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The Health Insurance  
Act of 2003 (SB2):  
Updated Findings from  
the 2002 California  
Employer Health  
Benefits Survey

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October 2003

# Introduction and Methods

On October 5, 2003, Governor Gray Davis signed into law the California Health Insurance Act of 2003 (also referred to as SB2). This law would require employers with 200 or more workers to either pay into a fund that will provide coverage to their workers or to pay for 80% of the premium costs for their workers and dependents (effective January 1, 2006). Medium-sized employers (between 50 and 199 workers) would be required either to pay into the fund or pay for 80% of the premium costs for their employees by January 1, 2007.

This chartpack updates an earlier analysis of the 2002 Kaiser/HRET California Employer Health Benefits Survey to provide data in employment categories that are more closely aligned with those of the California Health Insurance Act of 2003. For the purposes of reporting the data, firms were aggregated into four firm sizes: 3-19 workers, 20-49 workers, 50-199 workers, and 200 or more workers. Analyses were also done by small (20-199) and large firms (200 or more workers).

The 2002 California Employer Health Benefits Survey is a joint product of the Kaiser Family Foundation and Health Research and Educational Trust. The survey was designed and analyzed by researchers at the Kaiser Family Foundation and HRET, and administered by National Research LLC (NR). The findings are based on a random sample of 861 interviews with employee benefit managers in private firms in California. NR conducted interviews from May to August 2002. The sample was drawn from the Dun & Bradstreet list of private employers with three or more workers. The margin of error for responses among all employers is +/- 3.5%. Some exhibits do not sum to 100% due to rounding effects. The original report (pub #6070) is available at [www.kff.org](http://www.kff.org)

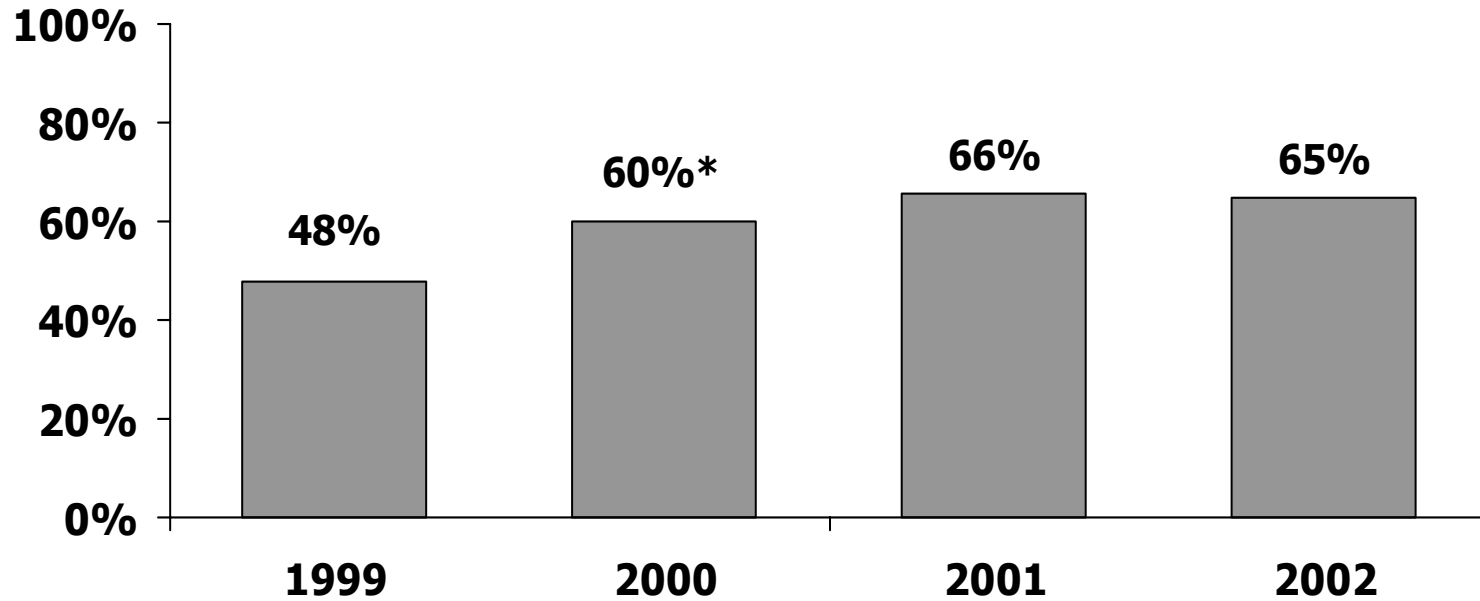
The survey is based on a national employer survey conducted annually by the Kaiser Family Foundation and HRET. The U.S. results for 2003 (pub# 3369), and are available on the Foundation's web site at [www.kff.org](http://www.kff.org) or by calling the Foundation's Publications Request Line at 1-800-656-4533. Prior to 1999, the national survey was conducted by KPMG Peat Marwick LLP. A similar employer survey was also conducted in 1999 in California, in conjunction with the Center for Health and Public Policy Studies at the University of California, Berkeley.

**The Kaiser Family Foundation** is an independent, national health philanthropy dedicated to providing information and analysis on health issues to policymakers, the media, and the general public. The Foundation is not associated with Kaiser Permanente or Kaiser Industries.

**The Health Research and Educational Trust (HRET)** is a private, not-for-profit organization involved in research, education, and demonstration programs addressing health management and policy issues. Founded in 1944, HRET collaborates with health care, government, academic, business, and community organizations across the United States to conduct research and disseminate findings that help shape the future of health care.

