
2004 Overview of the Uninsured: Orange County



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Insure the Uninsured Project (ITUP) is a private, non-profit organization that identifies, assists, and promotes new approaches to expand health care and coverage for California's uninsured. ITUP was established in 1996 and is funded by The California Wellness Foundation, The California Endowment, and the Blue Shield of California Foundation. Veronica Richardson prepared this report.

Insure the Uninsured Project
2444 Wilshire Blvd., Suite 415
Santa Monica, CA 90403
Phone: (310) 828-0338
Fax: (310) 828-0911
Web: www.itup.org
E-mail: info@itup.org

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Introduction

This overview provides information on Orange County's changing demographics, utilization and funding of community clinics and hospitals, and health plan costs and options. It was developed to help advocates, policymakers, researchers, and others note demographic movements in a county's population, identify both patient utilization and funding trends in its safety net services, and recognize cost changes in its employer-based and private insurance markets.

Through using a county-specific model, this report acknowledges the very different challenges, needs, and opportunities that prevail in diverse parts of the state. For a regional and statewide perspective, please see ITUP's website at www.itup.org.

This report provides five snapshots of Orange County: a General Perspective, providing an update on Orange County's economic and demographic changes from 2003; a Focus on Community Clinics, examining the utilization and funding mechanisms of Orange County's free and community clinics; a Focus on Hospitals, offering a similar analysis on the usage and financing of Orange County's hospitals; a Focus on County Health Funding, analyzing the economic state of the county health system; and a Look at Employer and Private Insurance plans, presenting a sample of health insurance offerings and premiums for small employer and individual health plans. Select tables comparing ITUP's 2003 reported information with data offered in this report are available in the Appendix.

Section I: General Perspective

Encompassing 948 total square miles, Orange County is bordered by Los Angeles County to the north, San Diego County to the south, Riverside and San Bernardino Counties to the east, and the Pacific Ocean to the west.

Economy

At 18.6% of total employment, the trade, transportation, and utilities industry is the largest of Orange County's employers with most jobs within this industry falling into the retail and wholesale trade categories. The professional and business services industry is a close second, providing 17.7% of total employment in the county. The unemployment rate for Orange County is 3.8% for 2003, well below both the state unemployment rate of 6.7% and the regional unemployment rate of 5.9%¹.

Demographics

Orange County's 2003 population is approximately 3.0 million residents, representing 8.3% of the state's population. The population increased by 1.1% from 2002, rising by 3.9% from

2000 to 2003. Orange County continues to have the second largest population in the state.

In 2003, Orange County shifted to a "majority-minority" county where most of its population are now people of color. The percentage of white

	2003	2000	Percentage Change
White	1,464,439	1,476,492	-0.8%
Black	44,540	43,564	2.2%
Hispanic	948,420	875,579	8.3%
Native American	9,163	8,654	5.9%
Asian/Pacific Islander	443,489	396,959	11.7%
Other	47,715	45,041	5.9%
Total	2,957,766	2,846,289	3.9%

Source: U.S. Census Bureau, "County Population by Age, Sex, Race and Hispanic Origin: April 2000 through July 2003."

residents declined by 0.8% from 2000 to 2003, while increases of five percentage points or more were found among the Native American, Asian/Pacific Islander, Hispanic, and “Other” populations.

Of Orange County’s residents, 10.3% live below the federal poverty level (FPL), about four percentage points below the state average of 14.2%. Roughly a quarter (26.9%) live below 200% of FPL while 16.6% live between 100-200% of FPL².

Insurance Coverage

About 15.7% of Orange County’s residents do not have insurance; 14% of the county’s children are uninsured. Medi-Cal covers 11.9% of elderly and non-elderly residents. Healthy Families, meanwhile, provides insurance to 2.5% of Orange County’s non-elderly.

Asian/Pacific Islanders comprise 18.3% of Orange County’s Medi-Cal enrollees.

Table 2: Medi-Cal and Healthy Families by Race & Ethnicity

	Medi-Cal			Healthy Families		
	Orange County	Regional	Statewide	Orange County	Regional	Statewide
White	19.3%	17.6%	22.3%	8.9%	10.2%	13.5%
Black	2.0%	11.0%	10.7%	0.7%	2.7%	2.6%
Hispanic	54.8%	57.6%	51.4%	61.3%	62.1%	57.8%
Native American	0.1%	0.2%	0.4%	0.1%	0.2%	0.3%
Asian/Pacific Islander	18.3%	8.3%	10.0%	16.9%	11.8%	12.2%
Other/Unknown	5.5%	5.3%	5.2%	12.1%	13.0%	13.6%

