is one of 13 states with a federal matching rate under SCHIP of 65% in FY2003, the lowest matching rate among all states. Matching rates under SCHIP are higher than federal matching rates under Medicaid.

U.S. spending on SCHIP programs totaled \$5.3 billion in FY2002, with \$1.6 billion paid for by states and \$3.7 billion covered by federal matching funds.

Healthy Families Expenditures, FY2002		
California Share	Federal Share	Total Spending
\$234,185,865	\$454,189,935	\$688,375,800

Note: SCHIP refers to the State Children's Health Insurance Program.

Source: Kaiser Family Foundation, State Health Facts Online. SCHIP spending: Based on State and Federal Total SCHIP Expenditures, FY2002, Special Data Request to CMS, August 2003. SCHIP matching rates: Based on Federal Register, Nov. 30, 2001 (Vol. 66, No. 231), pp 59790-59793. Medicaid matching rates: Based on Federal Register, June 17, 2003 (Vol. 68, No. 116), pp 35889-35890.

Medicare Enrollment: Covering the Aged and Disabled

Medicare is a federal health insurance program that covers about four million aged and disabled beneficiaries in California, and over 40 million beneficiaries in the United States overall. The program serves all aged and disabled beneficiaries without regard to income or medical history. Medicaid also plays a role for a considerable share of low-income Medicare beneficiaries in California who receive financial assistance to meet Medicare's cost-sharing requirements.

The Medicare population is somewhat smaller in California compared to in the United States overall, with the great majority of beneficiaries aged and a much smaller share disabled. California's Medicare population is much more likely to be enrolled in managed care programs, called Medicare+Choice, than the average U.S. Medicare beneficiary. Due to Medicare's high cost-sharing requirements and benefit exclusions, including most prescription drugs and long-term care, most beneficiaries in both California and the United States overall have supplemental coverage through an additional source, such as employment or retiree coverage or individual insurance policies.

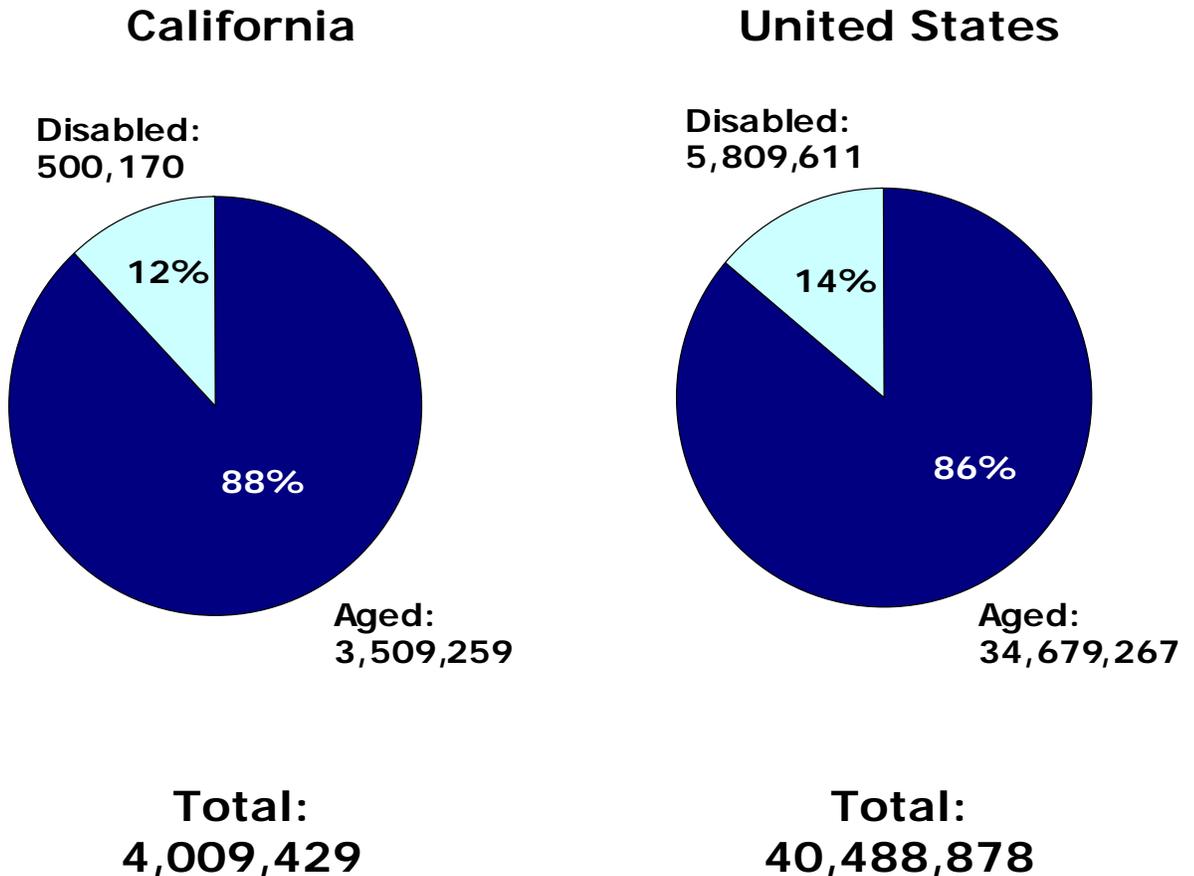
After years of discussion and debate, a new Medicare outpatient prescription drug benefit was signed into law on December 8, 2003. The new benefit, which will be implemented in 2006, provides beneficiaries with prescription drug coverage that will be offered by private plans. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 is also designed to provide substantial relief to those with low-incomes.

The new law requires states to finance much of the cost of providing prescription drug coverage to people who are dually eligible for Medicare and Medicaid through a "clawback," which will contribute \$88.5 billion toward the costs of the program between 2006 and 2013. States are expected to realize a net savings of \$17.2 billion over the 2004-2013 period, with 91% of savings after 2008, according to the Congressional Budget Office.

Exhibit 5.6a

Medicare Enrollment by Eligibility Category, California and the United States, July 2002

As of July 2001, Medicare covered 11% of the total California population, or about four million beneficiaries. As a state with a relatively young population, California has a smaller share of Medicare beneficiaries than the U.S. overall. In 2001, Medicare covered over 40 million beneficiaries, or 14% of the total population. Most Medicare beneficiaries were 65 years old or greater. Eighty-eight percent of Medicare beneficiaries in California were "aged" in 2001, while 86% were aged in the U.S. overall. A minority of younger beneficiaries qualified due to permanent disabilities, 12% in California and 14% in the U.S.



Notes: Includes Medicare beneficiaries eligible for the Medicare Hospital Insurance program and/or the Medicare Supplementary Medical Insurance program.

Source: Centers for Medicare and Medicaid Services, Medicare National and State Enrollment, at www.cms.gov/statistics/enrollment/default.asp.

Exhibit 5.6b

California's Medicare Enrollment by County, July 2002

Medicare enrollees are most likely to live in certain counties in California. Approximately one-quarter of Medicare enrollees reside in Los Angeles County. Other counties have smaller but considerable shares of the Medicare population as residents, such as San Diego (8.6%), Orange (7.5%), and Riverside (5.3%) counties.

<u>County</u>	<u>Enrolled</u>	<u>County</u>	<u>Enrolled</u>
<i>Alameda</i>	157,479	<i>Orange</i>	302,187
<i>Alpine</i>	145	<i>Placer</i>	37,303
<i>Amador</i>	7,103	<i>Plumas</i>	4,072
<i>Butte</i>	36,665	<i>Riverside</i>	213,376
<i>Calaveras</i>	8,229	<i>Sacramento</i>	157,397
<i>Colusa</i>	2,542	<i>San Benito</i>	4,697
<i>Contra Costa</i>	120,221	<i>San Bernardino</i>	175,001
<i>Del Norte</i>	4,388	<i>San Diego</i>	346,565
<i>El Dorado</i>	25,760	<i>San Francisco</i>	117,150
<i>Fresno</i>	92,989	<i>San Joaquin</i>	70,320
<i>Glenn</i>	4,071	<i>San Luis Obispo</i>	39,798
<i>Humboldt</i>	19,776	<i>San Mateo</i>	91,535
<i>Imperial</i>	18,378	<i>Santa Barbara</i>	55,996
<i>Inyo</i>	3,775	<i>Santa Clara</i>	169,967
<i>Kern</i>	76,870	<i>Santa Cruz</i>	27,970
<i>Kings</i>	11,109	<i>Shasta</i>	32,992
<i>Lake</i>	12,880	<i>Sierra</i>	681
<i>Lassen</i>	3,870	<i>Siskiyou</i>	9,706
<i>Los Angeles</i>	1,013,741	<i>Solano</i>	41,784
<i>Madera</i>	18,662	<i>Sonoma</i>	63,670
<i>Marin</i>	35,284	<i>Stanislaus</i>	57,133
<i>Mariposa</i>	3,164	<i>Sutter</i>	11,360
<i>Mendocino</i>	14,259	<i>Tehama</i>	9,564
<i>Merced</i>	20,638	<i>Trinity</i>	2,679
<i>Modoc</i>	1,784	<i>Tulare</i>	41,924
<i>Mono</i>	882	<i>Tuolumne</i>	11,192
<i>Monterey</i>	43,593	<i>Ventura</i>	89,134
<i>Napa</i>	21,886	<i>Yolo</i>	18,468
<i>Nevada</i>	16,681	<i>Yuba</i>	8,267
Total Medicare Enrollment in California:		4,009,429	

Source: Centers for Medicare and Medicaid Services, Medicare County Enrollment as of July 1, 2002, Aged and Disabled Update, March 2003, at www.cms.gov/statistics/enrollment/county2001/stca01.asp.

Exhibit 5.7

Profile of Medicare Beneficiaries, California and the United States

California's Medicare population is proportionally somewhat smaller than the Medicare population in the U.S. overall (11% vs. 14%). However, the share of Medicare beneficiaries who are eligible for Medicaid because they have low incomes is larger in California than the nationwide average (23% vs. 18%). In addition, a greater share of California's aged population receives SSI benefits than among the U.S. aged population overall. Nine percent of California residents ages 65 and greater are SSI recipients, compared to 3.5% of the total aged U.S. population.

	California	United States
Total Medicare Beneficiaries, 2002 (as a % of total population)	11%	14%
Medicare Beneficiaries with Medicaid Assistance, 2002 ("Dual Enrollees")	23%	18%
Aged SSI Recipients, 2002 (As a % of total 65+ population)	9.2%	3.5%
Medicare Beneficiaries with Incomes Below 100% of Poverty, 2001-02 (U.S. 2002)	15%	17%

Note: Aged SSI (Supplemental Security Income) is the national program that provides benefits to the low-income aged, blind, and disabled.

Source: Centers for Medicare and Medicaid Services, Medicare State Enrollment, July 1, 2002, at <http://cms.hhs.gov/statistics/enrollment/default.asp>.

Dual Enrollees: Total Medicare population based on Centers for Medicare and Medicaid Services, Medicare State Enrollment Trends, July 1, 2002, at

<http://cms.hhs.gov/statistics/enrollment/default.asp>. Number of dual enrollees based on Kaiser Family Foundation, Shifting the Cost of Dual Eligibles: Implications for States and the Federal Government, November 2003.

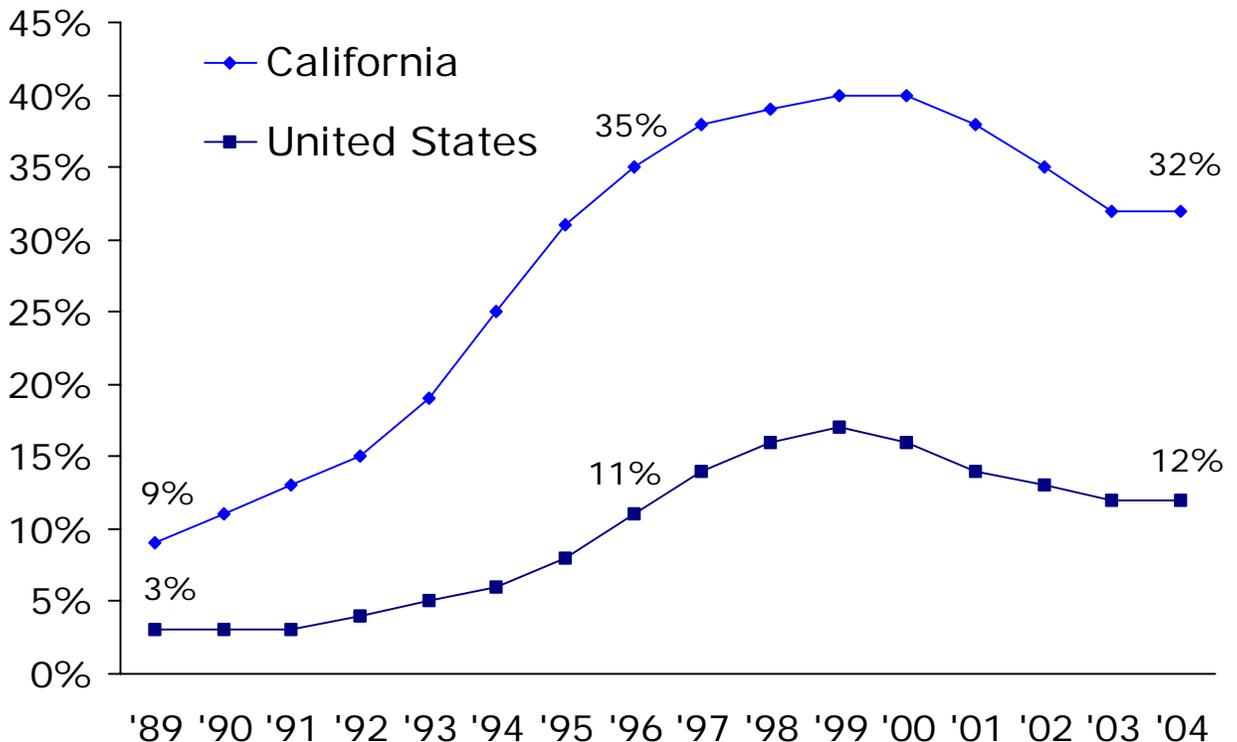
SSI recipients: Calculation based on data from the Social Security Administration, SSI Annual Statistical Report 2002, Table 9, August 2003; population data from the Census Bureau, State Population Estimates by Selected Age Categories and Sex, Table 1, July 2002.

