

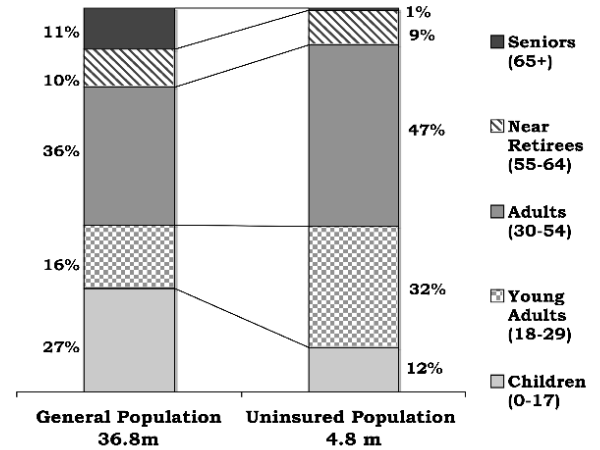
FACES OF CALIFORNIA: Graduates Need Health Reform

Young adults are more likely to go without health insurance.

Young adults between the ages of 19 and 29 are the fastest growing group without health insurance in the United States, and in California. In 2007, one out of six Californians was a young adult, however, one out of three *uninsured* Californians was a young adult – twice the rate! About one in four, or 1.4 million, young adults under 30 are uninsured in California, and they are disproportionately low-income, Latino, and male.¹

The consequences of being uninsured, even for young adults, are significant. According to national surveys, uninsured young adults are more likely to go without seeking medical care because of costs, less likely to have a regular doctor, have limited access to care and health consequences because of it, and experience problems with existing medical bills and out-of-pocket costs.²

Figure 1: **Young Adults Disproportionately Uninsured in California**



Source: 2007 California Health Interview Survey

Congratulations Graduate! Welcome to Being Unemployed...and Uninsured!

Graduating from high school or college is a significant milestone in any young person’s life, but unfortunately, sometimes graduation can be hazardous to your health. Young adults and recent graduates face significant challenges getting and keeping health coverage.



Getting the Boot. At critical transition points, like a 19th birthday, high school graduation, and college graduation, young adults get kicked off coverage.² For instance, under current California law, once a child turns 19, they lose eligibility for public programs like Healthy Families or Medi-Cal (unless they have a disability or children) and they cannot be covered as a dependent on a parent’s health plan unless they are in school. Yet even full-time college students can only be covered by their parent’s plan as a dependent up to age 23. Getting kicked off coverage can happen abruptly and unexpectedly in the midst of other significant life changes, potentially resulting in a gap in access to care and other hardships.



Good Luck Finding A Job...With Health Benefits. For many new high school and college graduates who are out looking for work, it is becoming harder to find a job, and much less a job with quality health benefits. Within the past year, there are over half a million fewer jobs in California’s economy,³ which doesn’t fare well for this spring’s class of roughly 375,000 high school graduates and 55,000 adults who will graduate from institutions of higher education.⁴

Young people starting their careers now face a changed job market, with an increased reliance on temporary workers, subcontractors, part-time workers and extended probation and waiting periods.⁵ Young adults in the state lucky enough to have jobs accept coverage through their employer at rates similar to those of older workers, but are much less likely to be eligible for their employer’s coverage or have employers who offer coverage.¹ The rate of employer-sponsored coverage has been declining for the past decade, but the downturn in the economy will have a serious impact on recent graduates, job availability, and benefit generosity – likely contributing to a further increase in California’s uninsured young adults.



Spending an Arm and a Leg, Literally. As young adults are just beginning their careers, often in entry-level jobs, even with college degrees, the cost of coverage can be prohibitively expensive. The 2009 average cost of a single plan in California's private market is \$4,700 annually.⁶ For a full-time adult worker earning the state's minimum wage (\$8.00/hour), this is the equivalent to over 28 percent of their pre-tax income – and must also compete with other out-of-pocket health costs necessary expenses like food, rent, utilities, and transportation.