## **Availability of Coverage**

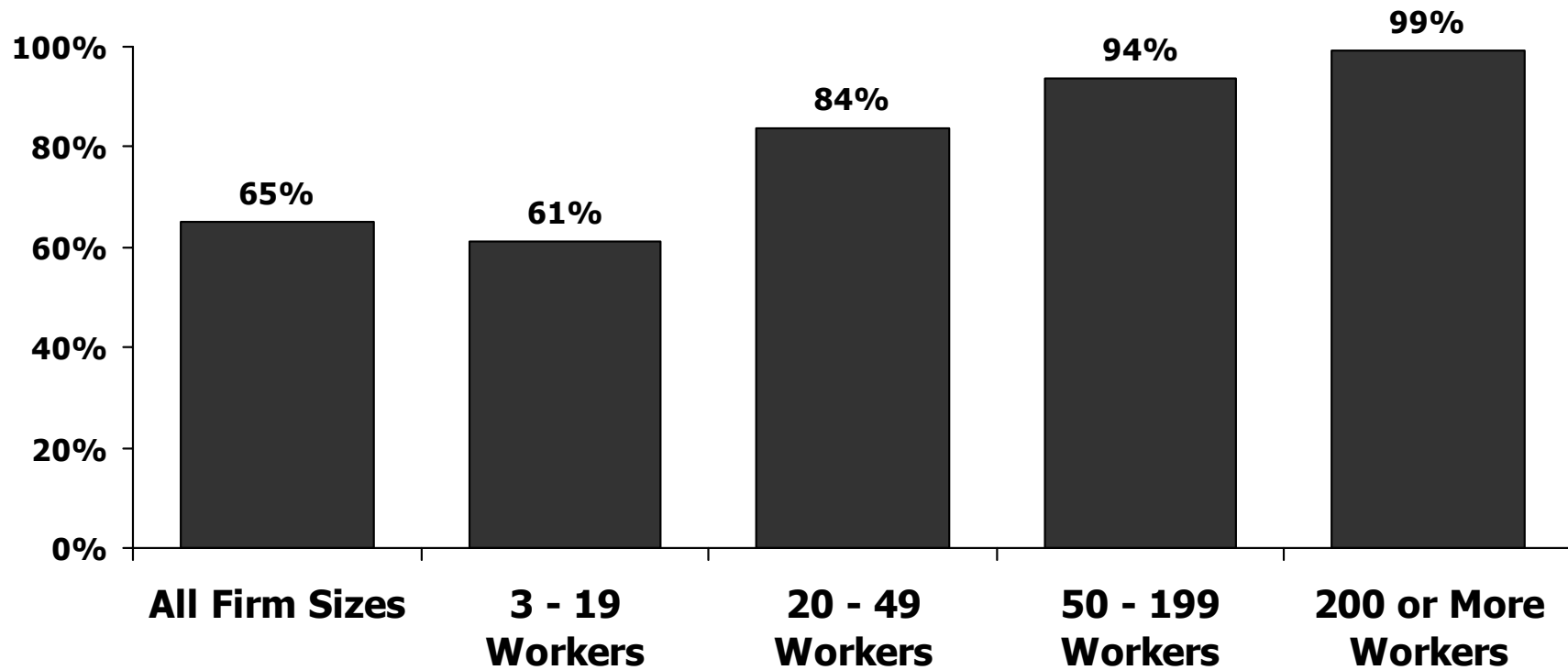
# Percentage of All Firms Offering Health Benefits, California 1999-2002



\* Estimate is statistically different from the previous year: 2000.

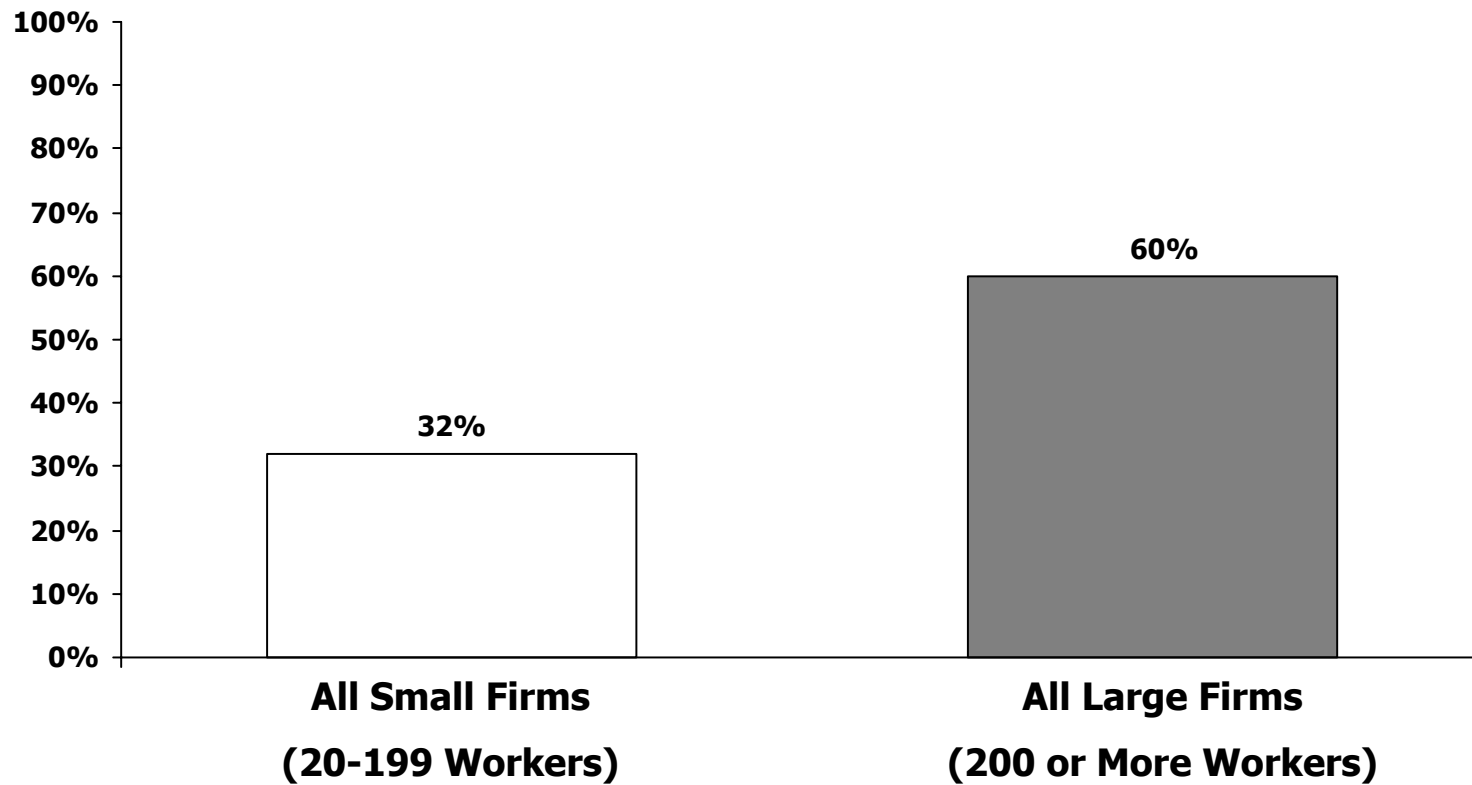
Sources: Kaiser/HRET California Employer Health Benefits Survey: 2000, 2001, 2002; Kaiser/HRET/UC Berkeley 1999 California Employer Survey