Beneficiaries by Poverty: Based on Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on pooled March 2002 and 2003 Current Population Surveys (California) and March 2003 Current Population Survey (U.S.).

Exhibit 5.8

Percentage of Medicare Beneficiaries Enrolled in Medicare+Choice Managed Care Plans, California and the United States, 1989-2004

Since 1989, the proportion of the Medicare population enrolled in Medicare+Choice plans in California has ranged from two to four times the national rate. The proportion of Medicare beneficiaries enrolled in managed care in both California and the United States grew steadily each year until 1999. At that point, the share of enrollees in Medicare+Choice plans began to level off and decline. As of January 2004, 32% of Medicare beneficiaries in California were enrolled in managed care, compared to 12% nationally. In 2003, California enrollees comprised 28% of the total national Medicare+Choice enrollment.



Source: Centers for Medicare and Medicaid Services, Medicare Managed Care Contract Report, years 1989-2003 (December 1) and 2004 (January 1) at www.cms.gov/healthplans/statistics/mmcc.

Exhibit 5.9

Total Medicare Spending, California and the United States, 2001

In 2002, Medicare spending accounted for 17% of total national spending for personal health care services, financing 30% of the nation's hospital services and 20% of physician and clinical services.

Medicare spending in California comprised over 10% of all Medicare spending nationwide in 2001. Medicare spending in California was just under \$25 billion, while Medicare benefit payments totaled over \$267 billion throughout the U.S. in 2002. Spending over the last few years has grown more slowly for Medicare than private plans, although Medicare spending growth has been greater recently than during the 1997-2000 period. The Congressional Budget Office projects that Medicare spending will grow 9% in the next ten years, totaling \$698 billion by 2014 and accounting for 19% of the federal budget.

Medicare Spending, 2000 to 2002		
	California	United States
2000	\$23,620,611,000	\$214,867,633,000
2001	\$24,858,719,000	\$234,949,077,000
2002	Not available	\$267,100,000,000

Notes: Medicare fee-for-service estimated benefit payments are based on the State of the provider, rather than the State of the beneficiary. Managed care organization estimated benefit payments are distributed based on the State of the plan. Both fee-for-service and managed care payments are on a paid basis.

Source: Levit, Katharine, "Health Spending Rebound Continues in 2002," *Health Affairs*; 23(1), Jan/Feb 2004. 2000 and 2001 spending figures: Centers for Medicare and Medicaid Services. 2001 data available at <http://cms.hhs.gov/statistics/feeforservice/BenefitPayments01.pdf>. Medicare spending estimates: "The Budget and Economic Outlook: 2005-2014," Congressional Budget Office, January 2004.

Exhibit 5.10

Dual Enrollee Enrollment and Spending, California and the United States, 2002

Medicare's cost-sharing requirements and exclusion of specific benefits, like most prescription drugs and long-term care, leave many beneficiaries in need of additional coverage. More than seven million Medicare beneficiaries, called "dual enrollees," rely on financial assistance from Medicaid to help pay for premiums, cost-sharing, and benefits that Medicare does not cover. Close to one million of these beneficiaries are in California.

In 2002, 23% of Medicare beneficiaries in California and 18% in the U.S. were dual enrollees. Most dual enrollees are very low-income individuals with substantial health needs. The lowest income beneficiaries receive full Medicaid benefits, while those with more income or resources receive more limited coverage. In 2002, 97% of dual enrollees received full Medicaid benefits in California, and 85% of dual enrollees received full coverage in the U.S.

Dual enrollees are a high-need population that requires significant spending. Medicaid expenditures nationwide totaled over \$90 billion in 2002 on dual enrollees, including \$8.3 billion for California enrollees. Average spending per dual enrollee in California was significantly lower compared to spending per dual enrollee in the U.S. overall.

Dual Enrollees: Enrollment and Spending, 2002

	California	United States
Dual Enrollee Enrollment	932,000	7,200,000
Dual Enrollees with Full Medicaid	904,000	6,126,000
Medicaid Spending on Dual Enrollees	\$8.290 billion	\$91.056 billion
Average Medicaid Spending per Dual Enrollee	\$8,891	\$12,647

Source: Kaiser Family Foundation, *Shifting the Cost of Dual Eligibles: Implications for States and the Federal Government*, November 2003. Total Medicare population: Based on Centers for Medicare and Medicaid Services, *Medicare State Enrollment Trends*, July 1, 2002, at <http://cms.hhs.gov/statistics/enrollment/default.asp>.

Exhibit 5.11

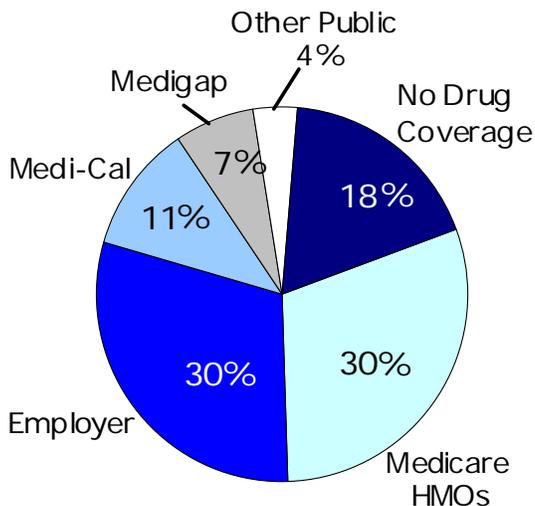
Sources of Prescription Drug Coverage, California Seniors and U.S. Medicare Beneficiaries

Prescription drugs play a critical role in health care for American seniors. In the absence of a Medicare prescription drug benefit, California seniors and Medicare beneficiaries across the country have relied on a variety of sources for prescription drug insurance. Employer-sponsored plans and Medicare HMOs were the primary sources of drug coverage in 2001. Medicare HMOs were a more common source of coverage for California seniors than for Medicare beneficiaries across the U.S. (30% vs. 15%). Drug coverage under Medi-Cal and Medigap is nearly the same for seniors in California and U.S. Medicare beneficiaries overall.

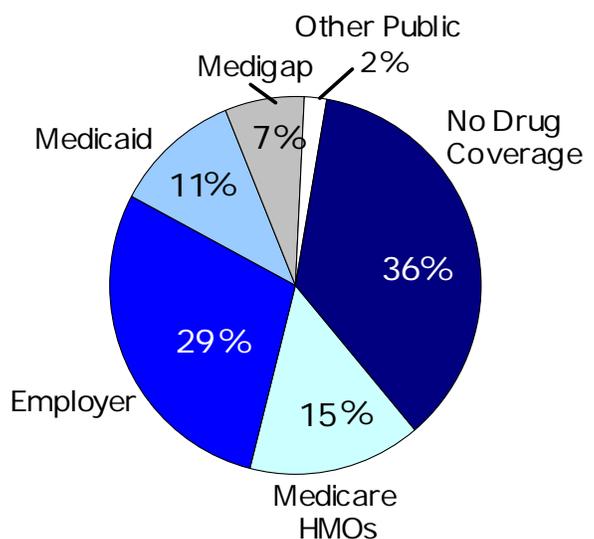
Compared to Medicare beneficiaries nationwide, California seniors are much more likely to have drug coverage. While over one-third of Medicare beneficiaries lack coverage in the U.S. (38%), fewer than one-fifth of California seniors (18%) lack a source of insurance for prescription drugs.

Beginning in 2006, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 will provide Medicare beneficiaries with prescription drug coverage offered by private plans.

California, Summer 2001



United States, Fall 2001



SECTION 6

Health Care Spending

This section provides an overview of health care spending in California and the United States. Specifically, the section includes trend data on total expenditures per capita for health care services (known as personal health care expenditures) and expenditures per Medicare and Medicaid enrollee. Also included is data on expenditures by type of service (hospital, physician, drugs, etc.) and spending by type of service for Medicare and Medicaid. Trend data on personal health care expenditures as a percent of Gross State Product and Gross Domestic Product, and State health care expenditures as a share of total state expenditures, are included.

Exhibit 6.1

Per Capita Personal Health Care Expenditures

Personal health care expenditures (spending for health care services) in 1998 totaled \$112 billion in California and \$1.016 trillion in the United States as a whole. Per capita personal health care spending rose in both California and the United States between 1991 and 1998, though California's total increase (27%) and average annual increase (3.5%) were lower than in the United States (40% and 4.9%, respectively). Except for 1991, per capita expenditures were lower in California compared to the United States throughout the time period; in 1998, personal health care expenditures in California averaged \$3,429 per capita compared to \$3,759 per capita in the United States. (Exhibit 6.1a)

The annual rates of change in per capita personal health care expenditures in both California and the United States declined from 1992 to 1994 and then remained fairly constant through 1997, with California's rates remaining below those of the United States. However, in 1998, the California rate of increase (5.0%) rose sharply and exceeded that of the United States (4.2%). In 1992, the rates of change in California and the United States were over twice that of the consumer price index, but in 1994 the California rate fell below the CPI and remained there until 1998, when the increase in California was 3 times greater than the CPI. (Exhibit 6.1b)

While overall personal health care expenditures per capita were lower in California compared to the United States in 1998 (\$3,429 vs. \$3,759), Medicare expenditures per enrollee were higher (\$5,947 vs. \$5,506). The largest difference between personal health care expenditures in California and the United States was for Medicaid expenditures, which in California were half that of the United States (\$2,866 vs. \$5,032). (Exhibit 6.1c)

Medicare personal health care expenditures per Medicare enrollee grew annually in both California and the United States between 1991 and 1998, but increased more slowly in California (47%) than in the United States (60%). Throughout this time period, Medicare per enrollee health care expenditures were consistently higher in California than the United States; in 1998, California Medicare expenditures averaged \$5,947 per enrollee, compared to \$5,506 in the United States. (Exhibit 6.1d)

Exhibit 6.1 (Continued)

Per Capita Personal Health Care Expenditures

Medicaid personal health care expenditures per Medicaid enrollee grew between 1991 and 1998, but at a lower rate in California (37%) than in the United States (41%). Throughout this time period, Medicaid per enrollee spending was consistently lower in California (California spending was about one-half to two-thirds of per enrollee spending in the United States). In 1998, California spending averaged \$2,866 per enrollee, compared to \$5,032 in the United States. (Exhibit 6.1e)

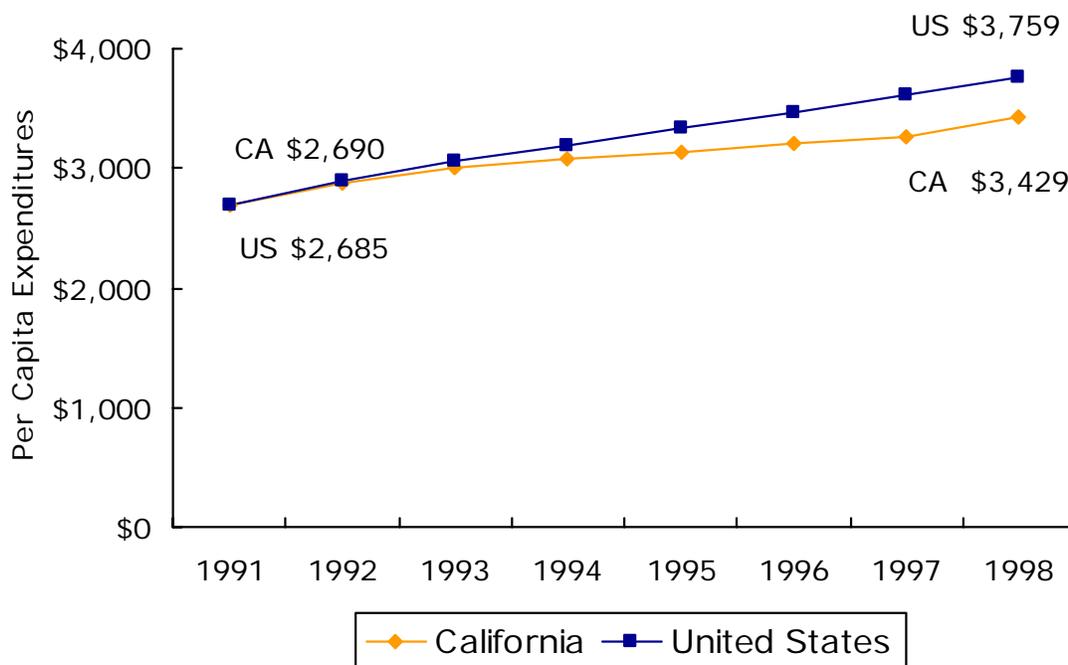
In 1998, California's per capita spending was lower than United States per capita spending for all types of services except Physicians/Other Professional Services (Hospital services were 19% lower; Drugs, 21% lower; Nursing Homes, 47% lower; Home Health, 44% lower). Physician/Other Professional Services per capita spending was 22% higher in California than in the United States. California's per capita Physician spending was higher than its per capita spending for any other service. The average annual percent growth from 1991-1998 for these health services was typically lower in California than in the United States, except for Nursing Homes. (Exhibit 6.1f)

