

L.A. Health

Volume 1 • Issue 2 • July 1998

One-Fourth Of Los Angeles County Children Are Uninsured And Nearly One-Third Are Covered By Medi-Cal

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UNINSURED CHILDREN:

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1998-Year Of Healthy Children

The Los Angeles County Board of Supervisors proclaimed 1998 as the Year of Healthy Children and requested the Department of Health Services (DHS) take the lead in implementing this initiative. As part of its public health assessment and planning functions, DHS has initiated a series of child health assessment reports. The first report, *Toward Improving the Health and Futures of Los Angeles Children*, released on April 1, 1998, focused on developing a better understanding of child health. This issue and issue 3 of *LA Health*, on access barriers to health care services in the county, represent the second round of child health assessment reports. DHS plans to publish a final report on all accomplishments and issues regarding the status of children's health in the county.

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Children without health insurance face significant barriers to receiving primary health care services.¹ This report, based on data from the Los Angeles County Health Survey, provides a profile of the health insurance status of Los Angeles County children by age, race and ethnicity, income and area of residence.²

In addition, this report describes the use of health services by children in Los Angeles County who have no insurance coverage, and the implications for children's health status. Because there are limited population-based data on uninsured children in different areas of Los Angeles County, this information is important to effectively plan children's health services under California's Healthy Families Program.

Future reports will describe the health status of children and the financial and non-financial barriers that families in Los Angeles County face in obtaining health care for their children.

Uninsured Children Are Concentrated Among Low Income Families, Latinos And Asians.

Previous reports have shown that Los Angeles County has the highest percentage of people without health insurance in California.³ There are an estimated 696,000 uninsured children in the county, or one-fourth of children under 18.⁴ Nearly one-third (31%) of children are covered by Medi-Cal, and 44% have private health insurance through their own employer, their parents' employers, or through independently purchased plans (see Figure 1).

1. P. Newcheck, J. Stoddard, D. Hughes and M. Pearl, *Health insurance and access to primary care for children*, NEJM, 338(8): 1998.
 2. Two geographic areas of the county are used: Service Planning Areas (SPAs) and Health Districts. SPAs are eight regions of the county each with a total population of approximately 1.2 million people. They were established by the Children's Planning Council and approved by the Board of Supervisors as geographic areas for purposes of planning in 1993. There are 26 health districts.
 3. H. Schaffler, UC Berkeley and E. R. Brown, UCLA, *The State of Health Insurance in California*, 1997
 4. The estimated percentage of uninsured children is subject to sampling error and could be as low as 23% and as high as 26%.

Percentages in this report were based on respondent answers and weighted to the most recent data available for the Los Angeles County population. When possible, data were weighted to the 1996 Current Population Survey data for Los Angeles County. Weighted percentages were applied to population estimates from the 1996 Current Population Survey.

Job-based coverage includes insurance that people receive through employment (or past employment) regardless of who pays for part or all of the premium. People are also classified as job-based if they are covered as a dependent on an employer-based plan. Independent coverage is health insurance purchased directly from an insurance company or managed care organization.

In any survey some degree of error is introduced by the sampling process. This is because the survey results are not based on a complete census of all potential respondents within the population. According to statistical theory, 95% of the time, results from the overall sample would have a sampling error of +/-2 percentage points. Because the sample sizes of subgroups (for example, health districts) are smaller than the overall sample, results based on subgroups have larger sampling errors. For all estimates reported, standard errors are available. There are many other possible sources of error in any survey other than sampling variability. Survey results could differ due to question wording and sequencing, or through errors in sampling, interviewing or data processing. The survey research professionals working on this study made every effort to minimize such errors.