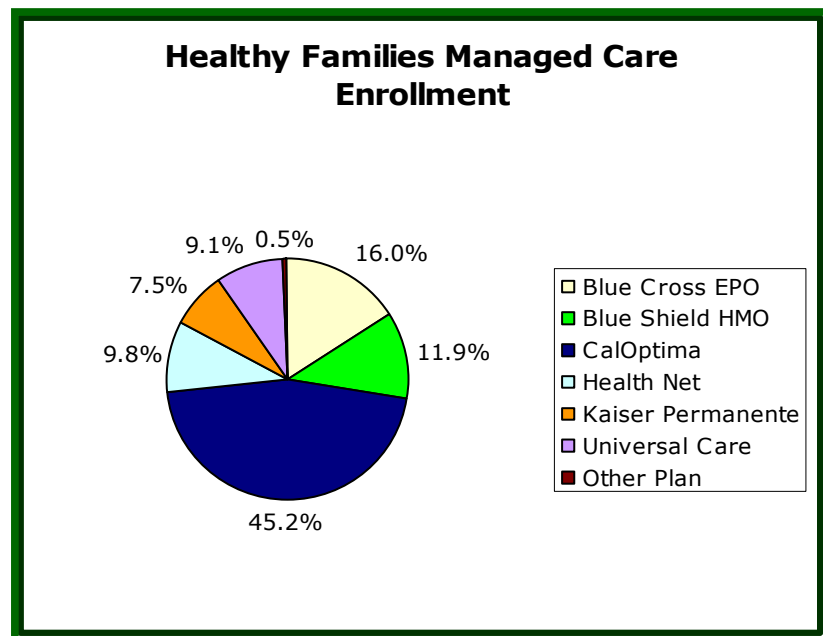
Source: California Department of Health Services, Medical Care Statistics Section, “Medi-Cal Beneficiary Profiles by County: April 2004” and Managed Risk Medical Insurance Board, “HFP Subscribers Currently Enrolled by Ethnicity; By County,” November 2, 2004.

This is higher than both the statewide average of 10.0% as well as the regional average of 8.3%. Hispanics encompass a little over half of Medi-Cal enrollees, somewhat comparable to the regional and state averages for that group.

Medi-Cal managed care in Orange County is directed through its County Organized Health System (COHS), where CalOptima, a public/private partnership, administers benefits to 272,972 enrollees. This has increased by about 30,000 enrollees from 2002.

CalOptima has also been designated by the Managed Risk Medical Insurance Board as Orange County's "community provider plan", a distinction given to the insurer with the highest

percentage of traditional and safety net providers in its provider network, allowing it to offer its members discounted premiums. Of Orange County's Healthy Families enrollees, 45.2% are enrolled in CalOptima, whereas Blue Cross' EPO product captures the largest percentage among other offerings.



Source: Managed Risk Medical Insurance Board, "Healthy Families Program Current Enrollment Distribution by County and Health Plan," July 16, 2004.

Section II: Focus on Community Clinics

Patient Demographics

Twenty-nine free and community clinics provided care to 154,013 patients in 2003. A vast majority (71.3%) of patients live below the federal poverty level while 25.6% live between 100-200% of FPL, an increase from the county's average among all residents. Table 3 notes the reported race and ethnicity of community clinic patients³.

Table 3: Race/Ethnicity of Community Clinic Patients

	Total	% of Total		Total	% of Total
White	120,234	78.1%	Hispanic	79,022	51.3%
Black	1,984	1.3%	Non-Hispanic	67,124	43.6%
Asian/Pacific Islander	18,460	12.0%	Unknown	7,867	5.1%
Native American	689	0.4%	Total	154,013	100%
Other	12,646	8.2%			
Total	154,013	100%			

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data."

Utilization

The number of visits to Orange County's free and community clinics increased slightly from 382,582 in 2002 to 404,762 in 2003. Patients without insurance continue to make up the largest proportion of visits, 67.8%. In 2003, there were 0.7 visits per uninsured county resident.

Table 4: Patient Utilization of Community Clinics by Insurance/Funding Source

	By Insurance Source		By Uninsured Funding Source		
	Total	% of Total		Total	% of Total
Medicare	1,793	0.4%	County	25,637	9.3%
Medi-Cal	96,538	23.9%	Self-Pay	96,465	35.2%
Healthy Families	7,660	1.9%	Free	31,740	11.6%
Private	6,007	1.5%	Breast Cancer	8,048	2.9%
Other Coverage	18,509	4.6%	CHDP	12,538	4.6%
Uninsured	274,255	67.8%	EAPC	24,732	9.0%
Total	404,762	100%	Family PACT	75,095	27.4%
			Total	274,255	100%

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data."

Financing

In 2003, Orange County community clinics reduced the \$7.4 million deficit between revenue and expenses, running a smaller deficit of \$805,846. Although operating revenue did increase slightly from \$34.2 million in the previous year to \$36.2 million, a sharper decrease is evident in expenses, which decreased from \$41.6 million in 2002 to \$37.0 million in 2003.

Patient fees continue to be the greatest source of revenue for Orange County's free and community clinics, providing about half of total funding. Donations and county/local grants round out the top three sources.

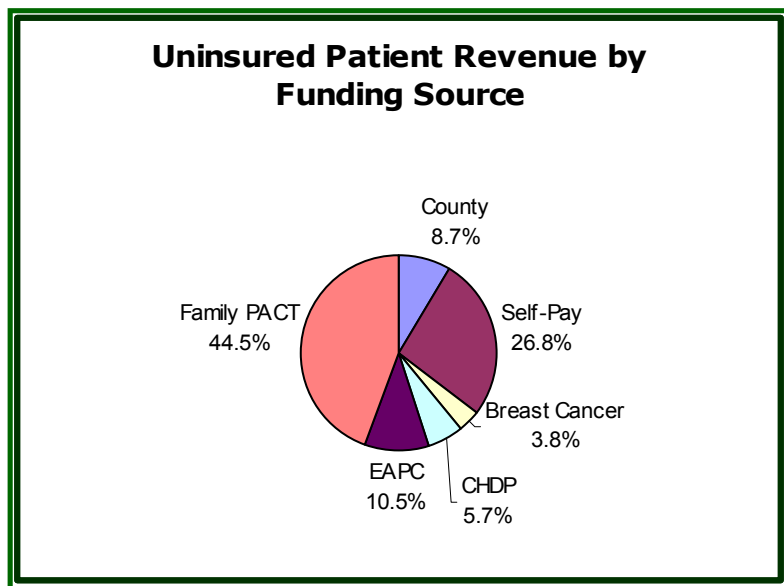
The uninsured contribute the greatest proportion of revenue received from patient fees (63.4%). Those with Medi-Cal contribute the second highest, at 24.2%.