In 1998, California's highest Medicare expenditures per enrollee were for Hospitals, followed by Physicians, Nursing Homes, Home Health, and Drugs. California Medicare spending was higher than spending in the United States for Hospitals, Physicians, and Drugs, and lower for Nursing Homes and Home Health. The average annual percent growth from 1991-1998 was typically lower in California than in the United States. (Exhibit 6.1g)

In 1998, California's highest Medicaid expenditures per enrollee were for Hospitals, followed by Physicians, Drugs, Nursing Homes, Home Health, and Other Professional Services. California Medicaid spending was lower than spending in the United States for all service types, especially Nursing Homes where California spending represented one-quarter of the United States total. The average annual percent growth from 1991-1998 was typically lower in California except for a large growth in Home Health (65.1%), and Physicians (5.0%). (Exhibit 6.1h)

Exhibit 6.1a

Trends in Personal Health Care Expenditures Per Capita, California and the United States, 1991-1998

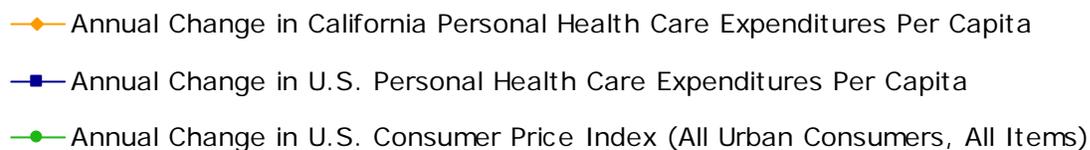
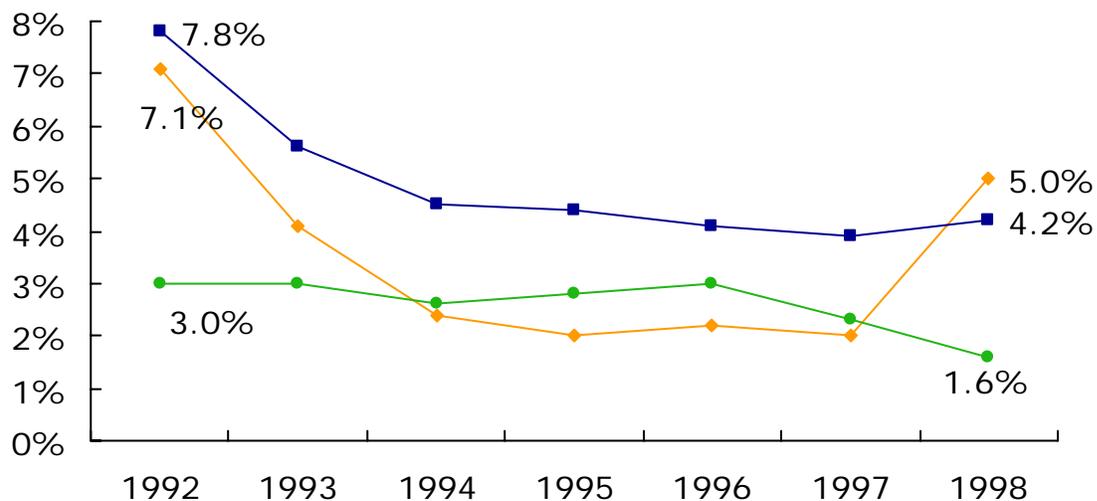


Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence/.

Exhibit 6.1b

Annual Change in Personal Health Care Expenditures Per Capita and the CPI, California and the United States, 1992-1998

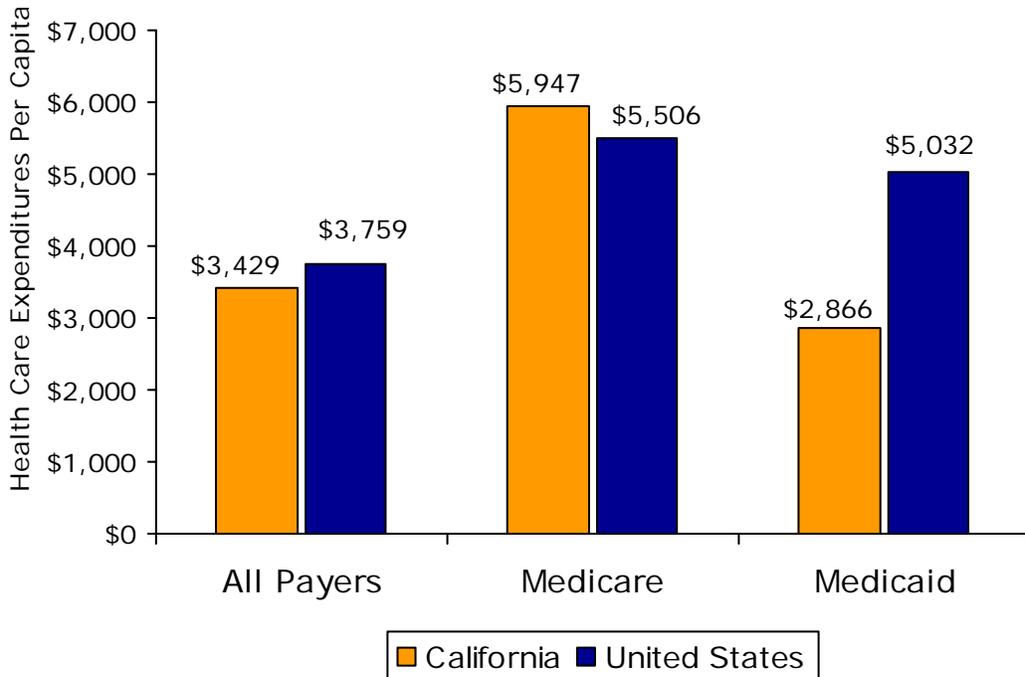


Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, [www.cms.hhs.gov/statistics/nhe/state-estimates-residence/\(CA and US data\)](http://www.cms.hhs.gov/statistics/nhe/state-estimates-residence/(CA%20and%20US%20data)). U.S. Department of Labor, Bureau of Labor Statistics, <ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.txt> (CPI data).

Exhibit 6.1c

Personal Health Care Expenditures Per Capita, by Source of Payment, California and the United States, 1998

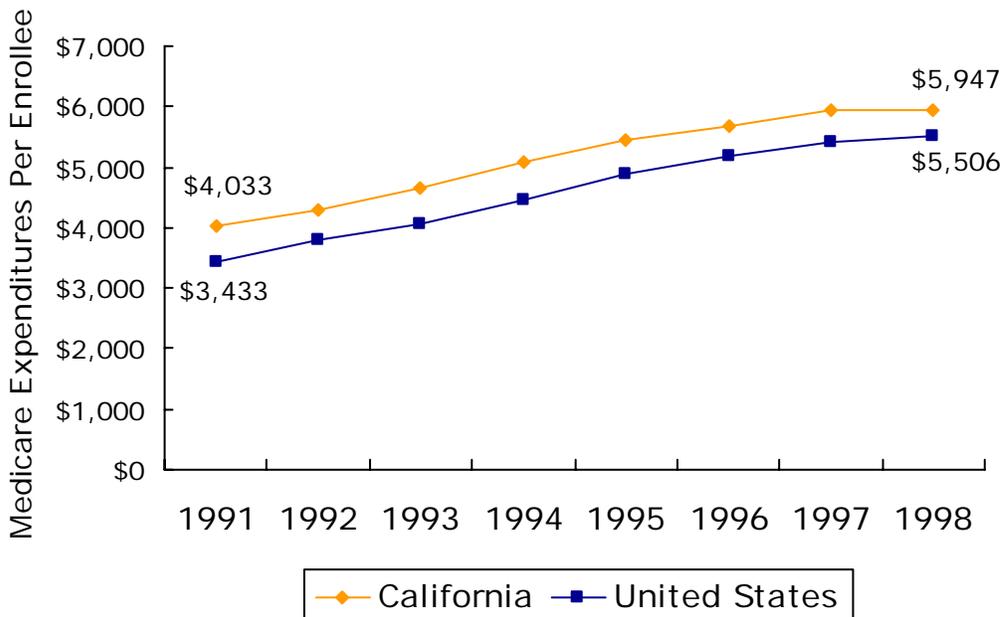


Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence/.

Exhibit 6.1d

Trends in Medicare Personal Health Care Expenditures Per Enrollee, California and the United States, 1991-1998

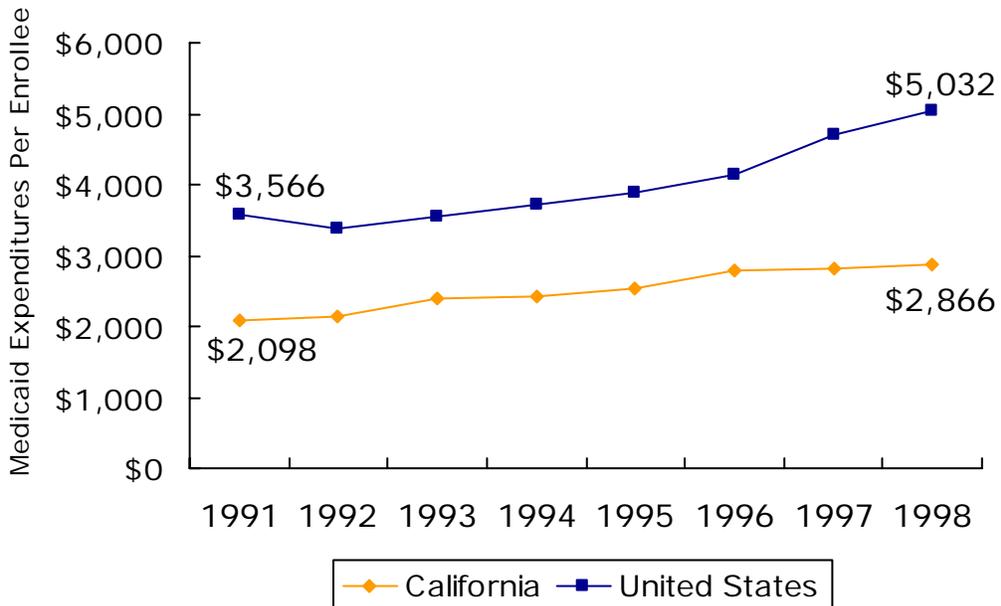


Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence/.

Exhibit 6.1e

Trends in Medicaid Personal Health Care Expenditures Per Enrollee, California and the United States, 1991-1998

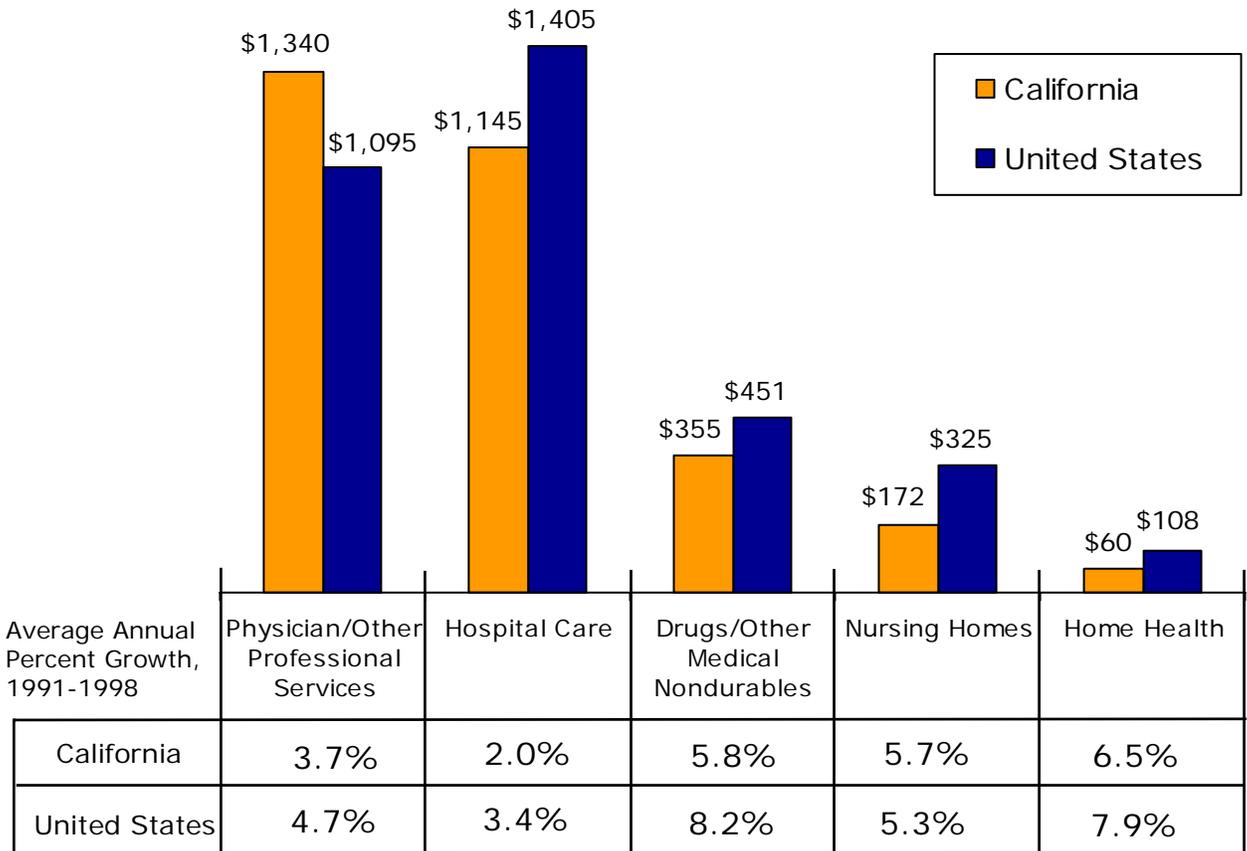


Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence/.