## **Percentage of California Employers Offering Coverage, by Firm Size, California 2002**



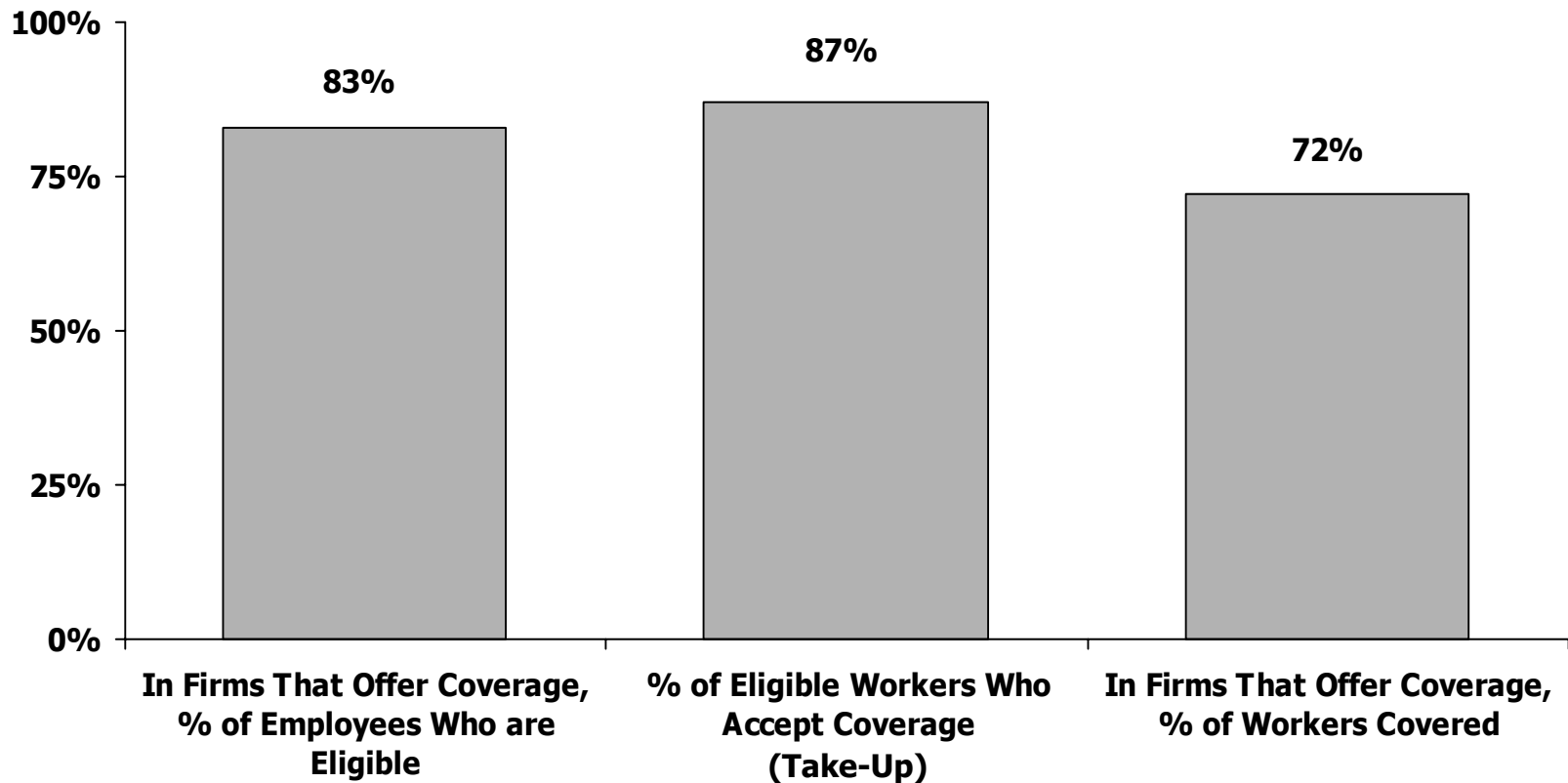
Sources: Kaiser/HRET 2002 California Employer Health Benefits Survey.