Table 5: Source of Community Clinic Total Operating Revenue

	Source of Total Operating Revenue		Source of Total Revenue from Patient Fees		
	Total	% of Total		Total	% of Total
Patient Fees	\$19,175,771	53.0%	Uninsured	\$12,155,249	63.4%
Donations	\$5,995,864	16.6%	Medi-Cal	\$4,641,554	24.2%
County/Local	\$5,191,671	14.3%	Private	\$909,843	4.7%
Private	\$2,045,207	5.6%	Other Coverage	\$854,794	4.5%
State	\$1,383,996	3.8%	Healthy Families	\$539,804	2.8%
Federal	\$1,260,656	3.5%	Medicare	\$74,527	0.4%
Other	\$1,157,880	3.2%	Total	\$19,175,771	100%
Total	\$36,211,045	100%			

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data."

Among uninsured patients, Family PACT captured 44.5% of revenues received from the uninsured. The percentage of self-paying patients, at 26.8%, remained fairly steady. Other sources, such as the Expanded Access to Primary Care (EAPC) and Child Health Disability Prevention (CHDP) programs, round out the remainder of uninsured revenues.



Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data."

Delivery System

Among the 29 reporting community clinics, the following clinics deliver the greatest proportions of care to specified populations:

Table 6: Highest Proportions of Care for Reporting Community Clinics

Net Patient Revenue	Uninsured Patients	Medi-Cal Patients	Healthy Families Patients	Medicare Patients	Privately Insured Patients
Community Care Health Centers (18.1%)	Community Care Health Centers (12.1%)	Sierra Health Center (18.3%)	Clinica CHOC Para Ninos (50.5%)	Mission Hospitals Camino Health Center (29.4%)	Clinica CHOC Para Ninos (34.9%)
Sierra Health Center (11.1%)	Share our Selves Free Medical Clinic (10.9%)	Planned Parenthood—Costa Mesa (15.7%)	CHOC Clinic at the Boys & Girls' Club of Santa Ana (20.5%)	Sierra Health Center (28.7%)	Planned Parenthood—Orange (12.7%)

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data."

Section III: Focus on Hospitals

Utilization

In fiscal year 2003, Orange County hospitals provided 1.3 million inpatient days, 2.8 million outpatient visits, and 0.6 million emergency department visits, staying fairly steady compared to the previous fiscal year. Medicare continues to be the prominent payer for inpatient stays, covering 41.9% of days, while private insurance pays for the greatest proportion of both outpatient visits and ED visits (49.1% and 53.3%, respectively)⁴. The county indigent accounts for roughly 2.0% of both inpatient days and outpatient visits and 2.6% of ED visits.

Table 7: Inpatient, Outpatient, and Emergency Department Utilization by Payer

	Inpatient Days		Outpatient Visits		Emergency Department Visits ⁵	
	Total	% of Total	Total	% of Total	Total	% of Total
Medicare	548,251	41.9%	769,899	27.5%	100,095	16.7%
Medi-Cal	271,197	20.7%	407,430	14.5%	85,453	14.3%
County Indigent (Uninsured)	26,259	2.0%	49,494	1.8%	15,331	2.6%
Private	429,019	32.8%	1,375,571	49.1%	319,513	53.3%
Other Indigent (Uninsured)	9,017	0.7%	38,673	1.4%	11,878	2.0%
Other	23,971	1.8%	161,160	5.8%	66,974	11.2%
Total	1,307,714	100%	2,802,227	100%	599,244	100%

Source: Office of Statewide Health Planning & Development, "Hospital Annual Financial Data Selected Pages: Year 28 (June 30, 2002 to June 29, 2003)" and "Selected Hospital Annual Financial Data: FY 2002-2003".

The average lengths of stay (ALOS) were stable from the previous year, averaging 5.0 days regardless of payer. Uninsured patient stays increased the most, from 4.2 days in fiscal year 2002 to 4.7 days in fiscal year 2003. As noted by Table 9, when examining hospital utilization per 1000 uninsured, the results vary depending on the data source.

Table 8: Average Lengths of Stay

	2003	2002
All Payers	5.0	5.0
Medicare	6.0	5.9
Medi-Cal	5.6	5.4
County Indigent	4.7	4.2
Private	3.9	4.1
Other Indigent	4.1	4.4
Other Payer	3.8	3.8

Source: Office of Statewide Health Planning & Development, "Selected Hospital Annual Financial Data: FY 2002-2003."

Financing

Hospitals report receiving approximately \$24.7 million in revenue from the county in FY 2003 (0.7% of net patient revenue) compared to \$68.9 million received in FY 2002 (2.3% of net patient revenue). The Office of Statewide

Table 9: Hospital Utilization per 1000 Uninsured

	OSHPD	County/MICRS
Inpatient Days	65.2	68.1
Outpatient Visits	122.9	1077.3
ED Visits	38.1	27.7

Source: Office of Statewide Health Planning & Development, "Selected Hospital Annual Financial Data: FY 2002-2003" and "Hospital Annual Financial Data Selected Pages: Year 28 (June 30, 2002 to June 29, 2003)"; 2001 California Health Interview Survey.