Exhibit 6.1f

Per Capita Health Care Spending by Type of Service in 1998, and Average Annual Percent Growth, 1991-1998, California and the United States

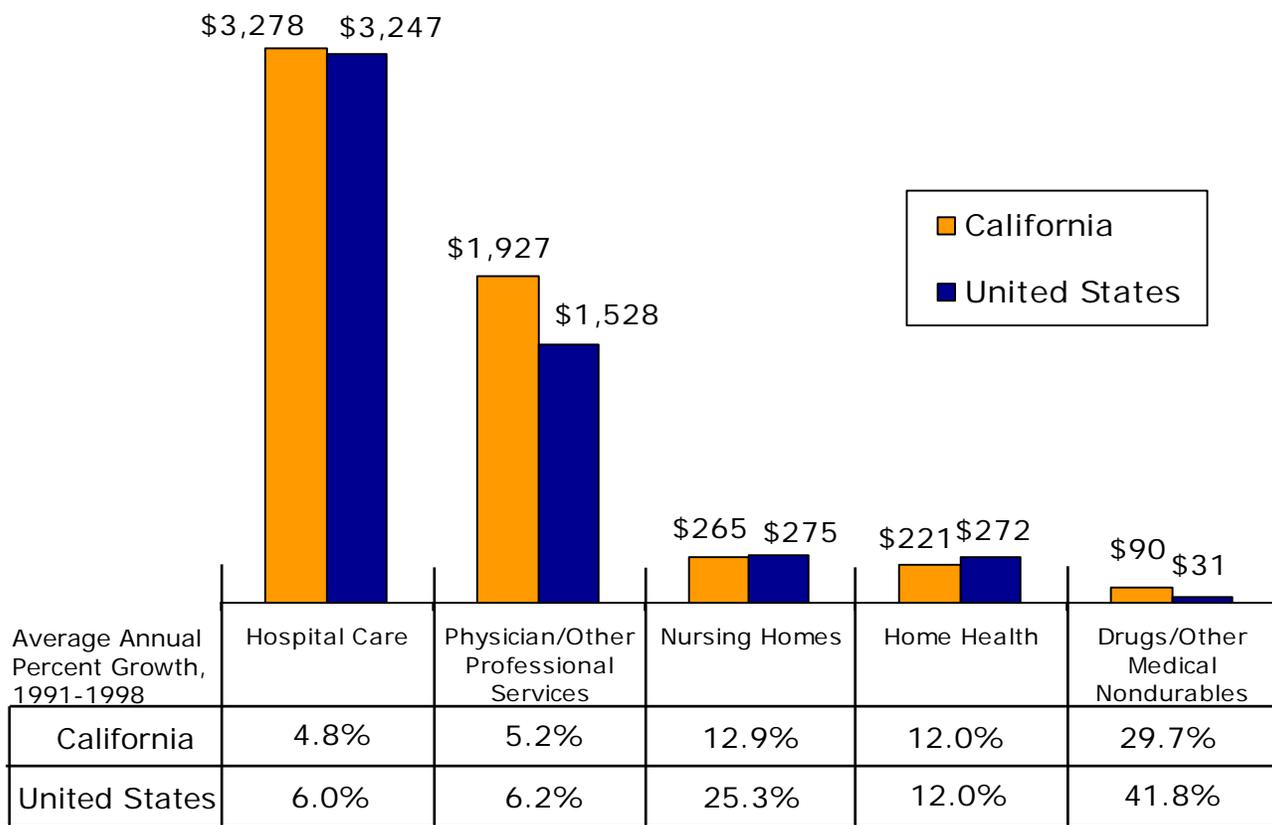


Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence .

Exhibit 6.1g

Per Enrollee Medicare Health Care Spending by Type of Service in 1998, and Average Annual Percent Growth, 1991-1998, California and the United States

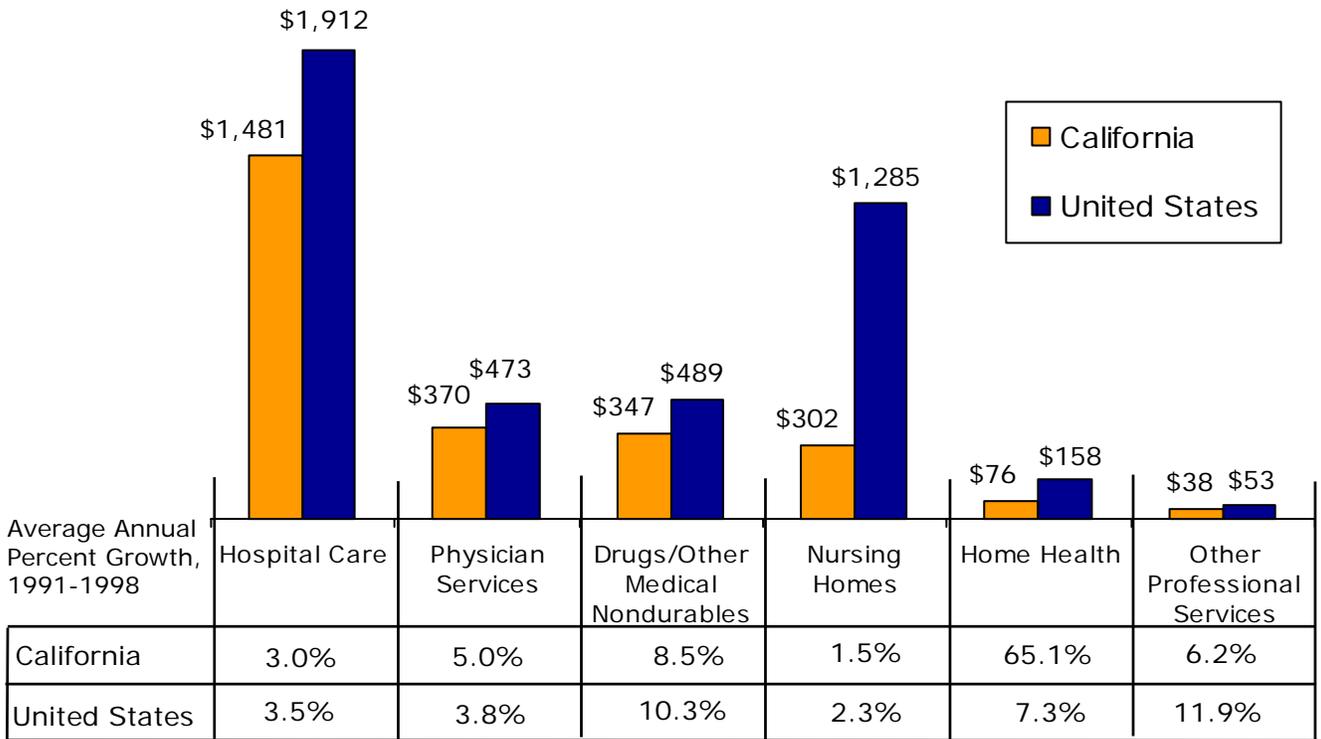


Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence.

Exhibit 6.1h

Per Enrollee Medicaid Health Care Spending by Type of Service in 1998, and Average Annual Percent Growth, 1991-1998, California and the United States



Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence/.

Exhibit 6.2

Personal Health Care Expenditures by Type of Service

Across all payers, over a third of 1998 total personal health care expenditures in California were spent on Physician Services (39%), followed closely by Hospital Care (33%); in the United States as a whole, most spending was for Hospital Care (37%), followed by Physician Services (29%). Spending on Nursing Home Care was just over half the proportion in California (5%) that it was in the United States (9%). (Exhibit 6.2a)

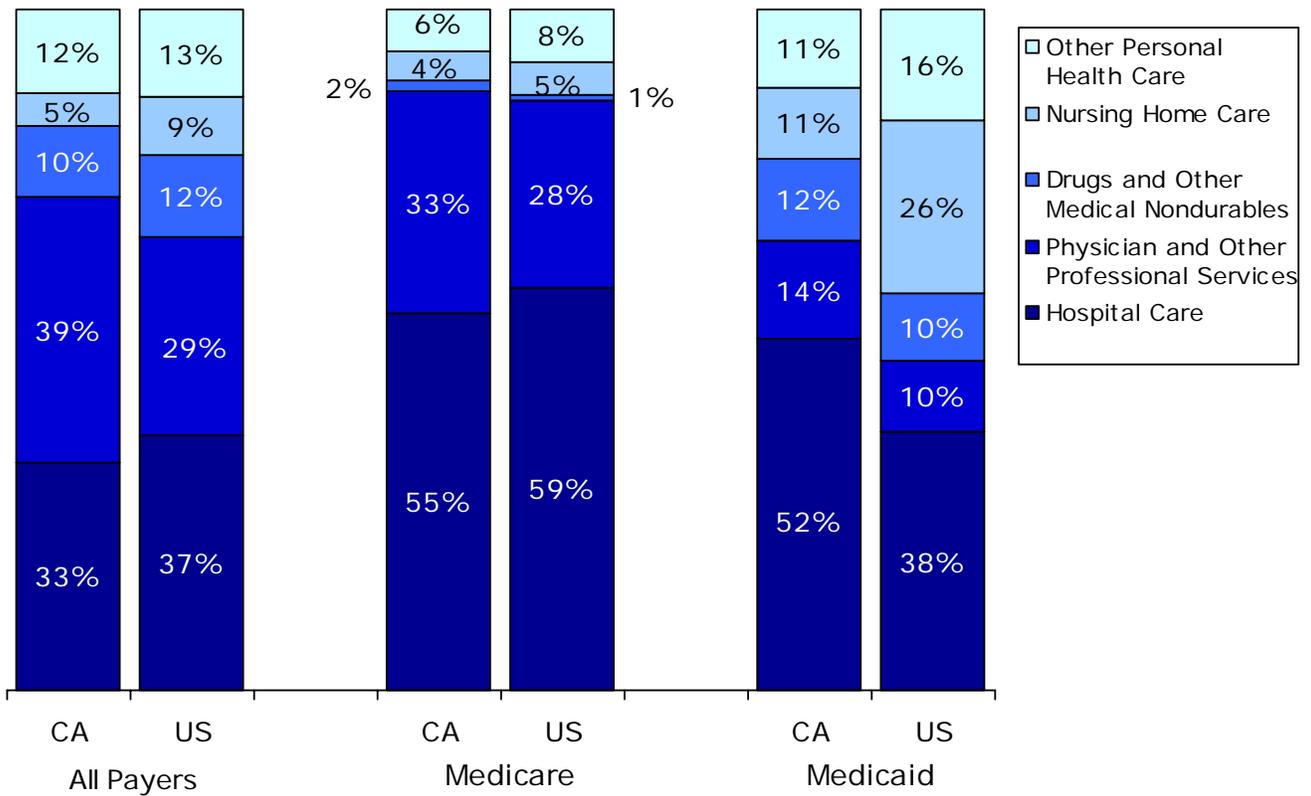
Over half of Medicare expenditures in California and the United States in 1998 were spent on Hospital Services. California spent a smaller proportion on these services than the United States, 55% vs. 59%. The second highest expenditures were for Physician Services, and in this case, California spent a greater proportion than the United States, 33% vs. 28%. California and United States spending patterns for other services were similar. (Exhibit 6.2a)

The proportion of Medicaid expenditures for Hospital Care were considerably higher in California compared to the United States in 1998 (52% vs. 38%). The share for Physician Services was also higher in California (14% vs. 10%). The proportion spent by California's Medicaid program for Nursing Home Care was less than half of that spent in the United States (11% vs. 26%). (Exhibit 6.2a)

Rates of increase for different types of health care services have grown in California from 1992-1998 for Drugs/Other Medical Nondurables, from 7% to 12%, the highest rate of increase for all service types, and for Hospital Care, which started at 7%, declined during the mid-1990's, then abruptly rose 8% in 1998. Rates of increase declined in California for Nursing Home Care, from 11% to 6%, and for Physician/Other Professional Services, from 10% to 5%. (Exhibit 6.2b)

Exhibit 6.2a

Distribution of Total Personal Health Care Expenditures by Payer and Type of Service, California and the United States, 1998

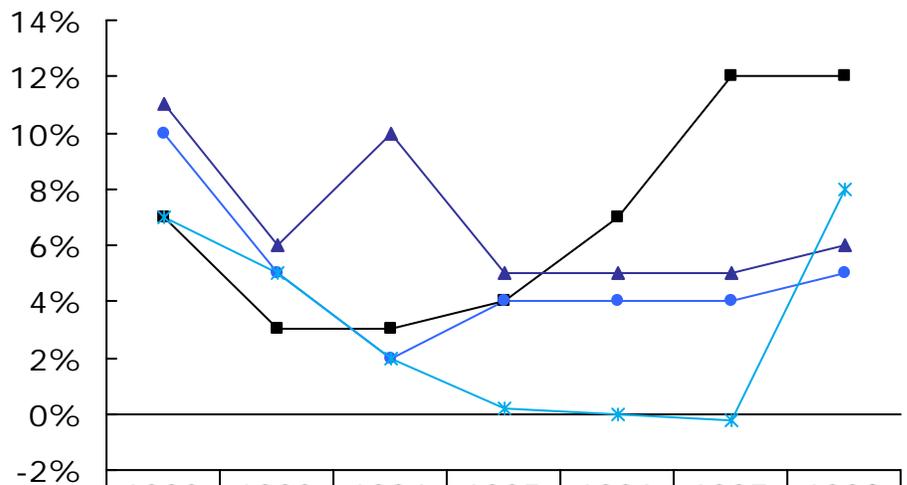


Notes: May not total 100% due to rounding. Other Personal Health Care includes medical durables, dental services, and home health care. This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence/.