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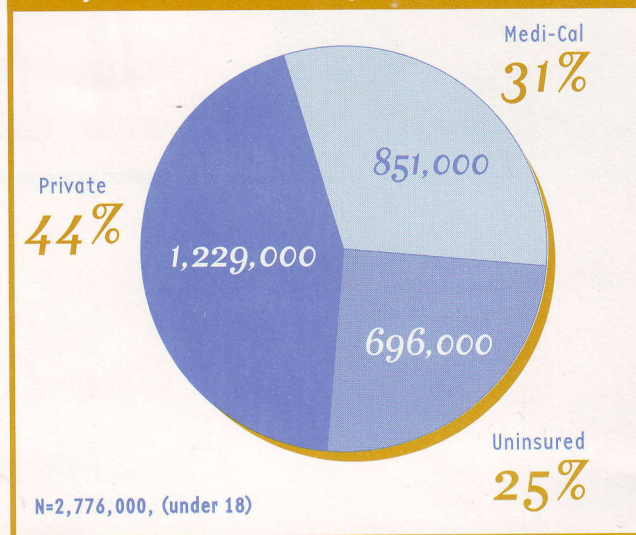
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Results of the survey reveal the following about uninsured children in Los Angeles County:

- There are over 210,000 uninsured children less than 5 years of age, 295,000 between 5 and 12 and close to 190,000 uninsured adolescents (ages 13-17).
- Eighty-one percent of uninsured children in Los Angeles County (560,000) are living in families with incomes at or below 200% of the federal poverty level.⁵ This percentage rises to 90% in some areas of the county.
- Of the 560,000 uninsured children in indigent families, 314,000 live at or below the federal poverty level, and 246,000 between 100% and 200% of poverty.

FIGURE 1. Current Health Insurance Status Of Children In Los Angeles County, 1997



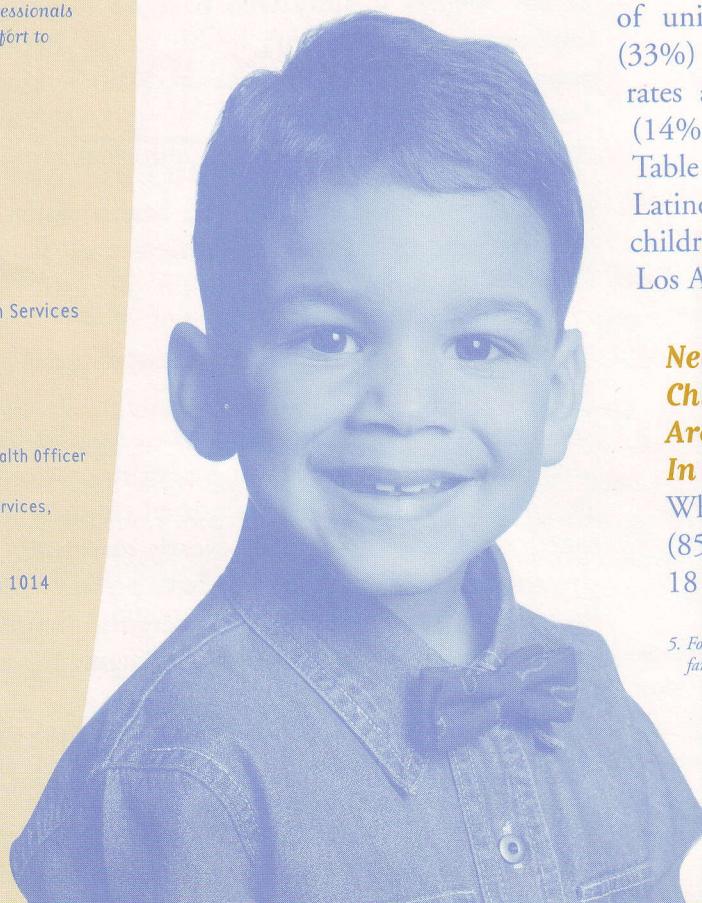
Source: Los Angeles County Health Survey, 1997

- Within racial and ethnic groups, percentages of uninsured are highest among Latino (33%) and Asian children (20%). Lower rates are found among African-American (14%) and white children (10%). See Table 1. The estimated 556,000 uninsured Latino children account for 8 of every 10 children who have no health coverage in Los Angeles County.