Health Planning & Development (OSHPD) states Orange County hospitals reported \$86.2 million in Gross DSH funds while MICRS does not report any Gross DSH payments to Orange County⁶.

Using MICRS data, total county expenditures on inpatient, outpatient, and

emergency department services for the uninsured increased from the previous year, totaling \$52.9 million compared to \$47.3 million previously. Outpatient spending outpaced expenditures, representing 55.7% of expenses, while inpatient spending decreased to 41.5%. Outpatient spending per unit of service provided rose from

Table 10: Expenditures in Dollars and as a Percentage of Total

	Number Visits/ Days	Expenditures in Dollars (2003)	% of Total Spending	Expenditures in Dollars (2002)	% of Total Spending
Inpatient	27,447	\$21,985,921	41.5%	\$21,318,789	45.1%
Outpatient	433,929	\$29,457,432	55.7%	\$24,528,851	51.9%
Emergency Department	11,168	\$1,308,579	2.5%	\$1,264,814	2.7%
Other	n/a	\$173,654	0.3%	\$178,471	0.4%
Total		\$52,925,586	100%	\$47,290,925	100%

Source: Office of County Health Services, Medically Indigent Care Reporting System, "County Health Care Program Expenditures for the Medically Indigent, FY 2001-2002."

Table 11: Spending per Unit of Service

	Spending Per Unit (2003)	Spending Per Unit (2002)	% Change
Inpatient	\$801.03	\$888.25	-9.8%
Outpatient	\$67.89	\$60.38	12.4%
Emergency Department	\$117.17	\$118.75	-1.3%

Source: Office of County Health Services, Medically Indigent Care Reporting System, "County Health Program Expenditures for the Medically Indigent, FY 2001-2002."

\$60.38 in 2002 to \$67.89 in 2003.

Orange County hospitals reported an aggregate loss of \$82.8 million in bad debt and charity care. This represents a loss of 2.5% of net patient revenue. Regionally, hospitals' bad debt and charity care represents a loss of 2.8% of net patient revenue whereas the statewide average is approximately 2.9%.

Delivery System

Among the 35 “comparable” hospitals used in this analysis, the following provide the most inpatient care to specified populations and collect the most net patient revenue⁷:

Table 12: Highest Proportions of Care for Reporting Hospitals

Net Patient Revenue	County Indigent Patients	Medicare Patients	Medi-Cal Patients	Privately Insured Patients
UC Irvine Medical Center (10.8%)	UC Irvine Medical Center (23.6%)	Hoag Memorial Hospital Presbyterian (8.6%)	UC Irvine Medical Center (13.7%)	Hoag Memorial Hospital Presbyterian (11.4%)
Hoag Memorial Hospital Presbyterian (10.8%)	Western Medical Center—Santa Ana (10.2%)	St. Jude Medical Center (7.4%)	Coastal Communities Hospital (8.7%)	St. Joseph Hospital—Orange (10.1%)

Source: Office of Statewide Health Planning & Development, “Selected Hospital Annual Financial Data: FY 2002-2003.”

Section IV: Focus on County Health

Demographics

The county indigent comprise 4.7% of the non-elderly population. Orange County provides services to 121,586 indigent patients, up 11.3% from the previous year. Of these, white patients increased slightly to 15.4% of total patients served while Hispanic clients decreased to 25.2%.

Table 13: County Indigent Patients by Ethnicity

	2003 Total	% of Total	2002 Total	% of Total
White	18,726	15.4%	12,549	11.5%
Black	764	0.6%	637	0.6%
Hispanic	30,650	25.2%	31,572	28.9%
Native American	231	0.2%	199	0.2%
Asian/Pacific Islander	10,885	9.0%	9,388	8.6%
Other/Unknown	60,330	49.6%	54,922	50.3%
Total	121,586	100%	109,267	100%

Source: Office of County Health Services, Medically Indigent Care Reporting System, "Number of Medically Indigent Patients Served by Counties by Ethnicity, FY 2001-2002."

Funding

Orange County received \$131.5 million in realignment, Prop. 99, county match, and tobacco settlement funds, down slightly from \$135.3 million the previous year. County spending for the medically indigent was \$52.9 million while net spending on public health was \$72.3 million, totaling \$125.2 million. About 40.2% of total funding was spent on the uninsured, up from 35.0% in 2002⁸. Statewide, spending on the uninsured was 67.0%, increasing to 79.1% regionally. Funding per county resident and per uninsured county resident is noted in Table 15. The Office of

County Health Services (which issues MICRS data) in its preliminary release reports no DSH funding for Orange County for fiscal year 2002-2003.

Table 14: County Expenditures and Funding

		2003	2002
Total Funding			
	Realignment	\$79,160,687	\$81,290,839
	Proposition 99	\$459,447	\$2,093,619
	County Match	\$15,727,317	\$15,727,317
	Tobacco Settlement ⁹	\$36,156,007	\$36,166,480
	Total	\$131,503,458	\$135,278,255
Net Public Health Spending		\$72,281,195	\$61,200,020
County Spending for Medically Indigent		\$52,925,586	\$47,290,925
Percentage of Total Funding Spent on Uninsured		40.2%	35.0%

Source: California Department of Health Services, Office of County Health Services, "FY 2002-2003 Final Maintenance of Effort (MOE) Calculation," "California Healthcare for Indigents (CHIP) Allocation Summary: Fiscal Year 2003-2004," and "County Health Services Budget/Actual Data: Fiscal Year 2002-03" and Office of the Attorney General, "Tobacco Master Settlement Agreement Payments to Counties and Cities: 1999-2003."

