Methodology

The California Employer Survey is a joint product of the Kaiser Family Foundation, the Health Research and Educational Trust, and the Center for Health and Public Policy Studies at the University of California, Berkeley. The survey was designed and analyzed by researchers at the Kaiser Family Foundation, HRET and UC Berkeley and administered by National Research LLC. The survey findings are based on a random sample of 743 interviews with employee benefit managers in private firms with 3 or more workers in California. The sample was drawn from the Dun & Bradstreet list of private employers with three or more workers. The overall response rate was 44%. The margin of error for responses among all employers is 7%.

The survey is based on a national employer survey conducted annually by the Kaiser Family Foundation and HRET. The U.S. results in this study are based on that survey, and are available on the Foundation’s website at 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 KMPG Peat Marwick LLP.

For the purposes of reporting the data, firm sizes were aggregated into three firm sizes and five industry categories producing forty sampling cells. The firm sizes were: 3-50 workers, 51-999 workers and 1,000+ workers, although for offer rates the small firm size (3-50 workers) was divided into two categories of 3-9 and 10-50 workers. The industry groupings are as follows: Manufacturing, transportation, utilities, communications; Hi-tech, health, finance; Retail, wholesale; Service; and Mining, agriculture, construction.

The survey asked questions about the following types of health plans: Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), and Point-of-Service (POS) plans. Conventional (fee-for-service) plans are generally excluded from the plan type analyses because they comprise such a small share of the California market.

The Kaiser Family Foundation, based in Menlo Park, California, is a nonprofit, independent national health care philanthropy and is not associated with Kaiser Permanente or Kaiser Industries.
Chart #1

Percentage of Firms Offering Health Benefits, by Firm Size, 1999

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Percentage of Employers Who Offer Coverage, by Type of Industry, 1999

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Even When a Firm Offers Health Benefits, Not All Workers Are Covered, 1999

- In Firms That Offer Coverage, % of Employees Who are Eligible: 77% (California) vs 78% (U.S.)
- % of Eligible Workers Who Accept Coverage: 86% (California) vs 84% (U.S.)
- Overall % of Workers Covered: 67% (California) vs 66% (U.S.)

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Chart #4

Most Important Reason Small Firms (3-199 Workers) Do Not Offer Health Insurance, 1999

- Premiums are too high: California 64%, U.S. 62%
- Employees are generally covered under another plan: California 30%, U.S. 17%
- The firm is too newly established: California 4%, U.S. *
- Employee turnover is too great: California 3%, U.S. 1%
- The firm can attract good employees without having to offer insurance: California 3%, U.S. *
- Administrative hassle of providing health benefits is too great: California 2%, U.S. 2%
- The firm cannot qualify for a group policy at group rates: California 1%, U.S. 4%
- Don’t know: California 8%, U.S. 2%

* Firms citing this as their most important reason for not offering health insurance were less than 1%.

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Other Key Coverage Statistics, 1999

- 31% of workers employed in firms that offer non-traditional partners health coverage in California.
- 6% of workers employed in firms that offer temporary workers health coverage in California.
- 41% of workers employed in firms that offer part-time workers health coverage in California.

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Percentage Change in Health Insurance Premiums From Previous Year, by Firm Size, 1999

- **All Firm Sizes**: 4.8%
- **1,000+ Workers**: 4.5%
- **51-999 Workers**: 4.7%
- **3-50 Workers**: 6.1%

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Percentage Change in Health Insurance Premiums from Previous Year, by Plan Type, 1999

Chart #7

* Includes Conventional plans.

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
# Chart #8

## Average Monthly Premiums, by Plan Type, 1999

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Single California</th>
<th>Single U.S.</th>
<th>Family California</th>
<th>Family U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO</td>
<td>$145</td>
<td>$169</td>
<td>$405</td>
<td>$445</td>
</tr>
<tr>
<td>PPO</td>
<td>218</td>
<td>195</td>
<td>555</td>
<td>488</td>
</tr>
<tr>
<td>POS</td>
<td>180</td>
<td>198</td>
<td>479</td>
<td>496</td>
</tr>
<tr>
<td>Conventional</td>
<td>N/A</td>
<td>202</td>
<td>N/A</td>
<td>491</td>
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<tr>
<td>All Plan Types</td>
<td>171</td>
<td>189</td>
<td>458</td>
<td>478</td>
</tr>
</tbody>
</table>