# Percentage of Workers Employed in Firms That Offer Health Coverage to Part-Time Employees, by Firm Size, California 2002



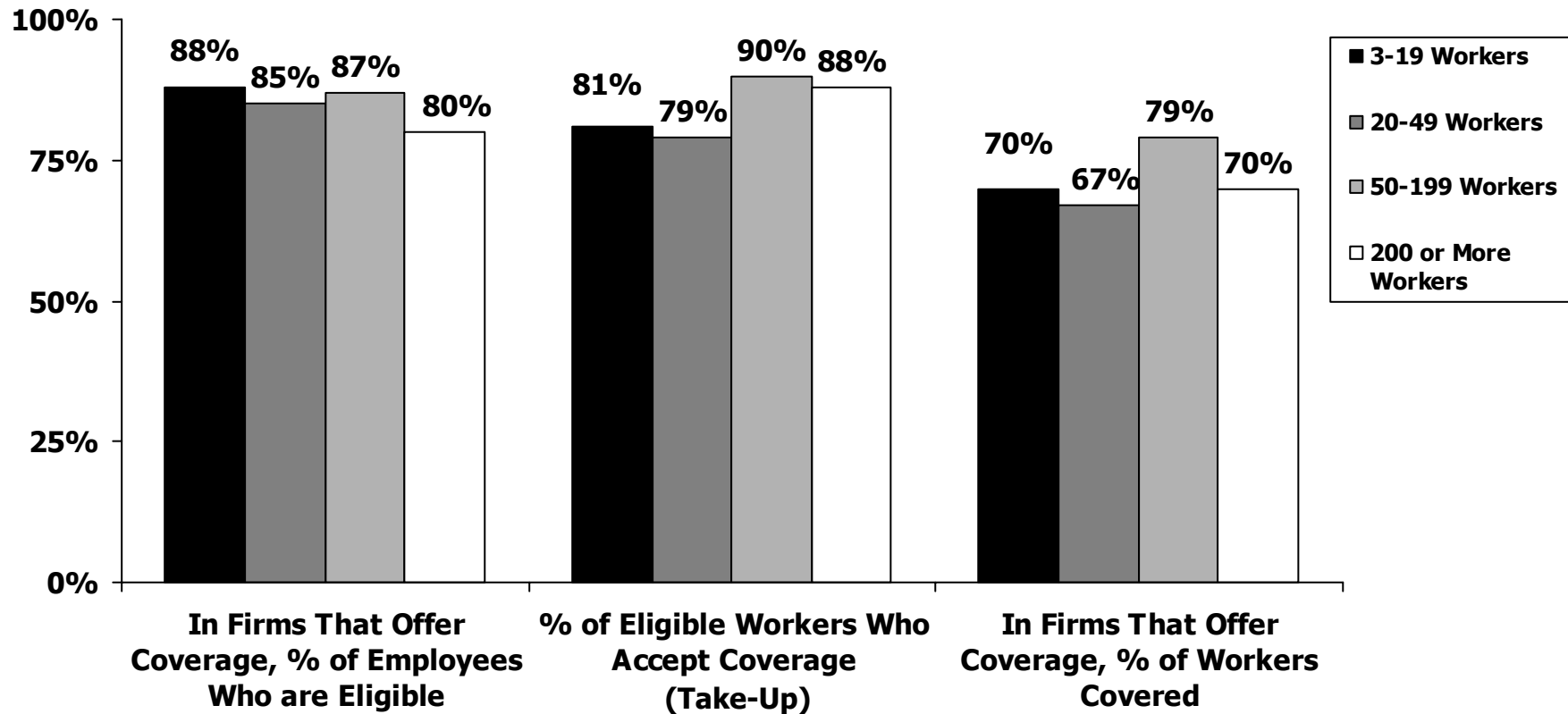
Sources: Kaiser/HRET 2002 California Employer Health Benefits Survey.

# Eligibility, Take-Up Rates, and Coverage in Firms Offering Health Benefits, California 2002



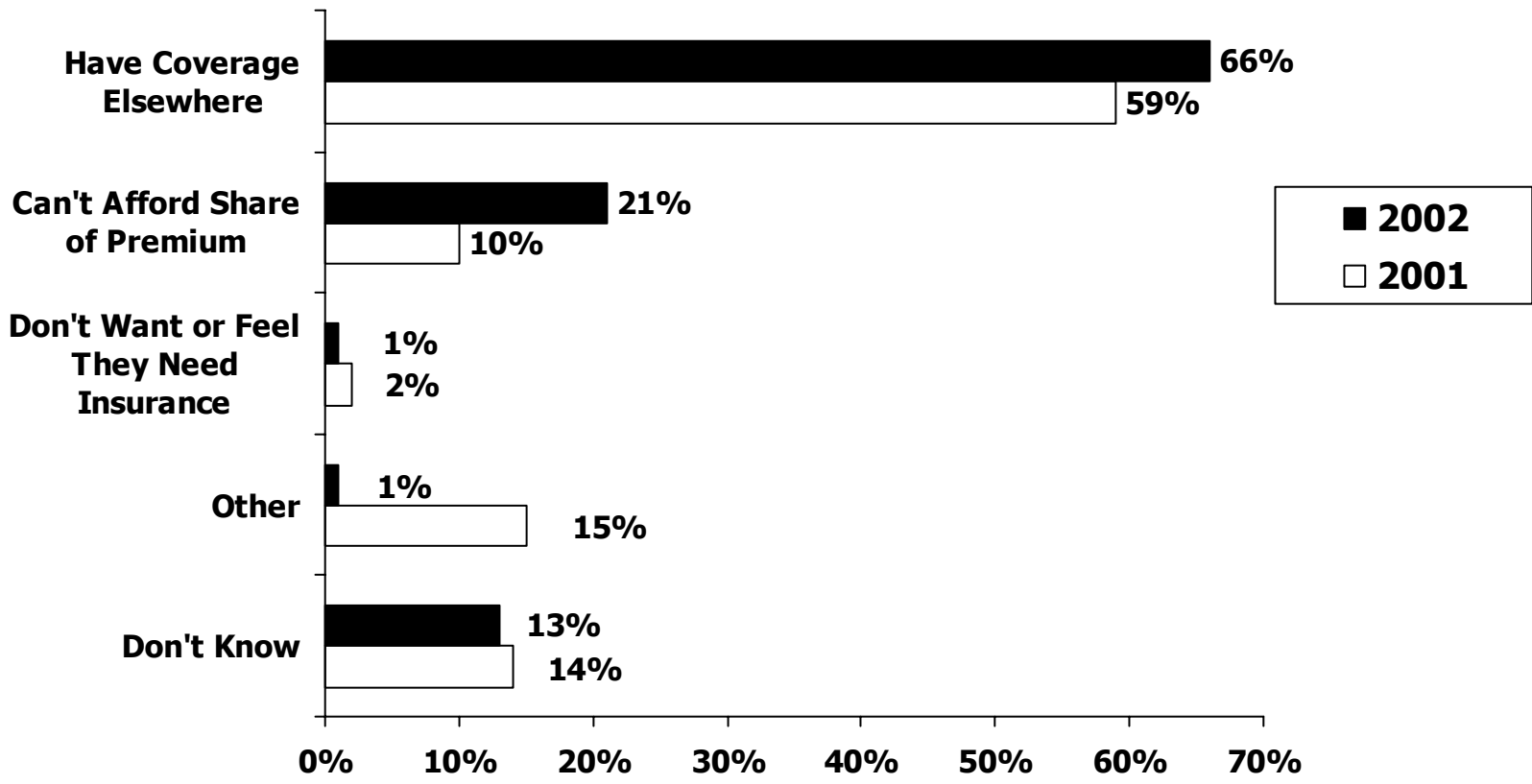
Source: Kaiser/HRET 2002 California Employer Health Benefits Survey.