Table 15: Funding per County Resident/Uninsured County Resident¹⁰

	Realignment	Proposition 99	Net County DSH	County Match
Per County Resident	\$30.86	\$0.18	\$0.00	\$6.13
Per Uninsured County Resident	\$196.53	\$1.14	\$0.00	\$39.05

Source: 2001 UCLA California Health Interview Survey; California Department of Health Services, Office of County Health Services, "FY 2002-2003 Final MOE Calculation," California Healthcare for Indigents Allocation Summary: FY 2003-2004," and "County Health Services Budget/Actual Data: FY 2002-03."

Section V: Small Employer & Private Insurance

Plans

Approximately 64.5% of individuals have employer-based coverage in Orange County while 6.5% privately purchase a plan. Half of Orange County's children are covered by employer-based plans.

PacAdvantage

The PacAdvantage purchasing pool, established in 1992, offers access to health coverage for employers with 2 to 50 employees. Through pooling employers statewide, its goal is to increase the affordability of health insurance products for small business owners. Products available through PacAdvantage include medical, dental, vision, and chiropractic options. In Orange County, PacAdvantage offers five standard HMO products, three PPO products, and three alternate products.

Benefits

Benefits for Orange County's standard HMO products remained stable from the previous year. All standard HMOs continue to have no deductibles and \$30 co-payments for office visits. The price of an inpatient admission similarly remained stable, costing \$1000 for all standard HMO plans. As in the previous year, out-of-pocket costs for prescription drugs are \$15 for generic and \$30 for brand name prescriptions. Premium costs for a sample of PacAdvantage offerings follow:

Table 16: 2004 PacAdvantage Premium Costs

	35 year-old; single	% Change	50 year-old; single	% Change	35 year-old; family	% Change	50 year-old; family	% Change
Standard HMO Products								
Blue Shield	\$220.27	-6.0%	\$325.76	-6.0%	\$823.83	-6.0%	\$1,045.27	-6.0%
Health Net	\$207.82	11.3%	\$347.92	11.3%	\$763.12	11.3%	\$909.37	11.3%
Kaiser South	\$145.14	-25.3%	\$242.29	-16.5%	\$562.29	-17.3%	\$630.86	-15.1%
Universal Care	\$190.95	8.1%	\$307.03	8.1%	\$663.13	8.1%	\$790.18	8.1%
Universal Champion	\$187.12	8.1%	\$302.42	8.1%	\$653.19	8.1%	\$778.32	8.1%
PPO Products								
Health Net PPO 30	\$263.73	20.6%	\$451.31	20.6%	\$896.19	20.6%	\$1,112.05	20.6%
Health Net PPO 40	\$235.59	17.7%	\$403.20	17.7%	\$800.64	17.7%	\$993.45	17.7%
Health Net PPO Saver	\$152.45	10.2%	\$260.93	10.2%	\$518.11	10.2%	\$642.94	10.2%
Other Products								
Blue Shield 1850	\$142.42	n/a	\$267.98	n/a	\$481.09	n/a	\$679.44	n/a
Health Net Elect	\$272.43	24.3%	\$456.07	24.3%	\$1,000.34	24.3%	\$1,192.06	24.3%
Health Net Triple Coverage	\$434.96	21.0%	\$728.82	21.0%	\$1,596.17	21.0%	\$1,902.90	21.0%

Source: PacAdvantage, "PacPlan Chooser: July 2004-December 2004 Premiums," downloaded November 2004.

Small Group Employer Plans

Benefits

Benefits for small employer plans did not change from the previous year for the studied sample of standard HMO products. Co-pays are \$10 for generics and \$20-\$25 for brand name drugs, while office visit co-pays are generally \$15 per visit. Emergency department co-pays range from \$50-\$100 but are waived upon a hospital admission.

Premium Costs

Premium costs for small employer plans increased from the previous year's identical HMO and PPO products. PacifiCare's PPO option posted the highest increase, at roughly 24.5% for all categories. A list of small group plan premiums follows:

Table 17: 2004 Small Group Employer Plan Premium Costs

	35 year-old; single	% Change	50 year-old; single	% Change	35 year-old; family	% Change	50 year old; family	% Change
HMO Products								
Aetna HMO 2	\$252.09	n/a	\$384.01	n/a	\$828.88	n/a	\$1,004.09	n/a
Kaiser Permanente (\$15 Co-Pay)	\$191.00	2.7%	\$320.00	15.1%	\$743.00	14.1%	\$832.00	16.9%
PacificCare SignatureValue 15-30	\$200.63	12.1%	\$300.59	12.2%	\$691.28	12.4%	\$845.28	12.4%
PPO Products								
Aetna PPO 1	\$671.92	n/a	\$1,054.89	n/a	\$2,328.16	n/a	\$2,730.36	n/a
PacificCare SignatureOptions 35/70	\$129.52	24.5%	\$231.48	24.5%	\$405.58	24.4%	\$527.34	24.7%

Source: Various; see methodology/data sources section.

Individual Plans

Benefits

A sample of individual HMO and PPO plans found relatively stable benefits from the previous year. HMO co-pays for generic and brand name drugs are generally \$10-\$15 and \$25-\$30, respectively, with slightly higher co-pays for brand name drugs in the PPO plan examined.

