

News Release



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New Report of Health Care Trends in California and U.S.:

California's Health Care System Looks Significantly Different From Rest of Nation's

More Californians uninsured, yet health insurance costs less

Doctors' income up nationwide, but falling in California

MENLO PARK, CA - - A new report by the Kaiser Family Foundation shows that California's health care system looks significantly different from the rest of the nation's.

The report, *Health Care Trends and Indicators in California and the United States*, authored by researchers at the Foundation and the University of California at Berkeley's Center for Health and Public Policy Studies, finds that on most -- though not all -- indicators, California fares poorly when compared to the U.S. as a whole.

Topping the list of bad news is the fact that many more Californians have no health insurance than in the rest of the U.S. -- 24% of the non-elderly are uninsured in the state (more than 7 million people), compared to 18% nationwide. At the same time, when Californians do have insurance, it tends to be more comprehensive and cost less than elsewhere.

"There's good news and bad news in how California's health care system measures up to the rest of the nation, but the growing number of uninsured has to top our list of concerns," said Drew Altman, Ph.D., president of the Kaiser Family Foundation.

Highlights from the study include:

Health insurance coverage: Children in California are more likely to be uninsured as well (21% are uninsured in the state, compared to 16% nationwide). Enrollment in Medicaid (called Medi-Cal in California) has declined nationwide since the passage of welfare reform and immigrant policy changes, but the declines have been greater in California (the percentage of the non-elderly enrolled in California has fallen from 14.3% in 1994 to 11.1% in 1998, compared to a drop from 10.0% to 8.4% in the U.S. as a whole).

And while California employers are much less likely to offer health insurance to their workers than are their counterparts across the country -- 48% of employers in California provide insurance vs. 61% nationwide -- there's also some positive news: When they do offer insurance, California employers are more likely to offer a greater choice of insurance plans and more comprehensive coverage, particularly for family planning services. They also are more likely to offer coverage for "non-traditional" partners: 31% of California's workers have access to that coverage compared to 18% in the U.S. as a whole.

(more)

Health care costs: Californians who do have health insurance also tend to pay less for it than other Americans. The average HMO premium for family coverage offered by an employer in 1999 was \$405 per month in California versus \$445 nationwide. California workers also pay less for their portion of the premium (an average of 11% for single coverage and 24% for family coverage in California vs. 16% and 32%, respectively, for the rest of the nation).

Health of the population: Overall, Californians' health status is similar to that of the rest of the nation's, though Latinos in California are much more likely than their counterparts elsewhere to report being in fair to poor health (24% vs. 15%).

There is some good news in this area, too: The state has a higher rate of mammography screening and lower rates of smokers, obesity and infant mortality. The rate of new AIDS cases has been declining at similar rates in California and the rest of the country; however, the overall rate of people living with AIDS is higher in California and continues to grow.

“Despite some improvement, our health care system needs to do much more to help ensure the health of our population – both here in California and across the country,” said Helen Schauffler, Ph.D., director of the Center for Health and Public Policy Studies at the University of California at Berkeley and an author of the study.

The health care industry: Californians who have insurance coverage are much more likely to be enrolled in a managed care plan than in the U.S. as a whole: 53% of all insured workers in the state are enrolled in a health maintenance organization (HMO) compared to 28% nationwide. Medicare beneficiaries in California are more than twice as likely to be enrolled in managed care (40% vs. 17%). In all, about one out of every five Americans in an HMO (21%) lives in California.

“While HMOs remain prevalent in California and have been remarkable at controlling health care costs, these lower costs unfortunately have not led to more people being insured,” said Larry Levitt, director of the Kaiser Family Foundation's Changing Health Care Marketplace Project and an author of the new report.

Health care dollars also are spent differently in California than the rest of the U.S. A smaller percentage of overall health care spending in the state goes to hospitals (37% vs. 41%) and nursing home care (4% vs. 8%), and more goes to physician services (31% vs. 24%). At the same time, California physicians earn less than their counterparts elsewhere (mean net income was \$172,400 in the state in 1997 vs. \$199,600 nationwide). And, while physician income has been rising across the country, average income for doctors in California fell by more than \$20,000 between 1995 and 1997.

Demographic diversity: California's population differs from the rest of the country in almost every respect: it's more racially and ethnically diverse, with a smaller percentage that is white or African-American and a higher percentage that is Asian or Hispanic; has a higher percentage of non-citizens than anywhere else in the country; is poorer than the rest of the country (15.4% live in poverty vs. 12.7% nationwide); and is growing at a much faster rate than the U.S. population overall.

Copies of the report can be obtained by calling the Kaiser Family Foundation Publications Request Line at 1-800-656-4533 and requesting document number 3016 or through the Kaiser Family Foundation's Web site at www.kff.org.

The Kaiser Family Foundation, based in Menlo Park, California, is an independent national health care philanthropy and is not associated with Kaiser Permanente or Kaiser Industries. The Center for Health and Public Policy Studies is housed within the School of Public Health at the University of California, Berkeley.