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Chart #9

Average Monthly Worker Contribution for Single and Family Coverage, 1999

- **Single Coverage**:
  - California: $21
  - U.S.: $35

- **Family Coverage**:
  - California: $117
  - U.S.: $145

Percentage of Premiums Paid by Covered Workers for Single and Family Coverage, 1999

- **Single Coverage**:
  - California: 11%
  - U.S.: 16%

- **Family Coverage**:
  - California: 24%
  - U.S.: 32%

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Chart #10

Health Plan Enrollments for Covered Workers, by Plan Type, 1999

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Chart #11
Percentage of Covered Workers With a Choice of Health Plans, 1999

Percentage of Employers Providing Only One Health Plan, 1999

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Chart #12

Percentage of Workers Covered for Selected Benefits, by Plan Type, 1999*

California

<table>
<thead>
<tr>
<th>Benefit</th>
<th>HMO</th>
<th>PPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abortion</td>
<td>51%</td>
<td>54%</td>
</tr>
<tr>
<td>Oral Contraceptives</td>
<td>86%</td>
<td>81%</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>100%</td>
<td>99%</td>
</tr>
<tr>
<td>Well Baby Care</td>
<td>98%</td>
<td>95%</td>
</tr>
<tr>
<td>Adult Physicals</td>
<td>97%</td>
<td>85%</td>
</tr>
</tbody>
</table>

U.S.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>HMO</th>
<th>PPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abortion</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Oral Contraceptives</td>
<td>80%</td>
<td>64%</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>Well Baby Care</td>
<td>99%</td>
<td>92%</td>
</tr>
<tr>
<td>Adult Physicals</td>
<td>97%</td>
<td>80%</td>
</tr>
</tbody>
</table>

* In certain instances, a large percentage of respondents indicated "Don't Know" as follows: Abortion: CA HMO (29%), CA PPO (20%); U.S. HMO (38%), U.S. PPO (31%). Oral contraceptives: CA HMO (8%), CA PPO (7%); U.S. HMO (4%), U.S. PPO (7%).

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Percentage of Workers in HMOs Who Can…..

Select a specialist as a primary care physician
- California: 31%
- U.S.: 25%

Select an OB/GYN as a primary care physician
- California: 63%
- U.S.: 67%

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Employer Views on Consumer Protections:

Percentage of Firms Favoring a Law That Would Require Payment For an Emergency Room Visit When Someone Believes He or She Needs Immediate Medical Attention

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Chart #15

Employer Views on Consumer Protections:

Percentage of Firms Favoring a Law That Would Allow People to Appeal Plan Decisions to an Independent Reviewer

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Employer Views on Consumer Protections:

Percentage of Firms Favoring a Law That Would Allow Patients to Sue a Health Plan for Malpractice

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Familiarity with NCQA Accreditation, by Firm Size, 1999*

* Percentage of covered workers who are employed by firms that are familiar with NCQA accreditation. NCQA (National Committee for Quality Assurance) is a national organization that accredits managed care plans.

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Familiarity with HEDIS, by Firm Size, 1999*

* Percentage of covered workers who are employed by firms that are familiar with HEDIS. HEDIS (Health Plan Employer Data and Information Set) is a performance measurement tool that compares the quality of different health plans.

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Familiarity with the HIPC among Small Firms (3-50 Employees), 1999

* Percentage of covered workers who are employed by firms that are familiar with HIPC. The HIPC (Health Insurance Plan of California) is a small business purchasing cooperative that was created and operated by the State of California. It is now operated by the Pacific Business Group on Health under the name “Pacific Health Advantage.”

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Chart #20

Distribution of Employers, Workers, and Workers Covered by Health Insurance, by Firm Size, 1999

- 3-9 Workers
- 10-50 Workers
- 51-999 Workers
- 1,000+ Workers

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey
Distribution of Workers, by Type of Industry, 1999

Chart #21

Source: Kaiser/HRET/UC Berkeley 1999 California Employer Survey