Plan Premiums

Premium costs for both PPO and HMO products increased from the previous year. A list of individual plan premiums follows:

Table 18: 2004 Individual Plan Premium Costs

	35 year-old; single	% Change	50 year-old; single	% Change	35 year-old; family	% Change	50 year-old; family	% Change
HMO Products								
Blue Cross Individual	\$334.00	8.8%	\$413.00	9.0%	\$996.00	8.6%	\$1,084.00	12.0%
Blue Shield Access+	\$241.00	17.6%	\$313.00	17.7%	\$718.00	17.7%	\$792.00	17.7%
Health Net HMO 15	\$351.00	13.2%	\$452.00	17.7%	\$916.00	4.4%	\$1,118.00	8.3%
Kaiser Personal Advantage	\$178.00	-4.3%	\$290.00	9.0%	\$588.00	6.5%	\$660.00	0.0%
PacifiCare SignatureValue 10-35	\$257.72	18.7%	\$439.67	15.4%	\$770.16	18.7%	\$1,108.10	15.3%
PPO Products								
Blue Cross PPO Share 1500	\$179.00	n/a	\$324.00	n/a	\$529.00	n/a	\$796.00	n/a
Blue Shield PPO Plan 750	\$182.00	5.8%	\$363.00	5.5%	\$550.00	5.6%	\$853.00	5.6%
PacifiCare SignatureOptions 70-50	\$181.00	18.3%	\$382.00	32.2%	\$532.00	23.7%	\$890.00	22.3%

Source: Various; see methodology/data sources section.

Appendix I: Methodology/Data Sources

Section I: General Perspective

Unemployment and industry information was obtained from the State of California's Employment Development Department in September 2004. There were no changes from prior reports' methodologies.

State of California Employment Development Department, "Orange County 2003 Snapshot," downloaded from www.calmis.ca.gov/htmlfile/subject/cosnaps.htm on September 30, 2004.

State of California Employment Development Department, "Monthly Labor Force Data for Counties: Year 2003; 2003 Benchmark (Not Seasonally Adjusted)," May 20, 2004, downloaded from www.calmis.ca.gov/file/lfhist/03aacou.txt on September 27, 2004.

The population and race/ethnicity calculations used in Section I are drawn primarily from the U.S. Census Bureau's 2003 estimates. This is a slight deviation from ITUP's previous reports that relied solely on Census 2000 information. In the remainder of the report, all calculations that use population data are based on Census 2000 estimates to remain consistent with past reports' methodologies.

Poverty data was obtained from the U.S. Census Bureau's "Ratio of Income in 1999 to Poverty Level" whereas past reports relied on the California Department of Finance's 2000 figures. Any difference between these two sources should be minimal.

U.S. Census Bureau, "County Population by Age, Sex, Race, and Hispanic Origin: April 2000 through July 2003," downloaded from www.census.gov/popest/counties/asrh/CC-EST2003-alldata.html on September 30, 2004.

U.S. Census Bureau, "PCT141.Ratio of Income in 1999 to Poverty Level," Census 2000 Summary File 4 (SF 4) - Sample Data, downloaded from <http://factfinder.census.gov> on November 3, 2004.

Data on the number of uninsured was obtained from the UCLA Center for Health Policy Research's 2001 California Health Interview Survey. Medi-Cal enrollment and managed care information was downloaded from the California HealthCare Foundation as the usual source of data information, the Medi-Cal County Data Book, is no longer in publication. Ethnicity of Medi-Cal enrollees was obtained from the California Department of Health Services' Medical Care Statistics Section. Healthy Families enrollment data was downloaded from the Managed Risk Medical Insurance Board. There was no variation in methodologies from the 2003 ITUP report.

UCLA Center for Health Policy Research, "2001 California Health Interview Survey," downloaded from www.chis.ucla.edu in January 2005.

California HealthCare Foundation, "County Data: Orange County," downloaded from

www.chcf.org/topics/medi-cal/index.cfm?subsection=countydata on September 28, 2004.

California Department of Health Services, Medical Care Statistics Section, "Medi-Cal Beneficiary Profiles by County: April 2004," downloaded on November 5, 2004 from www.dhs.ca.gov/ffdmdb/mcss/RequestedData/Profiles/profiles.htm.

Managed Risk Medical Insurance Board, "HFP Subscribers Enrolled in Community Provider Plan By County," July 16, 2004, downloaded on November 4, 2004 from www.mrmib.ca.gov/MRMIB/HFP/HFPReports.shtml.

Managed Risk Medical Insurance Board, "Healthy Families Program Current Enrollment Distribution by County and Health Plan," July 16, 2004, downloaded on November 4, 2004 from www.mrmib.ca.gov/MRMIB/HFP/HFPReports.shtml.

Managed Risk Medical Insurance Board, "HFP Subscribers Currently Enrolled by Ethnicity; By County," November 2, 2004, downloaded on December 1, 2004 from www.mrmib.ca.gov/MRMIB/HFP/HFPReports.shtml.

Section II: Community Clinics

All community clinic data was obtained from the Office of Statewide Health Planning and Development. There were no changes from prior reports' methodologies. A total of 29 community clinics were included in this analysis (two more than 2002) although some clinics reporting in 2002 did not report in 2003.

Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data," received October 13, 2004.