Nearly Half Of The Uninsured Children In Los Angeles County Are Eligible For But Not Enrolled In Medi-Cal.

While nearly one-third of all children (851,000) in Los Angeles County under 18 years of age are covered by Medi-Cal,

5. For a family of four, the 1997 federal poverty level was an annual family income of \$16,050; 200% of poverty was \$32,100.

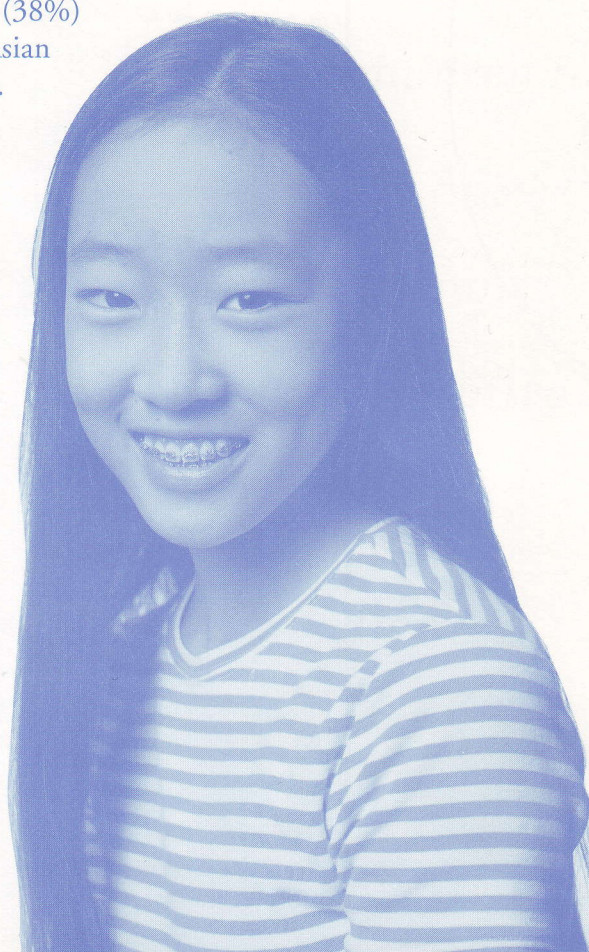


another 314,000 uninsured children may be eligible for Medi-Cal benefits based on their income, but are not enrolled.

- Only 57% of children in families with incomes below the federal poverty level are covered by Medi-Cal.
- Medi-Cal coverage is highest among African-American (38%) and Latino children (37%), somewhat lower for Asian children (23%), and lowest among white children (13%).

Concentrations Of Uninsured Children And Those Enrolled In Medi-Cal Are Highest In The South And Metro Service Planning Areas (SPAs) And The South and Central Health Districts.⁶

- An estimated one-third of children living in the South (33%) and Metro (32%) SPAs are uninsured.
- The South (45%) and Metro (46%) SPAs also have the highest percentage of children covered by Medi-Cal.
- The South health district has the highest estimated percentage of uninsured children (46%), almost twice the percent in the county as a whole. In contrast, Pomona (15%), Bellflower (14%), and Whittier (13%) health districts have the lowest uninsured rates.
- Of the twenty-six health districts in Los Angeles County, those with the highest percentage of children covered by Medi-Cal include the Southeast (56%) and Northeast (51%) health districts. The West (16%), Pomona (15%), Torrance (15%), and Whittier (13%) health districts have the lowest percentage of children covered by Medi-Cal (see Table 2).



Low-Income And Latino Children Are Least Likely To Have Job-Based Coverage.

Children are less likely than adults to have private coverage, which contributes to the high uninsured rate for children in Los Angeles County. Overall, only 44% of children in Los Angeles County are insured privately: 1.16 million are covered through employment (their own, in the case of some older adolescents, or more commonly, as a dependent on their parents' or guardians' health

**TABLE 1.
Health Insurance Status Of Children (under 18)
By Race And Ethnicity, 1997.**

	White	African American	Latino	Asian	Other	All Children
Private	77%	48%	31%	57%	77%	44%
Medi-Cal	13%	38%	37%	23%	9%	31%
Uninsured	10%	14%	33%	20%	13%	25%
Total	100%	100%	100%	100%	100%	100%

Note: Percentages may not add to 100% due to rounding.