# Eligibility, Take-Up Rates, and Coverage in Firms Offering Health Benefits, by Firm Size, California 2002



Source: Kaiser/HRET 2002 California Employer Health Benefits Survey.

# Most Common Reasons Cited by Firms as to Why Workers Decline Coverage, California 2001-2002

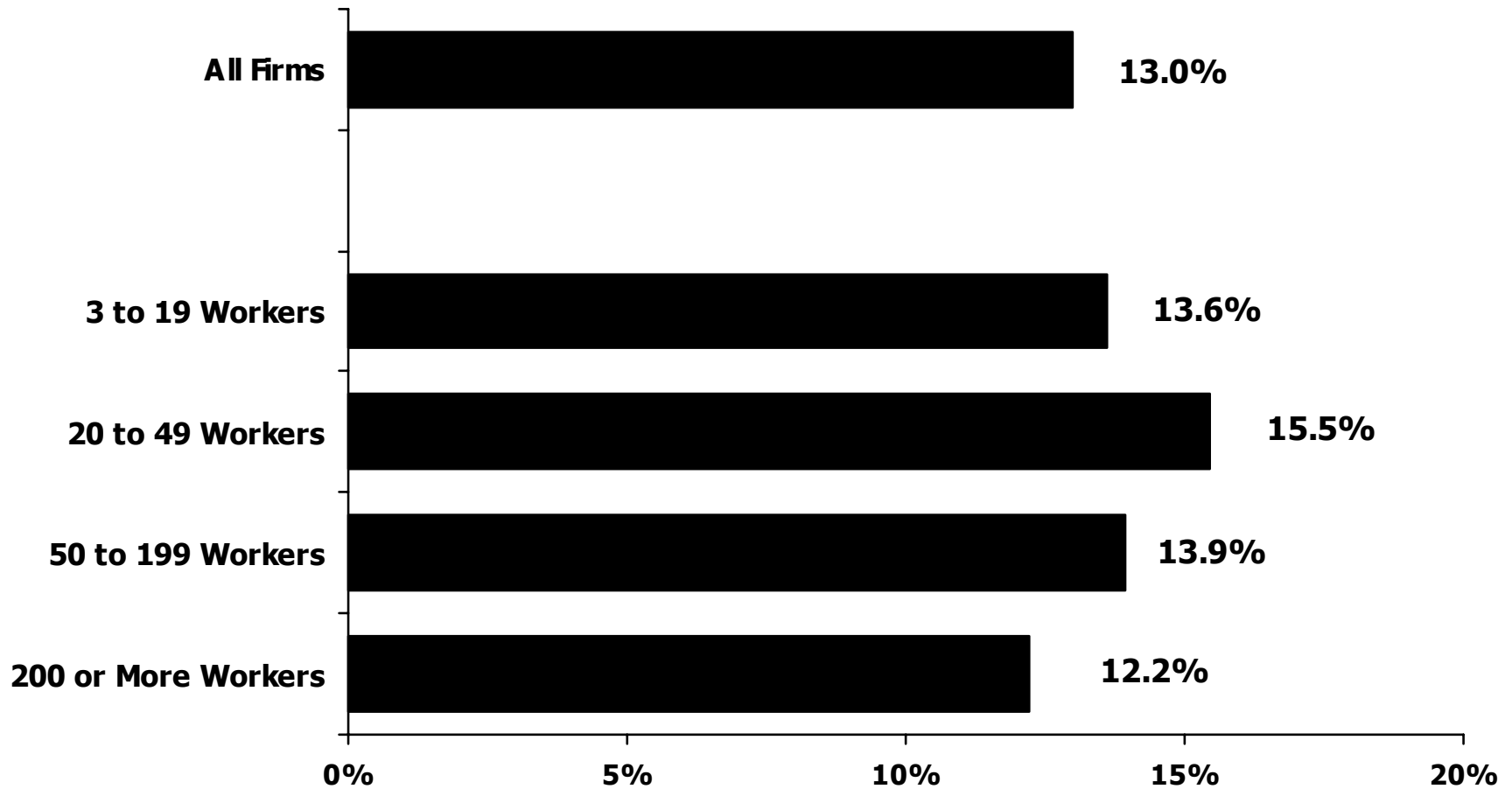


Note: Statistical Testing illustrates that there is no statistical variation by size

Source: Kaiser/HRET California Employer Health Benefits Survey: 2001, 2002.

