



FACT SHEET: Health Coverage Impacts of SB 2 (Burton) Sept. 2, 2003

SB 2 (Burton) would extend coverage to over one million California workers and around two hundred thousand of their family members. Rather than creating new bureaucracies, SB 2 would build on the existing health care system and existing programs. More than half of all Californians—more than 18 million—already get health care through an employer.

Not only would SB 2 directly help over a million Californians be healthier and more economically secure, but it would provide benefits for all California, including the state budget, the health system we all depend on, and the economy as a whole.

SB 2 Impact on the Uninsured

SB 2 would extend coverage to 1 million-1.4 million California workers and their families. Over 4.5 million are uninsured at a given point in time. Over six million Californians are uninsured over the course of a year, out of a population of 36 million. (UCLA Center for Health Policy Research) These are families that work hard, play by the rules, pay their taxes, raise their children, yet don't get basic health coverage.

- The bill would cover about half of uninsured workers covered by SB 2
- The bill would cover 20%-25% of uninsured children—about 200,000 children.

Millions are working but uninsured. SB 2 would extend health coverage to many who don't have another option.

- *Over 80% of the uninsured are in working families, with half of the uninsured being a worker, and over 30% being the dependent of a worker. (UCLA)*
- *The uninsured are not uninsured by choice. Over 85% of the uninsured are either not offered or not eligible for health insurance from their employer. (UCLA)*
- *Buying individual coverage is too expensive for the low- and middle-income families that are the vast majority of the uninsured. (Families USA) Coverage simply is not available for many, because of "pre-existing conditions."*

Uninsured families live sicker & die younger. SB 2 fosters healthier lives and communities.

- *The uninsured all too often delay or avoid getting the care they need, including screenings and preventative care, ongoing treatments for chronic conditions, and even emergency care, resulting in severe health impacts. (American College of Physicians)*
- *The uninsured are more likely to die prematurely than insured patients with similar problems, for every type of ailment or problem, from emergency trauma to cancer. (Institute of Medicine)*

Uninsured families are one emergency away from financial ruin. SB 2 will help economically strapped families, and prevent personal bankruptcies.

- *Nearly half of all uninsured respondents reported having unpaid bills or being in debt to the facility where they received care. (Access Project/Brandeis University).*
- *Around 40% of uninsured families had to "change their way of life significantly" to pay medical bills. (Commonwealth Fund)*
- *Nearly half of all personal bankruptcies are the result of health problems or large medical bills. (NYU Law Review)*

SB 2 Impact on the Currently Insured

Most workers who are now insured would simply get the security in keeping the health coverage they have, or keeping coverage when they move jobs.

- Most employers—over 80% of those with more than 10 employees—already provide health care to their workers. (Kaiser Family Foundation)
- The bill would require a fee on employers that have 20 or more employees, but those that provide basic health coverage to their workers would have the fee waived. Thus, *over 97.5% of employers would not be affected, nor would their employees.*
- Even in its modified form, *most workers would get the security of having health coverage under SB 2.* Almost 80% of California workers work for businesses with more than 20 employees. Three-quarters of workers work over 25 hours per week.
- “Job lock” would be reduced because workers would know that if they found a full-time or nearly full-time job with another employer with over 20 workers, they would still get health benefits.
- As employers are moving to shift the cost of health care onto their employees, *SB 2, like the minimum wage, would help the insured maintain a basic level of benefits.* This would include keeping worker’s share of premium at or below 20%.

SB 2 Impact on the State Budget

With the state budget crisis, SB 2 has the added benefit of saving the state general fund dollars:

- Between 40% and 50% of Medi-Cal enrollees and most Healthy Families enrollees are workers or their children.
- If their employers pay into the fund, the fund will pay the state share of costs for any worker or dependent that voluntarily enrolls in Medi-Cal or Healthy Families.
- Since employers would serve as a “gateway” to get already-eligible workers and their family member enrolled in public insurance programs, this will bring in Federal matching funds.
- *This shift is estimated to save the state budget \$620 million- \$900 million.*
- The state savings is roughly equivalent to the proposed cuts to Medi-Cal that would deny eligibility and coverage to hundreds of thousands of Californians.

SB 2 Impact on the Health System and Safety Net Providers

- This reform does not make any changes to the current health care delivery system, including our system of doctors, hospitals, clinics, and emergency rooms.
- With more insured people, *SB 2 will stabilize the financial health of the emergency rooms and trauma centers on which we all rely.*
- Workers and their families eligible for Medi-Cal will have incentive to sign up, minimizing funding impact for safety net providers, including public hospitals and community clinics.
- Under SB 2, health care plans shall make every effort to contract with safety net providers.

As the statewide health care consumer advocacy coalition, Health Access California supports SB 2. For more information, visit the web site at www.health-access.org, or contact Anthony Wright, Executive Director, 916-442-2308, awright@health-access.org, or Beth Capell, bcapell@jps.net.