Source: Los Angeles County Health Survey, 1997

6. While the confidence intervals for these estimates are wide, they represent the best available data at the SPA and health district level.

TABLE 2.
Estimated Number And Percent Of Children, Under 18,
Who Are Uninsured And Covered By Medi-Cal, 1997.

Geographic Area	Uninsured			Medi-Cal		
	Percent	(± 95% confidence interval) ¹	Estimated Number	Percent	(± 95% confidence interval) ¹	Estimated Number
Los Angeles County	25%	(± 2%)	696,000	31%	(± 2%)	851,000
<i>Antelope Valley</i> ²	19%	(± 12%)	20,000	23%	(± 13%)	24,000
San Fernando Valley	26%	(± 5%)	122,000	25%	(± 5%)	117,000
East Valley	25%	(± 10%)	28,000	29%	(± 11%)	33,000
Glendale	17%	(± 12%)	11,000	23%	(± 13%)	14,000
San Fernando	28%	(± 11%)	32,000	18%	(± 9%)	20,000
West Valley	28%	(± 8%)	52,000	27%	(± 8%)	51,000
San Gabriel Valley	21%	(± 5%)	121,000	23%	(± 5%)	132,000
Alhambra	18%	(± 9%)	20,000	19%	(± 9%)	21,000
El Monte	28%	(± 10%)	55,000	31%	(± 10%)	61,000
Foothill	23%	(± 11%)	17,000	24%	(± 12%)	19,000
Pasadena	23%	(± 16%)	6,000	29%	(± 18%)	7,000
Pomona	15%	(± 7%)	24,000	15%	(± 7%)	24,000
Metro	32%	(± 7%)	100,000	46%	(± 8%)	145,000
Central	34%	(± 14%)	31,000	46%	(± 15%)	42,000
Hollywood/Wilshire	37%	(± 12%)	34,000	39%	(± 13%)	35,000
Northeast	26%	(± 11%)	35,000	51%	(± 13%)	68,000
West ²	31%	(± 12%)	26,000	16%	(± 9%)	13,000
South	33%	(± 7%)	131,000	45%	(± 8%)	180,000
Compton	25%	(± 14%)	28,000	43%	(± 16%)	47,000
South	46%	(± 14%)	36,000	45%	(± 14%)	35,000
Southeast	34%	(± 18%)	32,000	56%	(± 19%)	52,000
Southwest	30%	(± 11%)	35,000	38%	(± 12%)	45,000
East	20%	(± 5%)	91,000	31%	(± 6%)	137,000
Bellflower	14%	(± 7%)	17,000	28%	(± 9%)	34,000
East Los Angeles	27%	(± 15%)	17,000	44%	(± 17%)	28,000
San Antonio	29%	(± 10%)	42,000	41%	(± 11%)	60,000
Whittier	13%	(± 9%)	15,000	13%	(± 9%)	16,000
South Bay	22%	(± 5%)	84,000	27%	(± 6%)	102,000
Harbor	30%	(± 14%)	21,000	30%	(± 15%)	21,000
Inglewood	22%	(± 10%)	27,000	25%	(± 11%)	31,000
Long Beach	20%	(± 9%)	20,000	37%	(± 11%)	38,000
Torrance	19%	(± 9%)	16,000	15%	(± 8%)	12,000

1. The percentages and numbers reported reflect the best estimates of uninsured children and those on Medi-Cal in each SPA and health district. These estimates should not be considered exact population numbers but, should be used as trend data for planning purposes. The actual percentages and numbers may be lower or higher based on the confidence interval reported for each area. We are 95% confident that the actual percentage of uninsured children or children covered by Medi-Cal in each area is within the range of the confidence interval presented for that area.