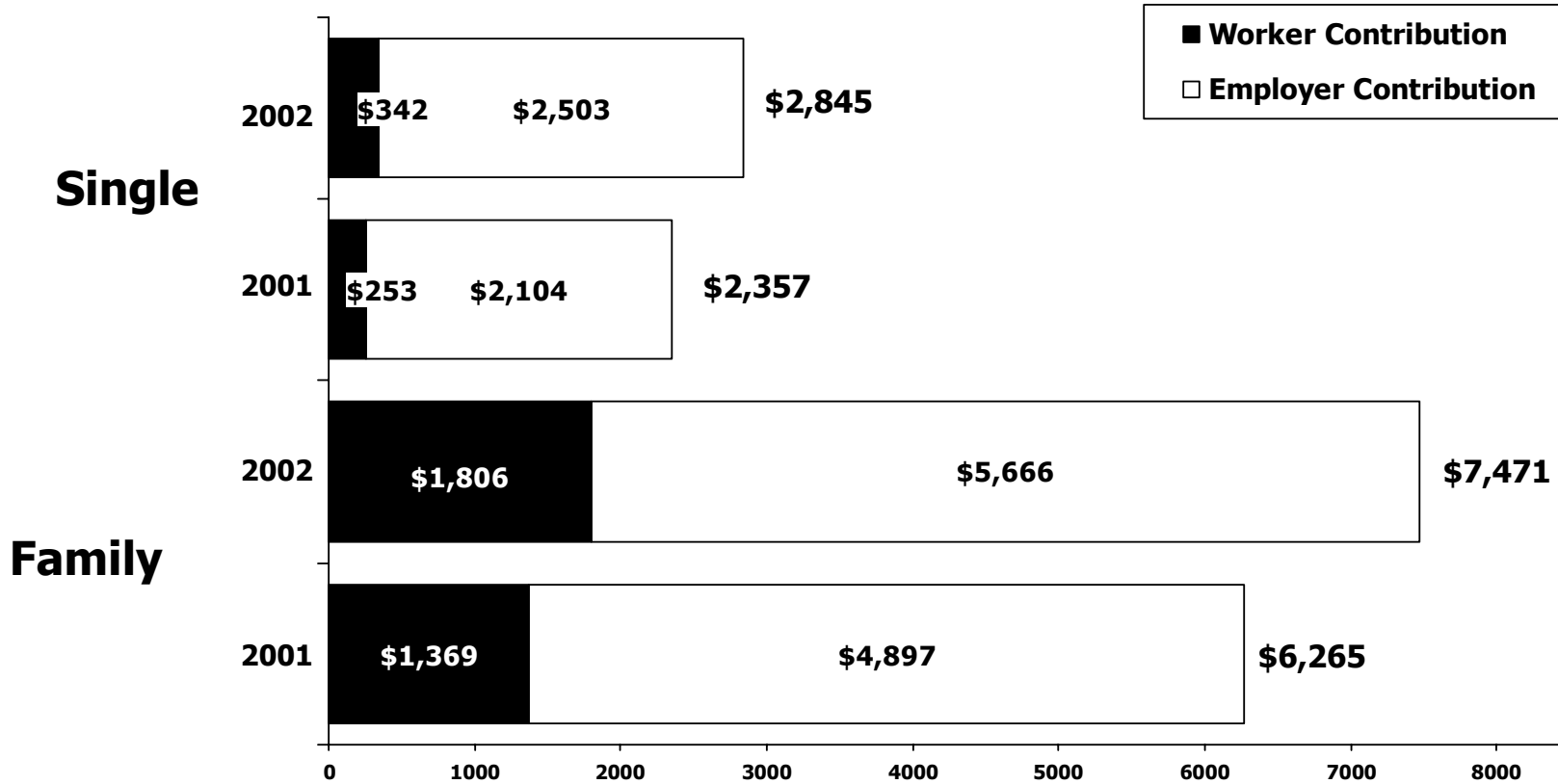
# **Cost of Health Insurance**

## Percentage Change in Premiums, by Firm Size, California 2001 to 2002



Source: Kaiser/HRET 2002 California Employer Health Benefits Survey.