Exhibit 6.2b

Trends in Rates of Increase in Personal Health Care Expenditures by Type of Service, California, 1992-1998



	1992	1993	1994	1995	1996	1997	1998
■ Drugs and Other Medical Nondurables	7%	3%	3%	4%	7%	12%	12%
▲ Nursing Home Care	11%	6%	10%	5%	5%	5%	6%
● Physician and Other Professional Services	10%	5%	2%	4%	4%	4%	5%
* Hospital Care	7%	5%	2%	0.2%	0.0%	-0.2%	8%

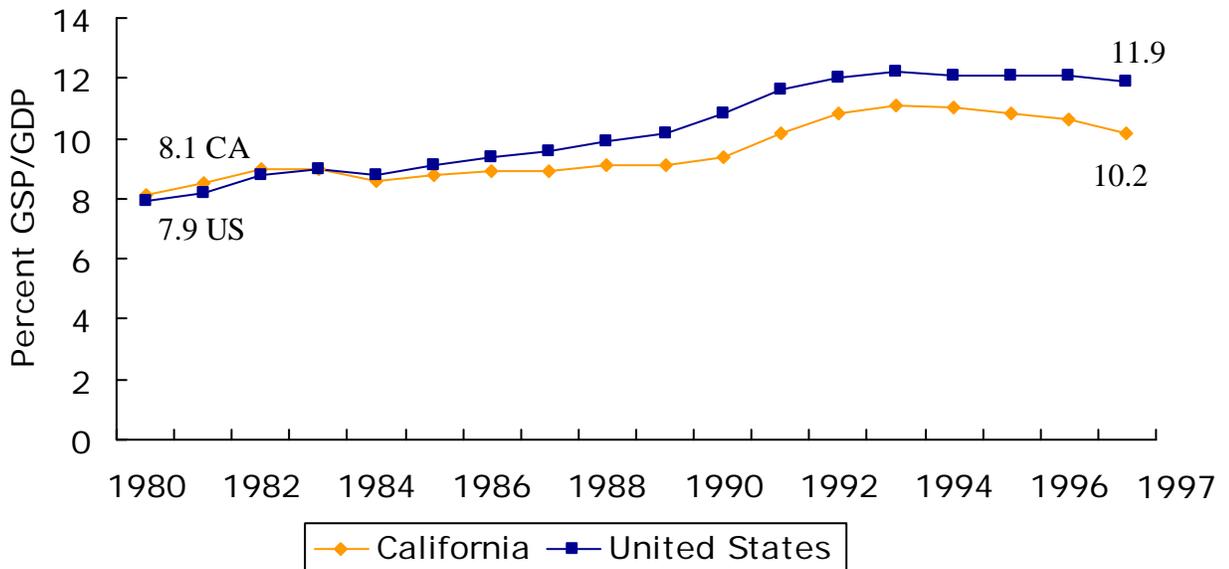
Notes: This exhibit uses Health Accounts data by state of residence. See Detailed Notes and Sources at the end of Section 6 for more information.

Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Residence, www.cms.hhs.gov/statistics/nhe/state-estimates-residence/.

Exhibit 6.3

Personal Health Care Expenditures as a Percent of GSP/GDP, California and the United States, 1980-1997

Between 1980 and 1997, personal health care expenditures consumed an increasing share of both California's Gross State Product (GSP) and the United States' Gross Domestic Product (GDP), with the share rising less in California (+25%) than in the United States (+50%). While California and the United States spent almost the same proportions of GSP/GDP in the early 1980's, the United States proportion began to grow at a greater rate in 1986. By the mid-1990's, spending as a percent of GSP/GDP began to fall in California but held steady in the United States, until by 1997 the difference between California (10.2%) and the United States (11.9%) was the largest it had been since 1980.



Notes: This exhibit uses Health Accounts data by state of provider. See Detailed Notes and Sources at the end of Section 6 for more information.

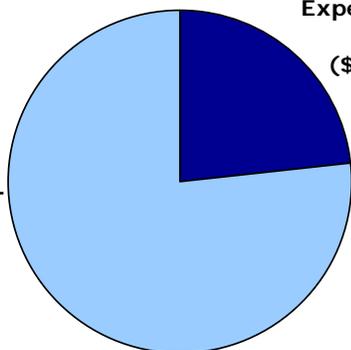
Source: Centers for Medicare and Medicaid Services, Health Expenditures by State of Provider, www.cms.hhs.gov/statistics/nhe/state-estimates-provider/.

Exhibit 6.4

State Health Care Expenditures as a Percent of Total State Expenditures, California and the United States, Fiscal Year 2001

California spent 23% (\$32.0 billion) of its total budget of \$137.7 billion on health care in FY 2001, which includes funding from both state and federal sources. In comparison, the United States as a whole spent a larger share (30%) on health care. Medicaid represented the largest portion of California's health care expenditures (73% compared to 69% among all states in the U.S.), and 17% of California's total budget (compared to 21% for all states).

California

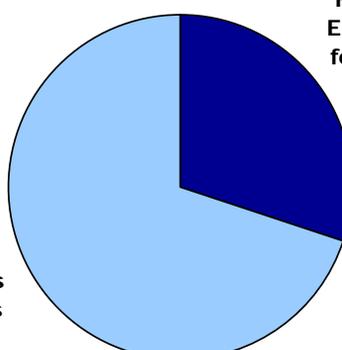


California Health Care Expenditures
23%
(\$32.0B)

California Non-Health Care Expenditures
77%
(\$105.7B)

Total California Expenditures = \$137.7 billion

United States



Health Care Expenditures for All States
30%
(\$290.7B)

Non-Health Care Expenditures for All States
70%
(\$681.4B)

U.S. Total State Expenditures = \$972.0 billion

Notes: California and United States health care expenditures include state spending for Medicaid, State Childrens' Health Insurance Program, state employees' benefits, corrections, higher education, insurance and access expansion, direct public health care, state facility-based services, community-based services, and population health expenditures.

Source: Milbank Memorial Fund, the National Association of State Budget Officers, and the Reforming States Group, *2000-2001 State Health Care Expenditure Report*, April 2003, Tables 14 and 46, www.milbank.org/reports/2000shcer/index.html.

Detailed Notes and Sources for Section 6

Exhibits 6.1a-h and 6.2a-b, 6.3:

State Health Expenditures by State of Provider and State of Residence

The Centers for Medicare and Medicaid Services (CMS; formerly called the Health Care Financing Administration, HCFA) calculates health care spending data known as the Health Accounts, which include National Health Expenditures (both historical and projected) and State Health Expenditures. The Health Accounts measure spending for health care by type of service delivered (hospital care, physician services, nursing home care, etc.) and by source of funding for those services (private health insurance, Medicare, Medicaid, out-of-pocket spending, etc.). See the CMS website at <http://www.cms.gov/statistics/nhe/default.asp>.

State of Provider Data. Traditionally, State Health Expenditures were calculated using the state in which the provider of the health care services was located, which may not have been the state in which the individual who received the service resided. State Health Expenditures by *state of provider* present estimates of health care spending for 1980-1998 by type of establishment delivering care (hospitals, physicians and clinics, nursing homes, etc.) and for medical products (prescription drugs, over-the-counter medicines, and sundries and for durable medical products such as eyeglasses and hearing aids) purchased in retail outlets. Source of funding estimates by state are also provided for Medicare and Medicaid. CMS indicates that these estimates are useful in measuring health spending's role in a state's economy; they caution that they should not be used to calculate estimates of spending per person in a state (see State of Residence estimates).

State of Residence Data. In 2002, CMS released recalculations of the 1991-1998 State Health Expenditures to provide data by state of residence, instead of state of provider. State Health Expenditures by *state of residence* present aggregate and per capita estimates of health care spending for 1991-1998 by type of establishment delivering care (hospitals, physicians and clinics, nursing homes, etc.) and for medical products (prescription drugs, over-the-counter medicines and sundries and durable medical products such as eyeglasses and hearing aids) purchased in retail outlets. Source of funding aggregate and per enrollee estimates by state are also provided for Medicare and Medicaid.

All of the exhibits in Section 6 of this chartbook, except for Ex. 6.3, use State Health Expenditures by state of residence (since most of the data is per capita). The data in this chartbook may vary from the earlier version of this chartbook, which presented data by the state of the provider.

Population Notes

All Payers: Centers for Medicare and Medicaid Services obtained population data from the U.S. Bureau of the Census, 2001.

Exhibits 6.1g and 6.2a:

For Medicare spending on drugs and other medical nondurables, most of these amounts represent benefits paid by Medicare Managed Care/Medicare+Choice plans to enrolled beneficiaries, since the traditional Medicare program does not cover most out-patient prescription drugs. Large growth rates may result from small expenditure increases in these very small spending estimates.

SECTION 7

The Changing Health Care Marketplace

This section provides an overview of the health care markets in California and the United States, including data on HMO enrollment, trends and information about hospitals and nursing homes, as well as data about health care professionals. Also included is information on prescription drug use, sales, and prices.

Exhibit 7.1

HMO Enrollment

The overall penetration of HMOs was much higher in California than in the United States as a whole in 2002, with 51% of California's population enrolled in HMOs compared to 26% nationwide. (Exhibit 7.1a)

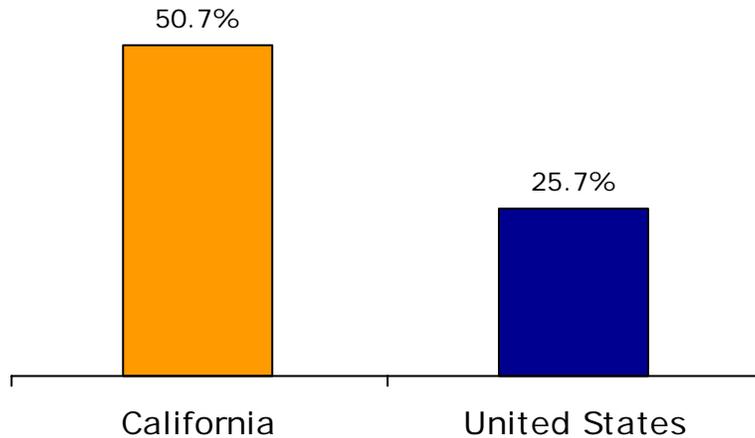
HMO penetration rates in California counties in March 2003 ranged from highs of 70% (Solano County) and 69% (Sacramento County) to lows of 1% (Alpine County) and 2% (Del Norte and Siskiyou Counties). Eighteen California counties had HMO penetration rates of 50% or higher. (Exhibit 7.1b)

Of all the states, California's HMO market penetration was the largest both in terms of percentage (50.7%) and in terms of the number of enrollees in HMOs, with nearly 17.5 million Californians enrolled in 30 HMOs. The five states with the lowest HMO penetration reported that 3% or less of their population were HMO enrollees, with Alaska reporting no HMO enrollment. (Exhibit 7.1c)

Enrollment in HMOs in California was highly concentrated in five plans: Kaiser Foundation Health Plan (Northern and Southern California), Blue Cross of California, Health Net of California, and PacificCare of California, accounting for 76% of the total HMO market in California in 2002 with over 13 million enrollees. These five plans were also the 5 largest HMOs (by enrollment) in the country, with almost 18% of the total enrollment in HMOs across the United States. (Exhibit 7.1d)

Exhibit 7.1a

Percent of the Population in HMOs in California and the United States, July 2002

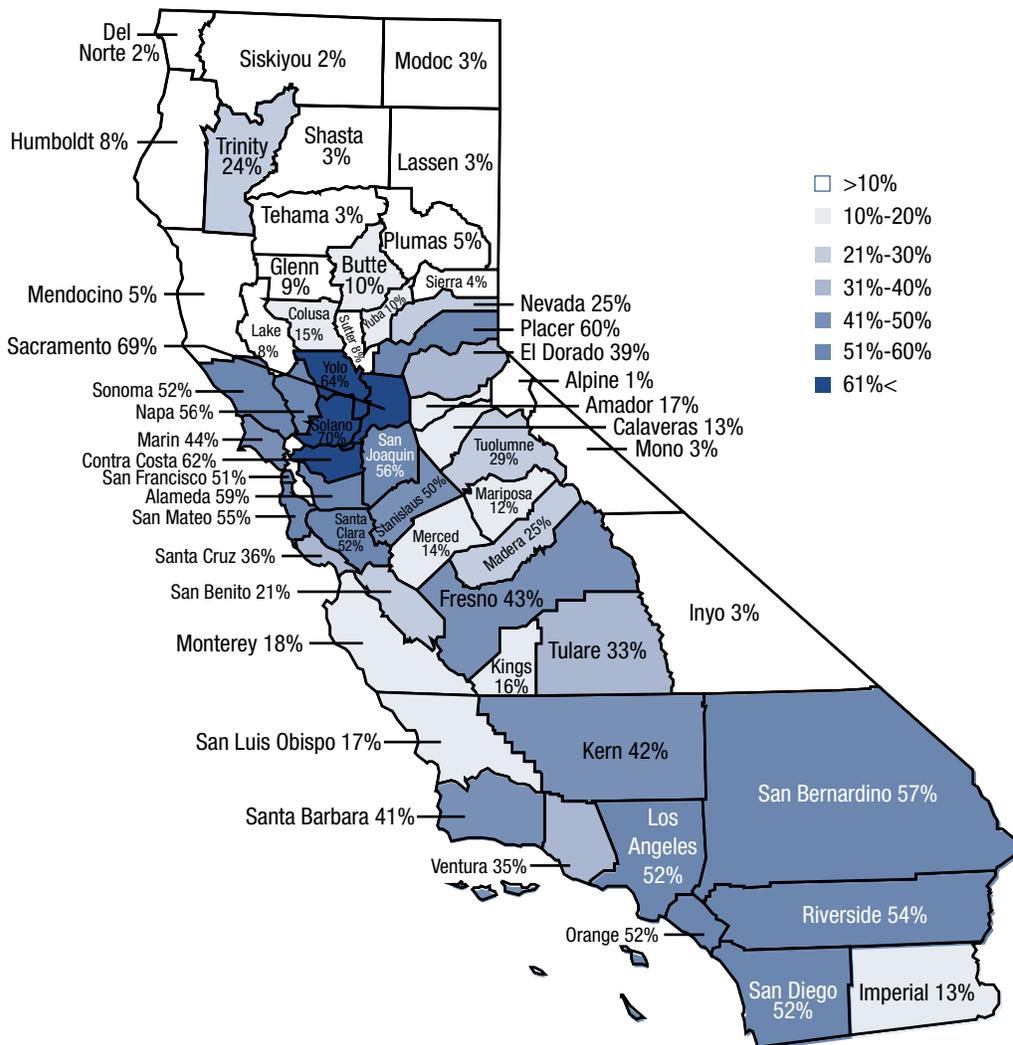


Notes: State penetration was calculated by InterStudy using state population from the U.S. Census Bureau as of July 1, 2001.