2. The Antelope Valley and West SPAs each contain only one health district.

Source: Los Angeles County Health Survey, 1997

plans), and 67,000 are covered under independently purchased plans.

- Twelve percent of children in households with incomes below the poverty level and 43% of children with incomes between 100% and 200% of poverty have private coverage.
- Private coverage is highest for white children (77%) compared to other racial and ethnic groups. Only 31% of Latino children have private coverage.

Uninsured Children Live In Households Where Working Parents Do Not Have Dependent Coverage.

- Many children in Los Angeles County are uninsured because their parents' employers do not offer dependent coverage or they cannot afford to pay the premium. There are 127,000 children who are uninsured though they live in households where one or both parents have job-based coverage.
- Over three quarters of these children (98,000) live in families with incomes below 200% of the federal poverty level (see Figure 2). These 98,000 uninsured children represent close to 20% of all children living in low-income families where at least one parent has job-based coverage.

Uninsured Children In Los Angeles County Are Not Receiving Needed Primary And Preventive Care.

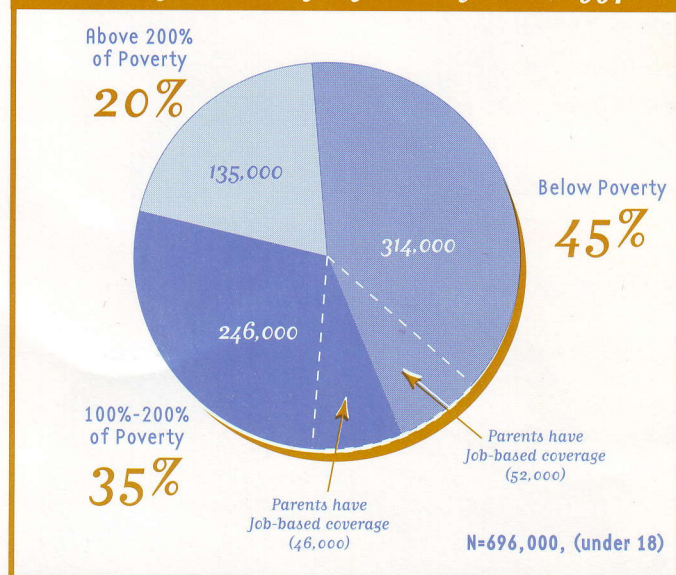
- Lack of health insurance creates financial barriers to health care services. Eighteen percent of uninsured children in Los Angeles County did not get needed medical care in the past three months. This is nearly twice the percentage among children covered by Medi-Cal, and six times the percentage among children who are privately insured.
- One in five uninsured children has not had a physician visit in the past year: this is nearly twice the proportion among privately insured children and three times greater than the proportion among children covered by Medi-Cal (see Figure 3).

Discussion

Expanding health insurance coverage for children in Los Angeles County could significantly improve access to preventive services, including immunizations, child screening, and developmental testing. For children with health problems, health insurance can assist families in obtaining care in appropriate primary care settings and reduce reliance on emergency rooms for routine care. Insurance coverage is also important for assisting families in managing care for children with chronic illness such as asthma and diabetes. Greater access to health insurance could improve the overall health status of children and their families in Los Angeles County.

“Less than half the children in Los Angeles County have private health insurance”⁷