Section III: Hospitals

Consistent with ITUP's 2003 report, analysis of a county's hospital utilization of inpatient, outpatient, and emergency department services was obtained from the Office of Statewide Health Planning and Development. Calculations did not deviate from past methodologies.

Office of Statewide Health Planning and Development, "Selected Hospital Annual Financial Data: FY 2002-2003," downloaded on November 11, 2004 from www.oshpd.ca.gov/HQAD/Hospital/financial/annualSdata/hospAFdata.htm.

Office of Statewide Health Planning and Development, "Hospital Annual Financial Data Selected Pages: Year 28 (June 30, 2002 to June 29, 2003)," downloaded from www.oshpd.ca.gov/HQAD/Hospital/financial/annualSpages/hospAFpage.htm in December 2004.

Financing data for hospitals was obtained from both the Office of Statewide Health Planning and Development and the Medically Indigent Care Reporting System (MICRS) as reported to the California Department of Health Services.

Office of Statewide Health Planning and Development, "Selected Hospital Annual Financial Data: FY 2002-

2003,” downloaded on November 11, 2004 from www.oshpd.ca.gov/HQAD/Hospital/financial/annualSdata/hospAFdata.htm.

California Department of Health Services, Office of County Health Services, “SB 855 – Actual Payments and Transfers for Counties with a County Hospital: Fiscal Year 2002-03,” March 30, 2004.

California Department of Health Services, Office of County Health Services, “Medically Indigent Patients Utilizing Services Provided in County Health Care Programs, Fiscal Year 2001-2002,” October 12, 2004.

California Department of Health Services, Office of County Health Services, “County Health Care Program Expenditures for the Medically Indigent, Fiscal Year 2001-2002,” received July 21, 2004.

As with prior methodologies, information reported in the “delivery system” section of this analysis was obtained from the Office of Statewide Health Planning and Development .

Office of Statewide Health Planning and Development, “Selected Hospital Annual Financial Data: FY 2002-2003,” downloaded on November 11, 2004 from www.oshpd.ca.gov/HQAD/Hospital/financial/annualSdata/hospAFdata.htm.

Section IV: County Health

County demographic data was obtained from the California Department of Health Services’ Office of County Health Services, Medically Indigent Care Reporting System (MICRS). There were no deviations in methodology.

California Department of Health Services, Office of County Health Services, Medically Indigent Care Reporting System (MICRS), “Number of Medically Indigent Patients Served by Ethnicity: Fiscal Year 2001-2002 Actual Annual Reporting System,” received July 21, 2004.

Sources of funding data for county health services were drawn from the Office of County Health Services and the Office of the Attorney General. The methodology used to calculate total funding deviates from prior reports in the current version’s inclusion of tobacco settlement agreement funds. The percentage of funding spent on the uninsured was found by dividing county spending for the indigent by total funding received.

California Department of Health Services, Office of County Health Services, “FY 2002-2003 Final Maintenance of Effort (MOE) Calculation,” downloaded October, 27, 2004 from www.dhs.ca.gov/hisp/ochs/chsu/data.htm.

California Department of Health Services, Office of County Health Services, “California Healthcare for Indigents Program (CHIP) Allocation Summary: Fiscal Year 2003-2004,” March 24, 2004, downloaded October, 27, 2004 from www.dhs.ca.gov/hisp/ochs/chsu/data.htm.

Office of the Attorney General, “Tobacco Master Settlement Agreement Payments to Counties and Cities: 1999-2003,” downloaded on December 6, 2004 from <http://caag.state.ca.us/tobacco/settlements.htm>.

California Department of Health Services, Office of County Health Services, “County Health Services

Budget/Actual Data: Fiscal Year 2002-03,” October 18, 2004 update, downloaded October, 27, 2004 from www.dhs.ca.gov/hisp/ochs/chsu/data.htm.

Section V: Small Employer and Private Insurance Plans

Insurance data was obtained from the UCLA Center for Health Policy Research’s “2001 California Health Interview Survey.” All information on PacAdvantage plans was obtained from PacAdvantage’s PacPlan chooser option that allows a comparison of prior year and current year plans. Analysis compares quoted premium costs for July 2004-December 2004 with July 2003-December 2003 PacPlan-quoted prices. The analysis assumes no health problems are present that require regular use of medications or ongoing doctor visits. Premium quotes were obtained for the 92619 zip code unless otherwise noted.

PacAdvantage, “PacPlan Chooser: July 2004-December 2004 Premiums” downloaded from <http://chooser.pacadvantage.org/>.

Small group plan premium and benefit information was obtained directly from specified health insurers serving Orange County and/or the 92619 zip code.

Aetna, “Small Business Medical, Dental and Life Rate Guide,” effective January 1, 2005 through March 31, 2005.

Kaiser Permanente, “Rate Quote,” <http://employers.kaiserpermanente.org/kpweb/employersbridge.do>, downloaded November 2004.

PacifiCare, “California Small Business Rate Guide,” effective October 1, 2004.

Individual plan premium and benefit information were obtained directly from specified health insurers serving Orange County and/or the 92619 zip code. Families are assumed to have two children, designated as age 5 and 13 if required to specify. All quotes are for medical insurance only. Subscribers are non-tobacco users. Primary subscribers are designated as female if required to specify.

PacifiCare, “Individual Standard Rate Guide (HMO/PPO),” effective November 1, 2004. SDHP plan selected has a \$3000 deductible. PPO plan selected has a \$1000 deductible.