Source: Interstudy Publications, *The InterStudy Competitive Edge: Part II: HMO Industry Report 13.1*, St. Paul, Minnesota, April 2003, pp. 28 and 29.

Exhibit 7.1b

HMO Penetration Rates for California Counties, March 2003



Notes: HMO enrollment as of March 2003. HMO enrollment includes commercial (data provided by HMO plans); Medi-Cal (data obtained from the California Department of Health Services' Monthly Report for March 2003; those eligible for both Medi-Cal and Medicare are counted as Medi-Cal eligibles only); Medicare (data obtained from Center for Medicare and Medicaid Services Quarterly Report, March 2003, except that PACE enrollment was obtained directly from the 4 PACE contractors); and Healthy Families (data obtained from Major Risk Medical Insurance Board's Monthly Report for March 2003).

Source: Cattaneo & Stroud, Inc., Special Data Request based on the 2003 Cattaneo & Stroud HMO Survey, 2003.

Exhibit 7.1c

States with Highest and Lowest Shares of the Population in HMOs, July 2002

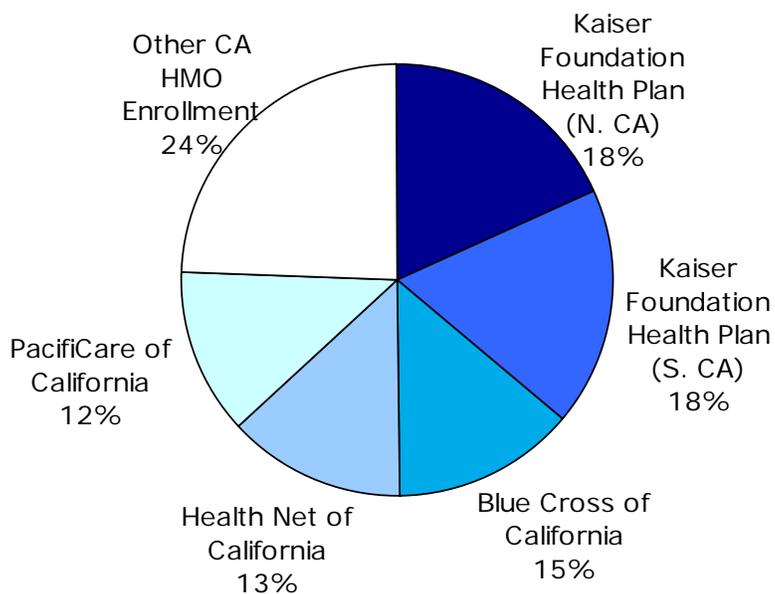
	State Penetration	Enrollment as of 7/01/02 (in millions)	Number of HMOs
California	50.7%	17.5	30
Massachusetts	41.7%	2.7	9
Connecticut	37.7%	1.3	7
New York	32.6%	6.2	27
Pennsylvania	37.7%	4.0	16
Rhode Island	32.4%	3.4	3
Alaska	0.0%	0	0
North Dakota	0.4%	2.7	1
Mississippi	1.4%	40.3	2
Wyoming	2.0%	10.4	1
Idaho	2.9%	39.6	3

Notes: State penetration was calculated by InterStudy using state population from the U.S. Census Bureau as of July 1, 2001. Maryland includes partial enrollment reported for six plans serving the District of Columbia.

Source: InterStudy Publications, *The InterStudy Competitive Edge: Part II: HMO Industry Report 13.1*, St. Paul, Minnesota, April 2003, p. 28.

Exhibit 7.1d

Enrollment in the Five Largest HMOs in California, July 2002



Total California HMO Enrollment = 17.5 million

Source: InterStudy Publications, *The InterStudy Competitive Edge: Part II: HMO Industry Report 13.1*, St. Paul, Minnesota, April 2003, pp. 20 and 28.

Exhibit 7.2

Hospitals

Community hospital beds per 100,000 population have been steadily declining in both California and the United States. In 2001, there were 212 community hospital beds per 100,000 population in California compared to an average 289 beds in the United States. California has one of the lowest number of beds per 100,000 in the country, ranking 43rd. California's lower number of beds per population is likely a reflection of the high level of managed care penetration in the state, which has lowered rates of hospitalization. (Exhibit 7.2a)

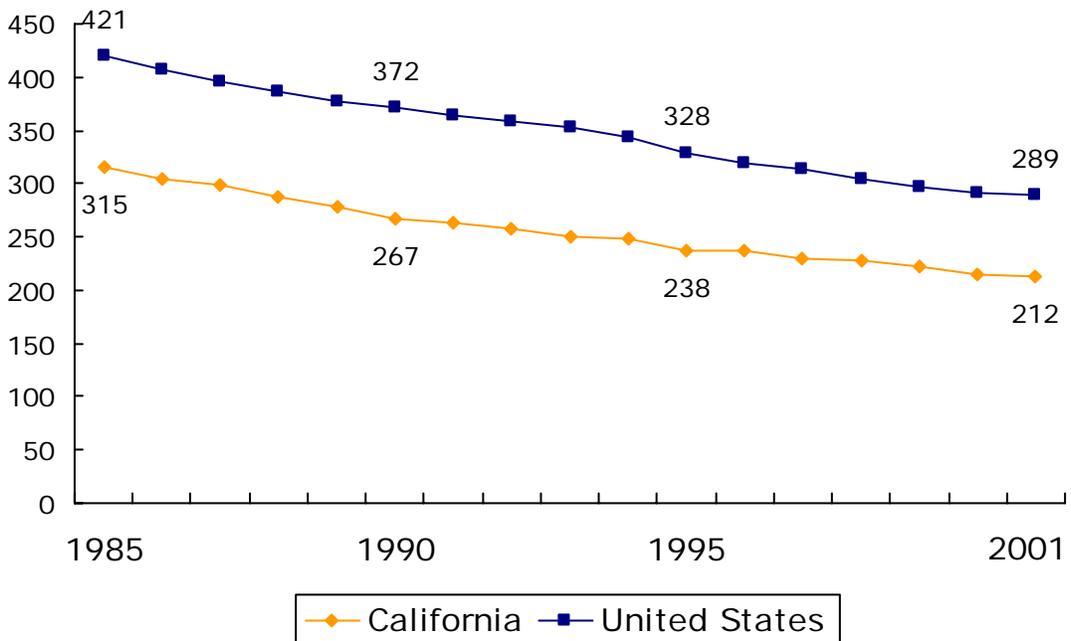
Between 1989 and 2001, the proportion of non-profit hospitals grew and the proportions of for-profit and state/local government owned hospitals declined in both California and the United States. In 2001, more than half of the hospitals in both California and the United States were non-profit. Compared to the U.S. overall, California had a greater proportion of for-profit hospitals (23% vs. 15%), and a lower proportion of non-profit (57% vs. 61%) and government-owned hospitals (20% vs. 24%). (Exhibit 7.2b)

In 2001, California had fewer hospital admissions (ranking 40th in the nation) and emergency room visits (46th in the nation) per 1,000 population compared to the United States as a whole. (Exhibit 7.2c)

Hospital expenses per inpatient day have risen in both California and the United States since 1999, although California's expenses are about one-third higher than in the nation as a whole. California ranks 5th in the nation in expenses per inpatient day. (Exhibit 7.2d)

Exhibit 7.2a

Community Hospital Beds Per 100,000 Population, California and the United States, 1985-2001

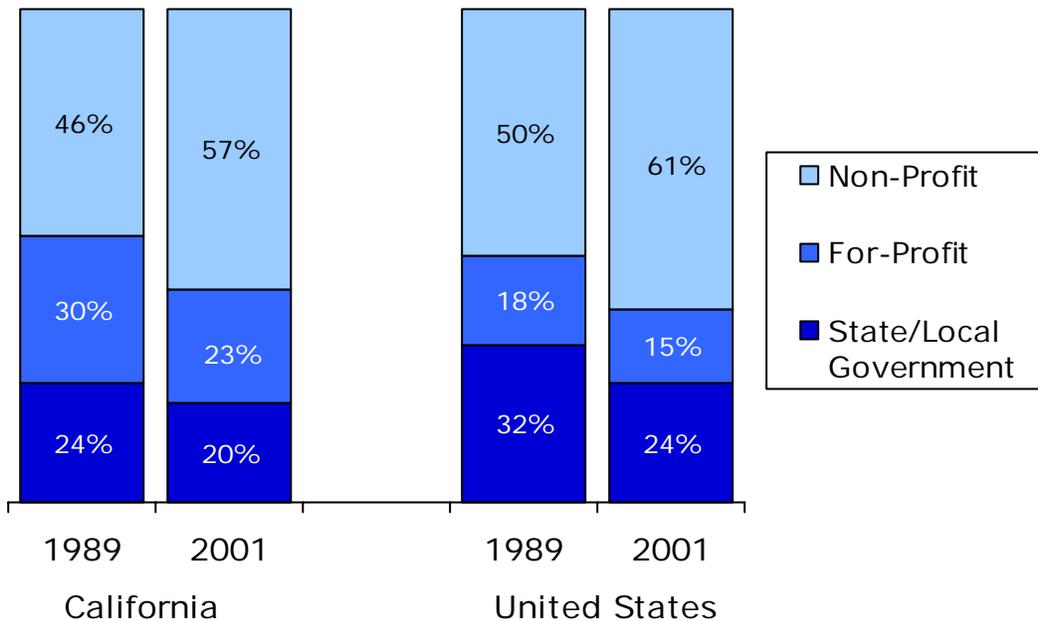


Notes: Data are for community hospitals, which represent about 85% of all hospitals. Federal hospitals, long-term care hospitals, psychiatric hospitals, institutions for the mentally retarded, and alcoholism and other chemical dependency hospitals are not included.

Source: Kaiser Family Foundation estimate using bed data from a personal communication from Health Research and Educational Trust and census data from the U.S Bureau of the Census at <http://eire.census.gov/popest/archives/1990.php#state> .

Exhibit 7.2b

Distribution of Community Hospitals by Ownership Type, California and the United States, 1989 and 2001

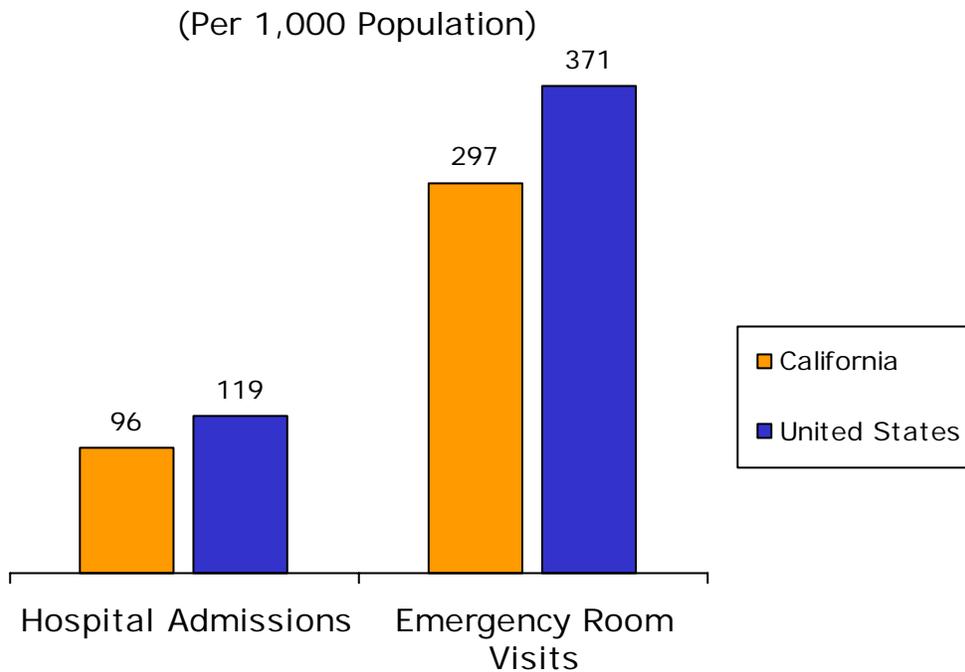


Notes: Data are for community hospitals, which represent 85% of all hospitals. Federal hospitals, long-term care hospitals, psychiatric hospitals, institutions for the mentally retarded, and alcoholism and other chemical dependency hospitals are not included.