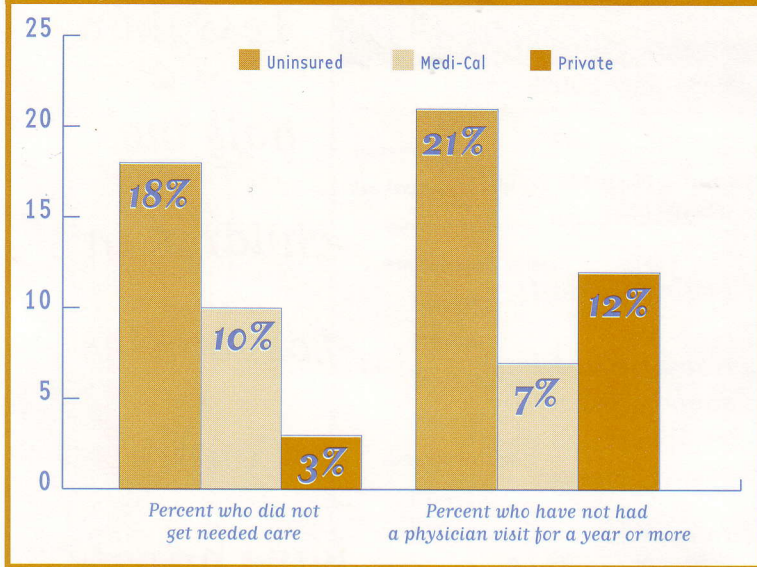
FIGURE 2. Uninsured Children in Los Angeles County, By Poverty Level, 1997



Source: Los Angeles County Health Survey, 1997

⁷ Private coverage includes job-based insurance and plans that families purchase independently.

**FIGURE 3. Access To Care For Children
In Los Angeles County, By Insurance Status, 1997**



Source: Los Angeles County Health Survey, 1997

There are several ways to expand insurance coverage. One approach is to expand Medi-Cal enrollment among children. Over half of uninsured children are living in households with family incomes below the federal poverty level. While the survey provides us with no information about the immigration status of these children, many are probably eligible for Medi-Cal.⁸ Federal matching funds are now available for outreach efforts to identify and enroll uninsured children in Medi-Cal and Healthy Families programs. These outreach efforts could have a significant effect on reducing the number of uninsured children in the county, particularly in communities with large numbers of indigent families.

The recently enacted Healthy Families program is another approach to expand coverage for children. Many of the 246,000 uninsured children, whose

family incomes are between 100% and 200% of poverty, are eligible for California's Healthy Families program (see sidebar on page 7).⁹ While eligible children for Medi-Cal or Healthy Families are found throughout Los Angeles County, outreach efforts are particularly important in those health districts with large concentrations of medically indigent children. Schools, day care centers, churches and other community-based organizations are likely sites for identifying and enrolling eligible children.

State and federal policies are needed to expand job-based coverage for families, particularly dependent coverage. Public policies might include incentives or requirements for businesses to offer health insurance for their employees and their families, or to expand existing employee coverage to dependents. Expanding dependent coverage alone could reduce the number of uninsured children in Los Angeles County by up to 18%.

In conclusion, expanding health coverage for uninsured children will reduce financial barriers to health care services, promote appropriate use of preventive and primary care, and contribute significantly to the improvement in the health of children and their families in Los Angeles County.

8. Undocumented immigrants are not eligible for standard Medi-Cal coverage. The Survey, however, did not ask respondents about documentation status in reference to immigration so as not to discourage participation.

9. Children whose parents are covered by job-based insurance may not be eligible for Healthy Families.

Authors

This report was written by Michael R. Cousineau and Alicia Kokkinis, Los Angeles County Department of Health Services. Also contributing to this report were Daniel Gera, Janice Gilden, Miya Iwataki, Julie Park, Magda Shabehn, Brian Shimabukuro and Mark Wildeman.

Acknowledgement is given to Douglas Bagley, Carolyn Clark, Nancy Delgado, Vicki Edwards, Jonathan Fielding, Leticia Gonzalez, Lucy Johns, Andy Martinez, Arthur Ragazzi, Paul Simon, Marc Strassburg, Sharon Watson, Gary Wells and Toni Saenz Yaffe who reviewed earlier versions of this report.



The Los Angeles County Health Survey is a population-based telephone survey of 8,004 households in Los Angeles County, examining health and health-related issues of children and adults. The survey was conducted in the Spring of 1997 by Field Research Corporation for Los Angeles County Department of Health Services in conjunction with local universities. The children's data reported here are derived from interviews with 2,363 parents in households with children. The survey was sponsored by California Department of Health Services and The California Endowment.