Hold the Tonik. Since most young adults are healthy and insurance is often unavailable and/or unaffordable, they just go without. These young adults are sometimes referred to as “young invincibles”, but the reality is that even healthy young adults have a need for health care services, like primary and vision care, dental check-ups, and common prescription drugs. In addition, many young adults suffer from chronic conditions or engage in risky behaviors that the health system could help address and manage.⁷ For example, 44 percent of California's young adults are overweight or obese, 19 percent have a disability due to a condition, 18 percent are smokers, 16 percent have asthma, 13 percent report being in fair or poor health, and nine percent have high blood pressure.¹

Anthem Blue Cross recognized that young adults should be better incorporated into the health care system and have taken over this niche of the market.⁸ They created a new product called Tonik, and it is marketed exclusively to young adults under 30. Tonik products have low-cost premiums but offer limited coverage of few services. Plans like these might seem affordable, but they offer young adults little protection in the case of catastrophe and uncovered for many essential services, like maternity, vision, dental, and prescription drug care. Young adults are uninsured not because they are irresponsible or truly invincible, but because they often don't have access to quality, affordable, comprehensive health coverage.

Recent graduates and young adults urgently need health reform with affordable, quality coverage options.

As policymakers consider health reform, it is important not to forget about the future of America and to include the young adults who are just entering the labor force and need coverage. It is important that in addition to stimulating the economy and creating jobs, employer coverage is shored up so that graduates seeking jobs can obtain employment with quality health benefits. Furthermore, a number of other policy options are available to expand coverage to young adults, such as creating a public plan for purchase, expanding dependent coverage, expanding public programs, and tax credits.⁹ Nevertheless, quality, affordable health coverage plans with true value should be accessible to all Americans, including recent graduates and young adults, invincible or otherwise.



This factsheet was prepared by Health Access, a statewide coalition of consumer, labor, ethnic, senior, faith, and other organizations that has been dedicated to achieving quality, affordable health care for all Californians for over 20 years. Please visit our website and read our daily blog at www.health-access.org.

Health Access is leading the California campaign of Health Care for America NOW! (HCAN), a national grassroots campaign of more than 850 organizations representing 30 million people dedicated to winning quality, affordable health care we all can count on in 2009. Visit www.healthcareforamericanow.org or contact Patrick Romano at promano@health-access.org for more about the HCAN campaign.

HEALTH CARE FOR AMERICA NOW!

For media inquiries, contact Cynthia Craft at ccraft@health-access.org.

¹ Based on analysis of 2007 California Health Interview Survey for adults 19-29 using askCHIS at www.chis.ucla.edu/.

² S. R. Collins, “[Young and Vulnerable: The Growing Problem of Uninsured Young Adults and How New Policies Can Help](#),” Invited Testimony, New York City Council, Committee on Health, (April 23, 2009), and G. Kenney & J. Pelletier, “[Spotlight on Low-Income Uninsured Young Adults: Causes and Consequences](#),” Kaiser Family Foundation (September 2008).

³ Based on unemployment data from April 2008 to April 2009 from the [California Economic Development Department](#).

⁴ Based on high school graduation data for 2007-08 from the [California Department of Education](#) and data for higher education institutions collected by the National Center for Education Statistics from 2006 and available from the [California Postsecondary Education Commission](#).

⁵ From A. Grier & A. Wright, “[New graduates fly without a safety net](#),” *San Francisco Chronicle*, (June 13, 2007).

⁶ B. Furnas & P. Harbage, “[The Cost Shift from the Uninsured](#),” Center for American Progress (March 23, 2009).

⁷ National Center for Health Statistics, “[Health, United States, 2008, with Special Feature on the Health of Young Adults](#),” (2009).

⁸ F. Diamond, “[Bring ‘Young Invincibles’ Into the System](#),” *Managed Care Magazine*, (July 2008).

⁹ J. Holahan & G. Kenney, “[Health Insurance Coverage of Young Adults: Issues and Broader Considerations](#),” Urban Institute (June 2008).