Source: Health Research and Educational Trust, unpublished data, May 2000 (1989 data); Kaiser Family Foundation's State Health Facts Online, www.statehealthfacts.org/r/hostpitalownership.html, using data from the American Hospital Association's 2001 Annual Survey of Hospitals (2001 data).

Exhibit 7.2c

Community Hospital Admissions and Emergency Room Visits Per 1,000 Population, California and the United States, 2001

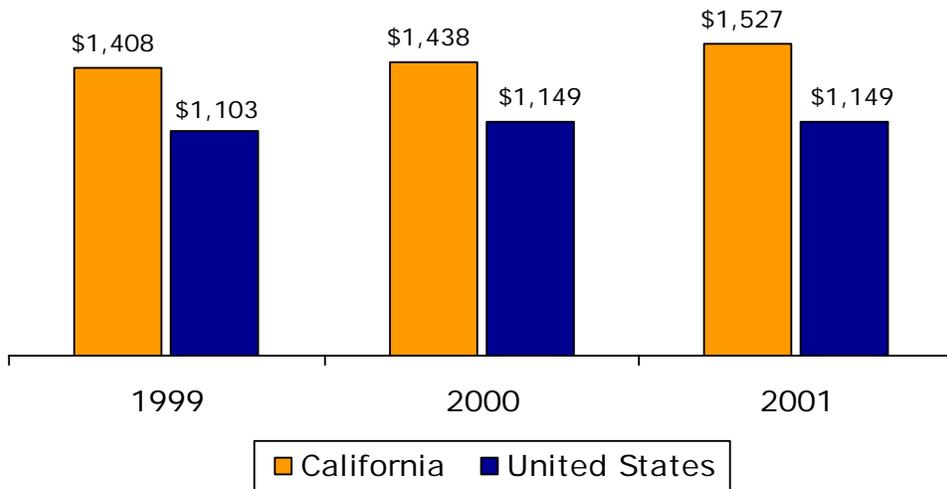


Notes: Data are for community hospitals, which represent 85% of all hospitals. Federal hospitals, long-term care hospitals, psychiatric hospitals, institutions for the mentally retarded, and alcoholism and other chemical dependency hospitals are not included.

Source: Kaiser Family Foundation's State Health Facts Online, www.statehealthfacts.org/r/hostpitaladmissions.html and www.statehealthfacts.org/r/ervists.html, using data from the American Hospital Association's 2001 Annual Survey of Hospitals.

Exhibit 7.2d

Community Hospital Adjusted Expenses Per Inpatient Day, California and the United States, 1999-2001



Notes: Data are for community hospitals, which represent 85% of all hospitals. Federal hospitals, long-term care hospitals, psychiatric hospitals, institutions for the mentally retarded, and alcoholism and other chemical dependency hospitals are not included. Adjusted expenses per inpatient day include expenses incurred for inpatient care only; inpatient days are adjusted to reflect an estimate of the volume of outpatient services.

Source: Kaiser Family Foundation's State Health Facts Online, www.statehealthfacts.org/r/inpatientdayexpenses.html, using data from the American Hospital Association's 2001 Annual Survey of Hospitals.

Exhibit 7.3

Nursing Homes

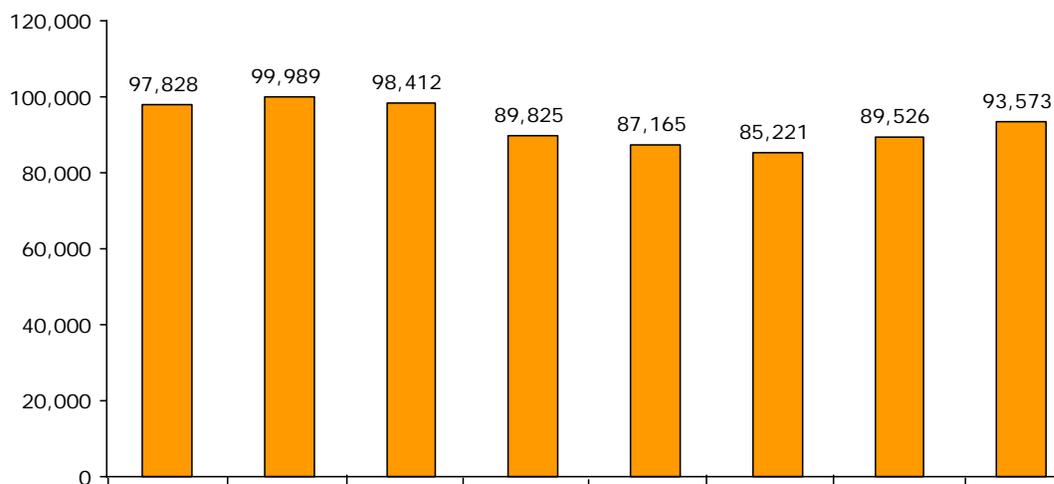
The numbers of certified nursing facilities, beds, and residents in California, after declining through the mid to late 1990's, began increasing in the early 2000's. California's occupancy rate generally declined throughout this period, reaching its lowest level (82.7%) in 2002, a level equal to that of the United States overall. (Exhibit 7.3a)

California had a greater proportion of for-profit nursing facilities (77% vs. 66%) and a lower proportion of non-profit facilities (19% vs. 28%) than the United States as a whole in 2002. The sources of payment for nursing home care were about the same in California and the United States: most payments came from Medicaid (66% and 67%, respectively), followed by private payments (24% and 23%) and Medicare (10% and 11%). (Exhibit 7.3b)

Exhibit 7.3a

Number of Residents, Facilities, Beds, and Occupancy Rates in Certified Nursing Facilities, California, 1995-2002

Number of Residents



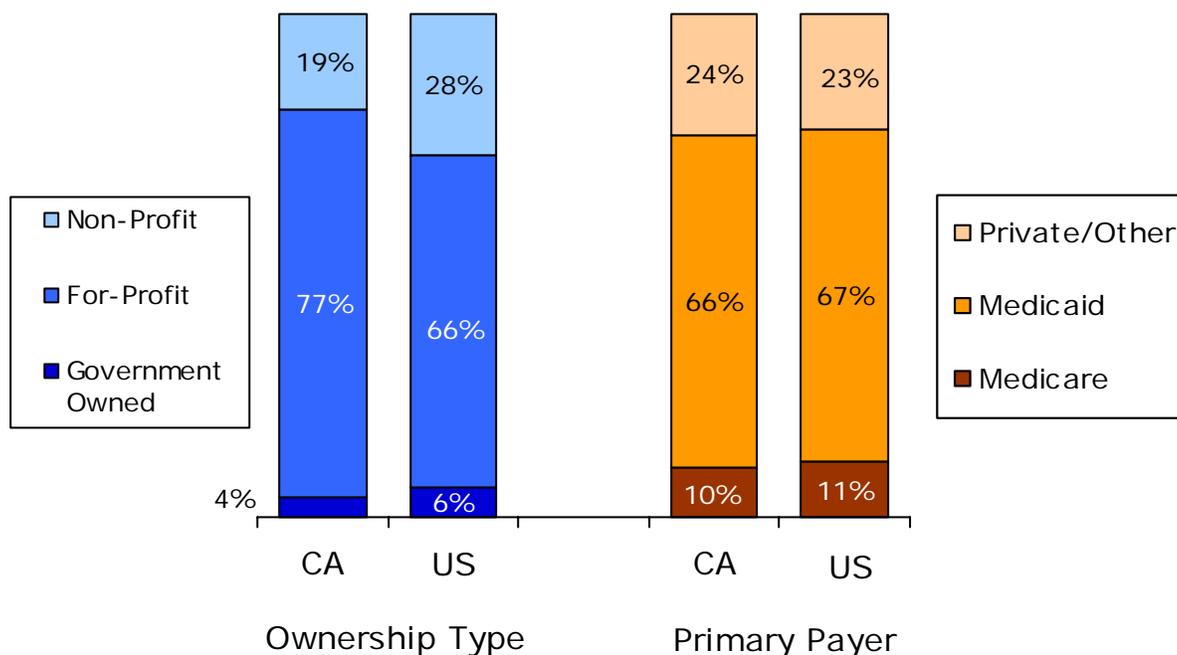
	1995	1996	1997	1998	1999	2000	2001	2002
# Nursing Facilities	1,252	1,311	1,298	1,194	1,139	1,084	1,147	1,190
# Beds	112,011	115,882	115,245	105,009	103,735	99,438	105,504	110,170
Occupancy Rate-CA	87.3	86.3	85.4	85.5	84.0	85.7	82.8	82.7
Occupancy Rate-US	89.7	89.0	88.1	87.4	86.3	86.0	82.8	82.7

Notes: These data reflect information from almost 90% of all certified facilities in U.S., since not all facilities are surveyed by the state agencies during a calendar. In 2002, 15,162 facilities were surveyed out of approximately 17,000 total certified facilities in the U.S.

Source: C. Harrington, H. Carillo, V. Wellin, A. Burdin, *Nursing Facilities, Staffing, Residents, and Facility Deficiencies, 1996 Through 2002*, Department of Social and Behavioral Sciences, University of California, San Francisco, August 2003, Tables 1, 2, 4, www.nccnhr.org/public/50_155_3801.cfm.

Exhibit 7.3b

Nursing Facilities by Ownership Type and Payer Source, California and the United States, 2002



Notes: May not total 100% due to rounding. These data reflect information from almost 90% of all certified facilities in the U.S., since not all facilities are surveyed by the state agencies during a calendar. In 2002, 15,162 facilities were surveyed out of approximately 17,000 total certified facilities in the U.S.

Source: C. Harrington, H. Carillo, V. Wellin, A. Burdin, *Nursing Facilities, Staffing, Residents, and Facility Deficiencies, 1996 Through 2002*, Department of Social and Behavioral Sciences, University of California, San Francisco, August 2003, Tables 5,6, and 7, www.nccnhr.org/public/50_155_3801.cfm.

Exhibit 7.4

Physicians

After rising from the mid-1970's through the mid-1990's, California's number of non-Federal physicians per 100,000 population declined in 2000. California's number of physicians per population has historically been larger than that of the United States as a whole until it fell below in 2000; in 2002, California had 258 physicians per 100,000 population, compared to 272 in the nation overall. (Exhibit 7.4a)

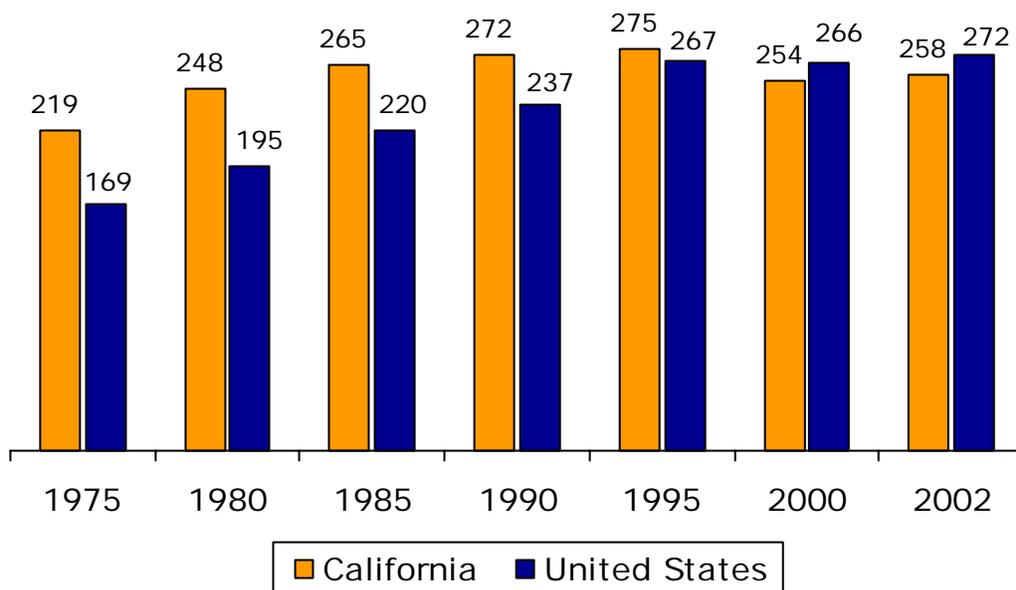
California's mean physician net income increased from \$175,000 in 1994 to \$194,400 in 2000, an average annual increase of 1.8%. Physician net income in California has been lower than in the United States over this time period. (Exhibit 7.4b)

Mean net income for California's primary care physicians and specialists has been below that of the United States as a whole from 1998 to 2000. Mean net income for California primary care physicians was \$150,200 in 2000, compared to \$222,300 for specialists. (Exhibit 7.4c)

Sources of physician practice revenue in California were similar to those in the United States as a whole in 1999. On average, private insurance paid the largest share, followed by Medicare, out-of-pocket payments, and Medicaid. (Exhibit 7.4d)

Exhibit 7.4a

Non-Federal Physicians Per 100,000 Civilian Population, California and the United States, 1975-2002

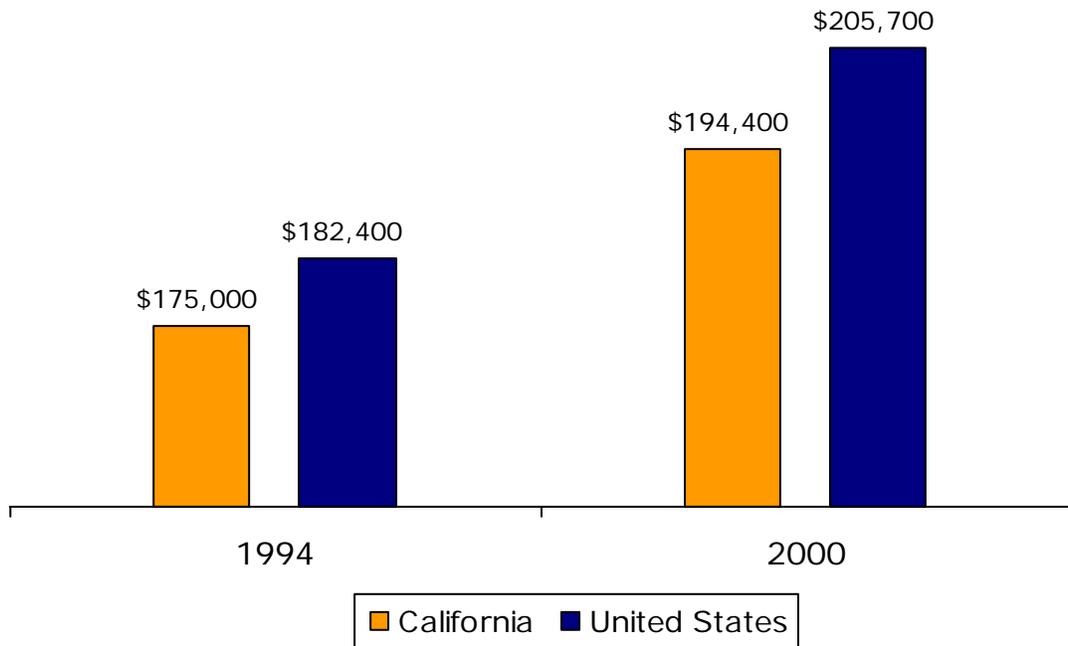


Notes: Nonfederal physicians are employed in the private sector of the US physician population. They represent 98% of total physicians. The US total excludes nonfederal physicians in the U.S. Territories.