Healthy Families

President Clinton enacted the State Children's Health Insurance Program (SCHIP) in August 1997. This program allocates \$20.3 billion over the next five years to states to provide expanded health coverage for uninsured children between 100-200% of the federal poverty level (FPL) who are not eligible for Medicaid; plus \$4 billion for expansion of the Medicaid program.

The program requires each state to either expand Medicaid or to develop a new health insurance program for children. California's SCHIP program, Healthy Families, is a health insurance model with a benefit plan equivalent to the California Public Employees Retirement System (CALPERS) coverage including dental and vision coverage, with some modifications to make it more child-appropriate. The Healthy Families Program utilizes a total of \$478.7 million to provide services to an estimated 580,000 eligible children, less than half of California's federal share.

California has also instituted a cost-sharing requirement with monthly premiums of \$7 per child, maximum \$14/month for families at 100-149% FPL and \$9 per child, maximum \$27/month for families at 150-200% FPL. Co-payments are \$5 for most outpatient services excluding preventive services. Los Angeles County DHS' Community Health Plan (CHP) has been designated as the Community Provider Plan. Families enrolling in the County's plan will have reduced premiums.

The success of Healthy Families is contingent upon outreach and enrollment. Twelve million dollars have been designated for community-based outreach. A \$25 application assistance fee will be paid to organizations that assist families with enrollment. In order to allow more children to be eligible for Medi-Cal, the Healthy Families legislation also includes the following changes to Medi-Cal:

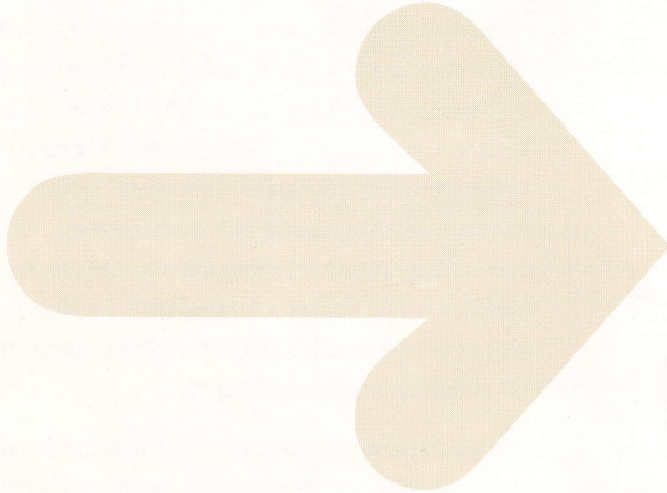
- Increases the income threshold to 100% FPL for children 14-18 years old.
- Waives the asset test for children.
- Allows one month of continuous eligibility for families who no longer qualify for no-share-of-cost Medi-Cal during their transition into Healthy Families.
- Directs the California State Department of Health Services to design a simplified, mail-in Medi-Cal application for children.



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Summary:

LOS ANGELES COUNTY HEALTH SURVEY



Issue 2

- An estimated 25% of all children under 18 years of age (696,000) in Los Angeles County have no health insurance.
- Nearly one-third of all children (851,000) in Los Angeles County are covered by Medi-Cal. There are 314,000 uninsured children who may be eligible for some type of Medi-Cal benefits based on their income.
- Latinos have the highest percentage of children (33%) without health insurance.
- Of all children living in families with incomes at or below the poverty level, 31% are uninsured.
- Over two-thirds of uninsured children (560,000) in Los Angeles County are medically indigent (they live in families with incomes at or below 200% of poverty).
- In the South and Metro Service Planning Areas, over three-quarters of children are either uninsured or covered by Medi-Cal.
- Eighteen percent of uninsured children in Los Angeles County did not get needed medical care in the past three months; this is nearly twice the percentage among children covered by Medi-Cal, and six times the percentage among children who are privately insured.
- Expanding dependent coverage in households where parents have job-based coverage could reduce the number of uninsured children in Los Angeles County by up to 18%.