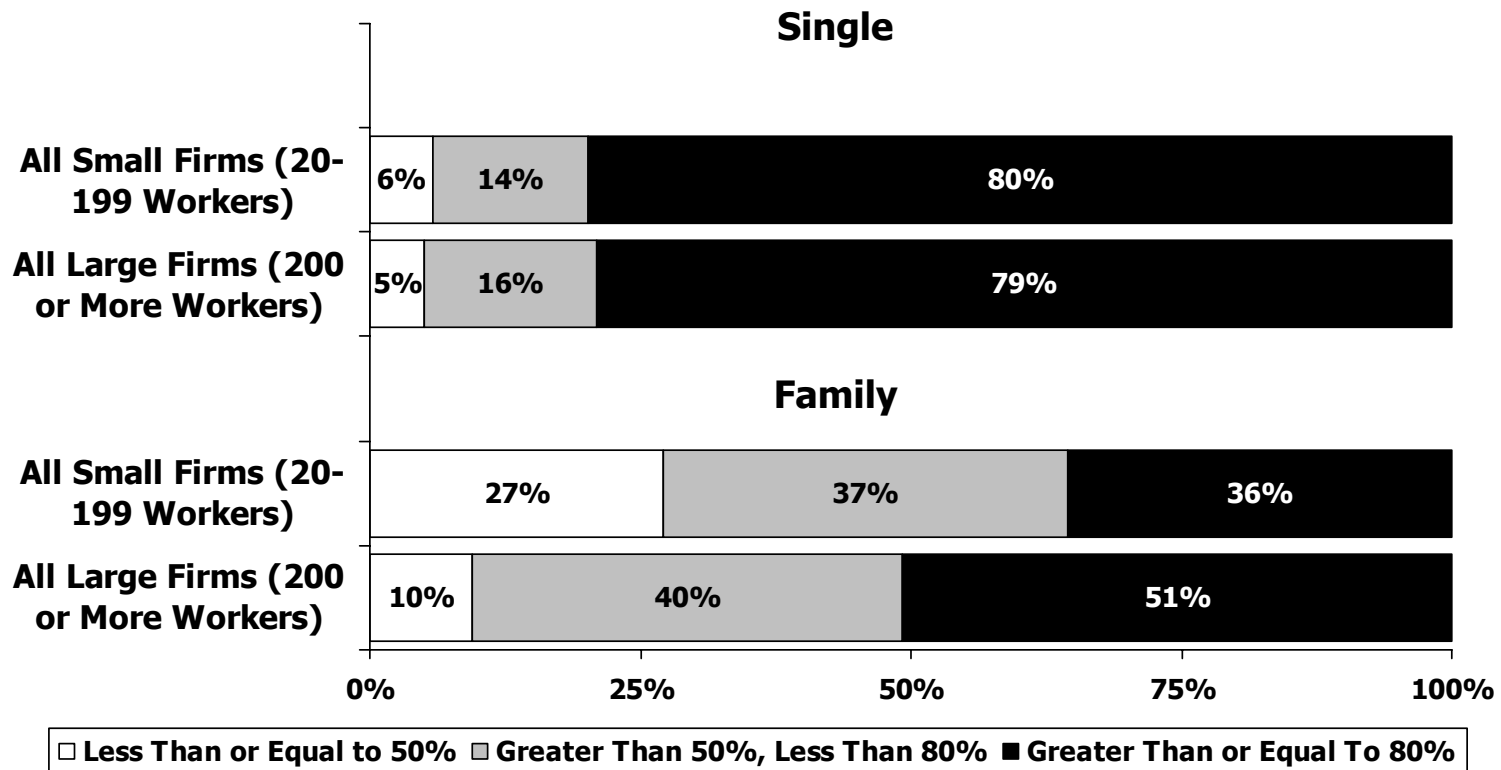
## Average Annual Worker and Employer Contributions, California 2001 and 2002



Note: Data in the 2001 California survey were re-weighted to adjust for minor changes in the sample. As a result, estimates of worker and employer contributions have changed slightly. Last year we reported that single premiums in CA were \$2,359. Workers' share of the premium was \$250, and employers contributed \$2,109. Family premiums cost \$6,248. Worker's share of the family premium was \$1,364 and employers contributed \$4,884. The reported data and revised data for 2001 are not significantly different.

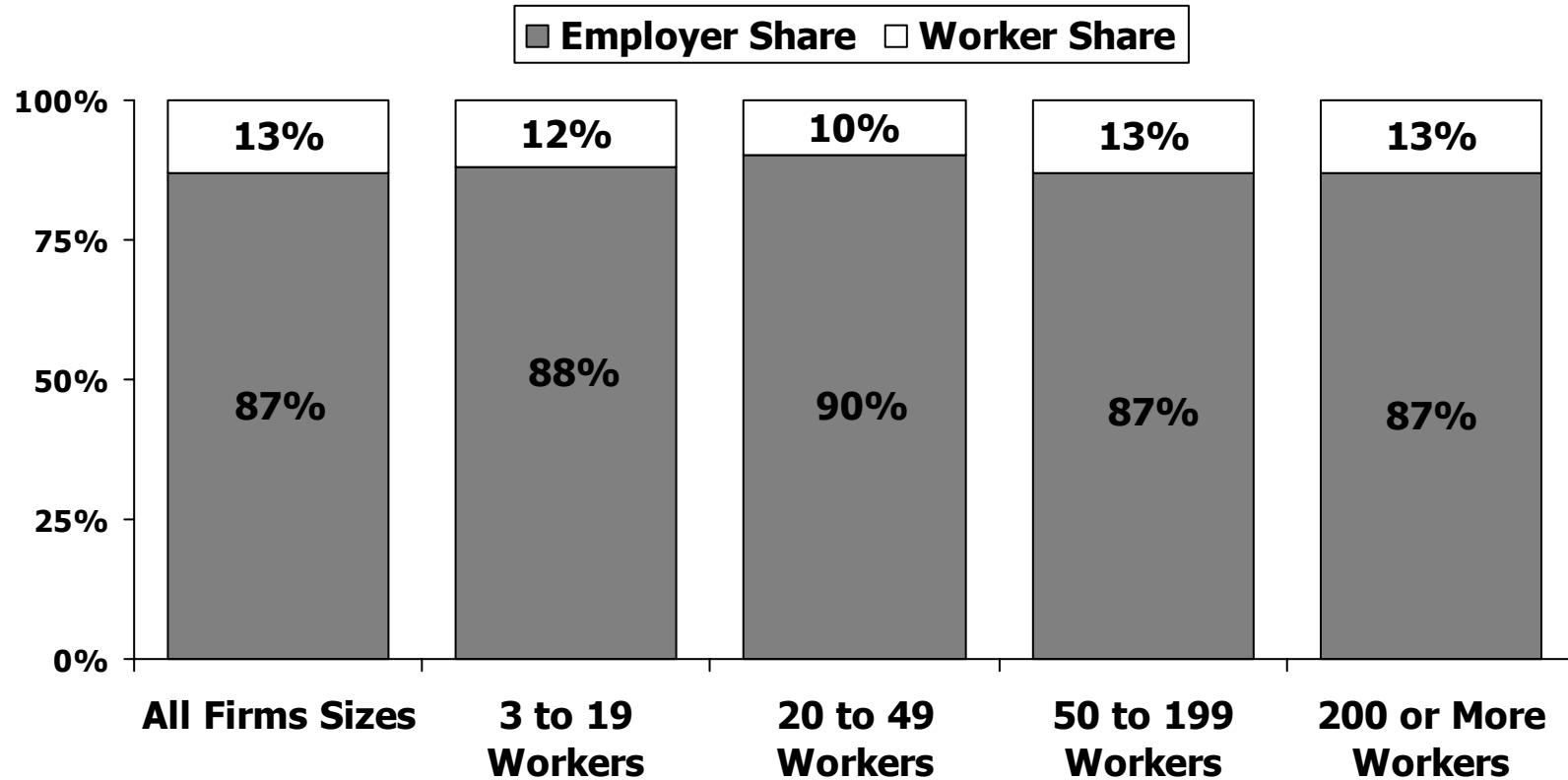
Sources: Kaiser/HRET California Employer Health Benefits Survey: 2001, 2002