Source: Office of Statewide Health Planning and Development, *California Health Care Fact Book, 1999* using data from the American Medical Association, *Physician Characteristics in the United States, 1995/96* (1975-1995 physician data); Kaiser Family Foundation's State Health Facts Online www.statehealthfacts.org/r/physiciansper1000000.html calculation based on American Medical Association, Physicians Professional Data (2000, 2002 physician data). Civilian population data from Annual Population Estimates by State, U.S. Census Bureau (2000, 2002 population data).

Exhibit 7.4b

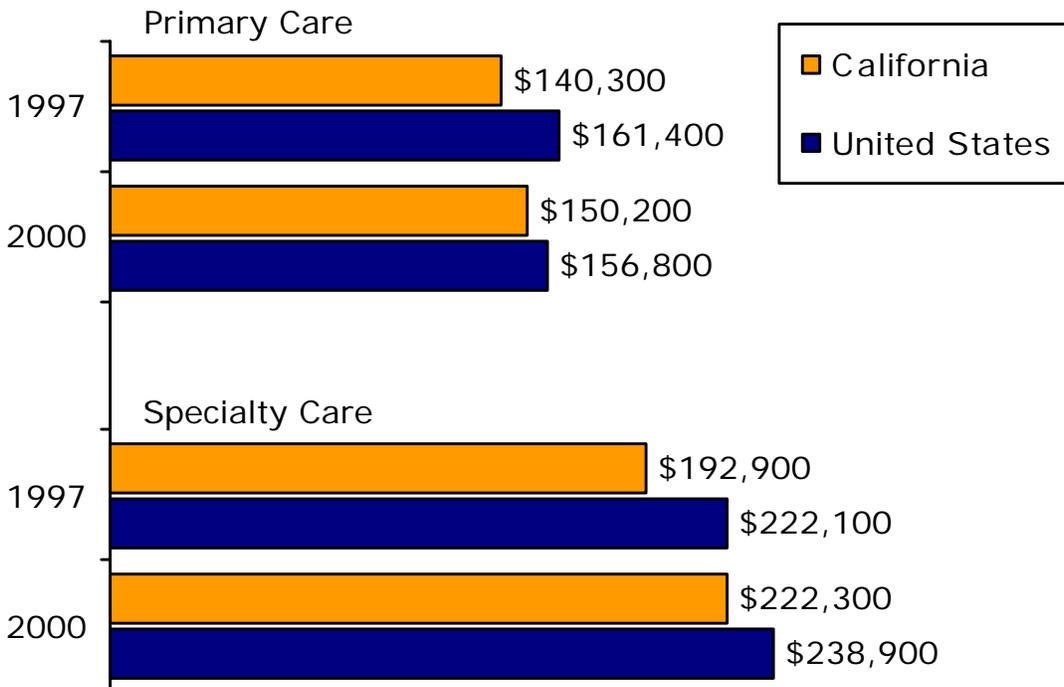
**Mean Physician Net Income,
California and the United States, 1994 and 2000**



Source: American Medical Association, Socioeconomic Monitoring System Survey, 1995, and Patient Care Physician Survey, 2001.

Exhibit 7.4c

Mean Physician Net Income for Primary Care and Specialist Physicians, California and the United States, 1997 and 2000

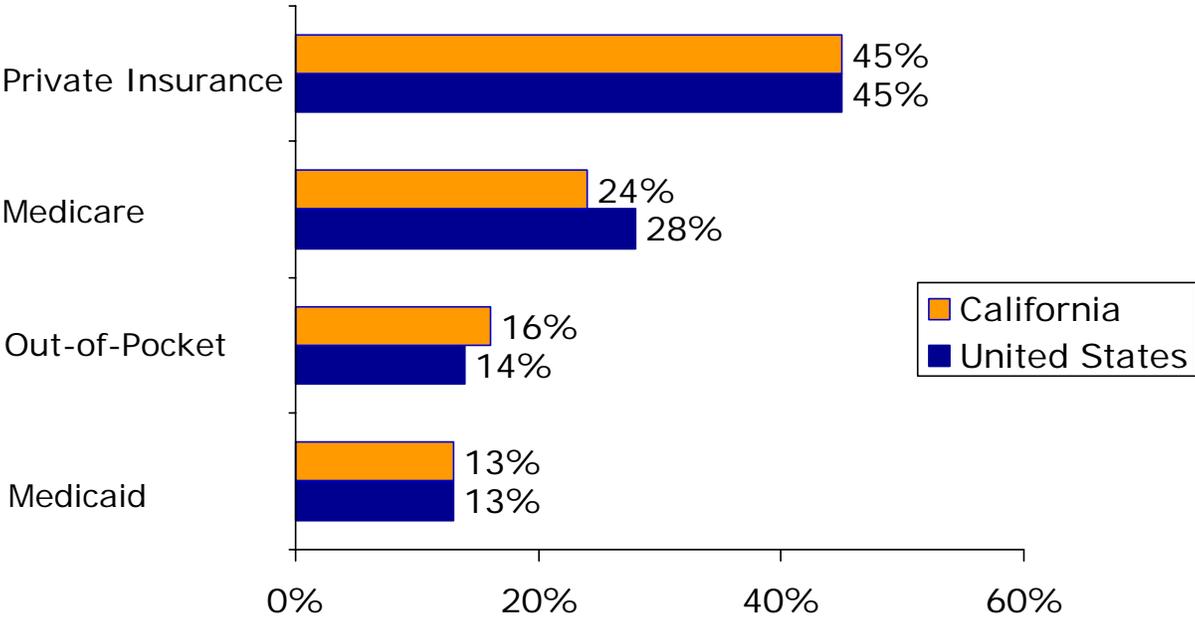


Notes: Primary care is defined as general practice, family practice, general internal medicine, pediatrics, and obstetrics/gynecology. The primary care subspecialties of these groups are included with the specialty care physician incomes.

Source: American Medical Association, Socioeconomic Monitoring System Survey 1998, and Patient Care Physician Survey, 2001.

Exhibit 7.4d

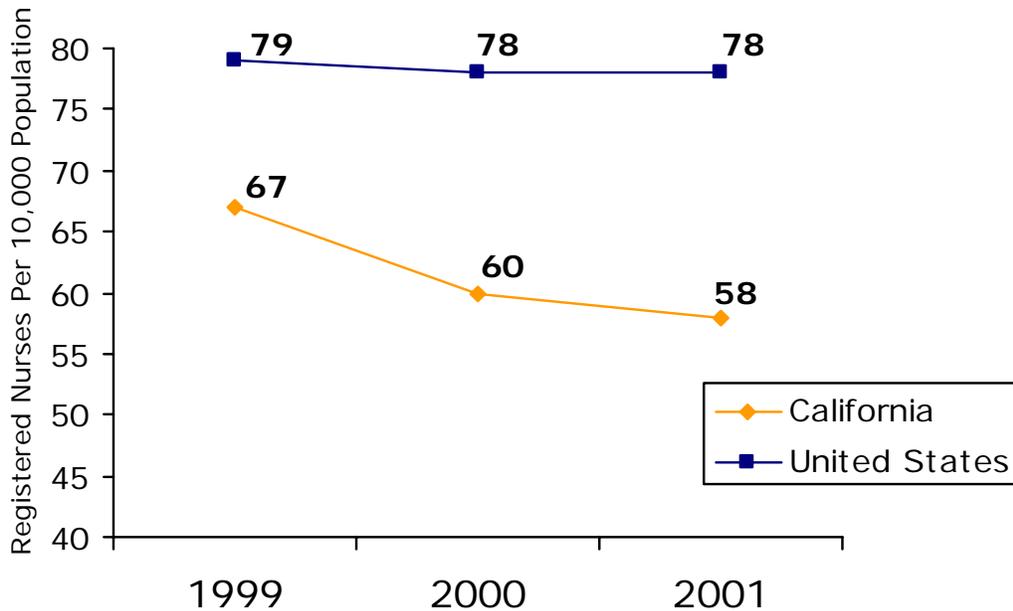
**Sources of Physician Practice Revenue,
California and United States, 1999**



Source: American Medical Association, Socioeconomic Monitoring System Survey, 1999.

Exhibit 7.5

Registered Nurses Per 10,000 Population, California and the United States, 1999-2001



Notes: Registered Nurses (SOC Code 29-1111) include advance practice nurses such as nurse practitioners, clinical nurse specialists, certified nurse midwives, and certified registered nurse anesthetists.

Source: Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, www.bls.gov/oes (nurse data). U.S. Census Bureau, Annual Population Estimates (2000 and 2001) and Intercensal Population Estimates (1999), <http://eire.census.gov/popest> (population data).

Exhibit 7.6

Health Care Personnel, California and the United States

A smaller proportion of people in California (6.2%) were employed in the health care field compared to the United States as a whole (7.4%) in 2001. As shown in Exhibit 7.5, California had fewer registered nurses per 10,000 population compared to the United States overall (58 vs. 78 in 2001), and fewer physician assistants per 10,000 population (1 vs. 2 in 2002) as shown below.

	California	United States
Total Health Care Employment, 2001	891,040	9,469,250
Health Care Employment as a Percent of Total Employment, 2001	6.2%	7.4%
Physician Assistants per 10,000 Population, 2002	1	2

Notes: Health care employment includes the following occupations from the Bureau of Labor Statistics' Standard Occupational Classification System: Medical and Health Services Managers (11-9111), Healthcare Practitioners and Technical Occupations (29-0000), and Healthcare Support Occupations (31-0000). The number of physician assistants per ten thousand population was calculated using the population estimates provided by the U.S. Census Bureau as of July 1, 2002.

Source: State Health Facts Online www.statehealthfacts.org/r/providersandserviceuse.html, using data from the Bureau of Labor Statistics, State Occupational Employment and Wage Estimates (health care employment data); Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates of the 2001 Current Population Survey (population data); American Academy of Physician Assistants, Projected Number of People in Clinical Practice as PAs, as of January 1, 2003 (physician assistant data).

Exhibit 7.7

Prescription Drug Use, Sales, and Prices, California and the United States, 2002

Californians used fewer prescriptions per capita (7.7) than people in the United States as a whole (10.6); California ranked 50 out of 51 states and jurisdictions for the number of prescriptions per capita. The increase from 2001 to 2002 in the number of retail prescriptions (0.3% vs. 2.4%) and in retail prescription sales (11.5% vs. 12.2%) was lower in California than in the nation as a whole. Although the average price of retail prescriptions was comparable in California (\$54.08) to in the United States (\$54.58), it increased more in California (11.1%) than in the United States (9.5%) from 2001 to 2002.

	California	United States
Prescriptions Per Capita	7.7	10.6
Number of Retail Prescriptions	272.1 million	3,052.4 million
% Change in Number of Retail Prescriptions from 2001	+0.3%	+2.4%
Retail Prescription Sales	\$14.7 billion	\$166.6 billion
% Change in Retail Prescription Sales from 2001	+11.5%	+12.2%
Average Price of Retail Prescriptions	\$54.08	\$54.58
% Change in Average Price of Retail Prescriptions from 2001	+11.1%	+9.5%

Notes: Source^(TM) Prescription Audit collects over 140 million prescriptions on a monthly basis from nearly 37,000 retail stores including chains, independents, mass merchandisers and food stores. The sample covers 71% of all retail dispensing activity nationwide and 1,300 regional zones. Prescriptions are defined as all products dispensed in retail pharmacies, including new prescriptions and refills.

Source: Kaiser Family Foundation's State Health Facts Online www.statehealthfacts.org/r/healthcostsandbudgets.html, using data from Verispan Scott-Levin, Source^(TM) Prescription Audit, Special Data Request, 2003.



The Henry J. Kaiser Family Foundation

2400 Sand Hill Road
Menlo Park, CA 94025
Phone: 650.854.9400
Fax: 650.854.4800

Washington Office:
1330 G Street N.W.
Washington, DC 20005
Phone: 202.347.5270
Fax: 202.347.5274

www.kff.org

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