## Distribution of Employer Contribution Levels, by Firm Size, California 2002



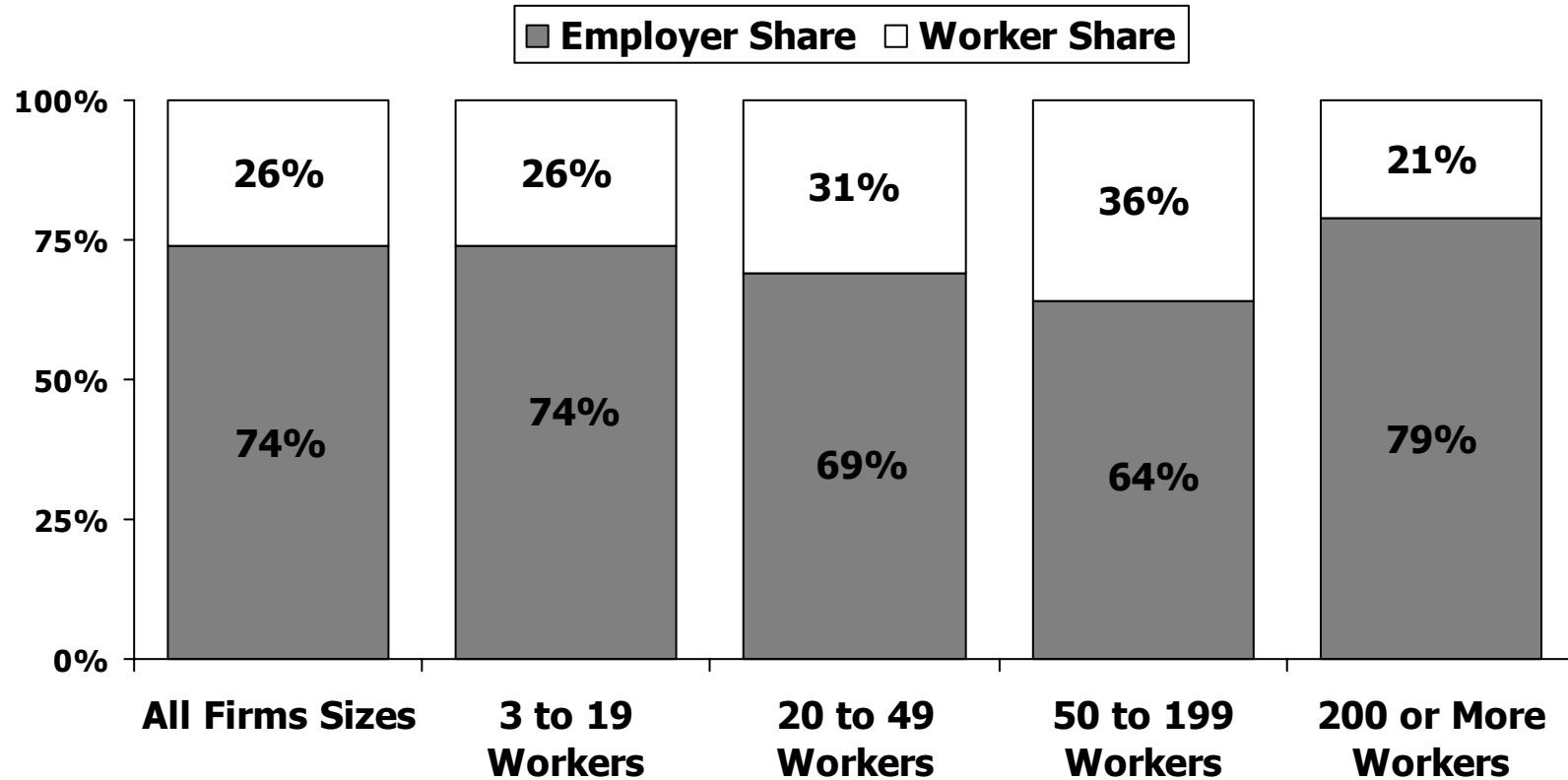
Sources: Kaiser/HRET 2002 California Employer Health Benefits Survey.

# Percentage of Total Premium Paid by Workers and Employers for Single Coverage, California 2002



Source: Kaiser/HRET 2002 California Employer Health Benefits Survey.

# Percentage of Total Premium Paid by Workers and Employers for Family Coverage, California 2002



Source: Kaiser/HRET 2002 California Employer Health Benefits Survey.



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