Kaiser Permanente, “Instant Quote,” downloaded in October 2004 from <http://prospectivemembers.kaiserpermanente.org/kpweb/healthplans/individualplans.do>. Plan type is “\$25 co-pay.”

Blue Cross, “PlanFinder,” downloaded in October 2004 from www.bluecrossca.com/user_groups/Visitors/Individual.

Blue Shield, “Get a Quote,” downloaded in October 2004 from www.mylifepath.com/bsc/findaplan/ifp/.

Health Net, “Get a Quote & Apply,” downloaded in October 2004 from www.sales.healthnet.com/IFP/IFP_InstantQuote.asp.

Table II-1: 2004 Out-of-Pocket Benefit Costs

	Deductible (self/family; out of network)	Office Visits (in network/out of network)	Inpatient Admission (in network/out of network)	Preventive Care (in network/out of network)	ER Visits (in network/out of network)	Generic Drugs (in network/out of network)*	Brand Name Drugs (in network/out of network)*
PacAdvantage							
Standard HMO ¹¹	\$0	\$30	\$1000	\$30	\$100 ¹²	\$15	\$30
Health Net PPO Saver	\$500/\$1000	\$20/50%	\$500 & 20%/50%	\$20/not covered	20% & \$100 ¹²	20%/50%	20%/50%
Health Net PPO 30	\$1500/3 per family	\$30/50%	\$250 & 30%/ \$250 & 50%	20% adult, \$30 child/ not covered	30% & \$100 ¹²	\$10/50%	\$30/50%
Small Employer Group Plans							
Kaiser Permanente	\$0	\$15	\$100/day	\$15, \$0 for child 0-2.	\$100 ¹²	\$10	\$25
Pacificare SignatureValue 15-30	\$0	\$15	\$250	\$15, \$0 for child 0-2.	\$50 ¹²	\$10	\$25
Aetna PPO 1	\$250/\$500; \$500/\$1000	\$15/70%	10%/30%	\$15/30%	10% & \$100 ¹²	\$10/not covered	\$20/not covered
Individual Plans							
Blue Shield Access+ ¹¹	\$1500/\$3000	\$10	\$0	\$0	\$50 ¹²	\$10	\$30
Health Net HMO 15	\$1000	\$15	\$1000	\$15	\$75 ¹²	\$15	\$25
Blue Shield PPO 750 ¹¹	\$750/\$1500	\$35/50%	30%/50%	\$35/not covered	30%/30%	\$10/\$20	\$30/\$60

*Assumes formulary only drugs.
Source: Various; see methodology/data sources section.

Appendix III: Comparison Tables

The following tables provide a comparison of results from last year's ITUP report which analyzed 2002 data. Please note that data may reflect reporting errors as well as noted changes in methodologies.

Table III-1: Medi-Cal and Healthy Families by Race/Ethnicity; 2003 vs. 2002

	Medi-Cal		Healthy Families	
	2003	2002	2003	2002
White	19.3%	27.0%	8.9%	9.2%
Hispanic	54.8%	53.0%	61.3%	64.0%
Black	2.0%	3.0%	0.7%	0.7%
Asian/Pacific Islander	18.3%	14.0%	16.9%	16.2%
Native American	0.1%	n/a	0.1%	0.1%
Other/Unknown	5.5%	n/a	12.1%	9.8%
Total	100%	97%*	100%	100%

*Does not sum to 100% due to missing data.

Source: California Department of Health Services, Medical Care Statistics Section, "Medi-Cal Beneficiary Profiles by County: April 2004," Managed Risk Medical Insurance Board, "HFP Subscribers Currently Enrolled by Ethnicity; By County," November 2004, and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Table III-2: Healthy Families Managed Care Enrollment; 2003 vs. 2002

	2003	2002
Blue Cross EPO	16.0%	12.8%
Blue Shield HMO	11.9%	12.6%
CalOptima	45.2%	48.0%
Health Net	9.8%	10.4%
Kaiser Permanente	7.5%	6.3%
Universal Care	9.1%	9.5%
Other Plan	0.5%	0.4%
Total	100%	100%

Source: Managed Risk Medical Insurance Board, "Healthy Families Program Current Enrollment Distribution by County and Health Plan," July 16, 2004 and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Table III-3: Race/Ethnicity of Community Clinic Patients; 2003 vs. 2002

	2003	2002		2003	2002
White	78.1%	59.1%	Hispanic	51.3%	55.1%
Black	1.3%	1.4%	Non-Hispanic	43.6%	40.5%
Asian/Pacific Islander	12.0%	11.7%	Unknown	5.1%	4.5%
Native American	0.4%	0.5%	Total	100%	100%
Other	8.2%	27.3%			
Total	100%	100%			

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Table III-4: Community Clinic Patient Visits by Insurance Source; 2003 vs. 2002

	2003	2002
Medicare	0.4%	0.8%
Medi-Cal	23.9%	19.1%
Healthy Families	1.9%	2.2%
Private	1.5%	1.7%
Other Coverage	4.6%	4.4%
Uninsured	67.8%	71.8%
Total	100%	100%

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Table III-5: Uninsured Patient Community Clinic Visits by Funding Source; 2003 vs. 2002

	2003	2002
County/CMSP	9.3%	13.2%
Self-Pay	35.2%	41.2%
Free	11.6%	11.9%
Breast Cancer	2.9%	2.8%
CHDP	4.6%	6.0%
EAPC	9.0%	5.6%
Family PACT	27.4%	19.2%
Total	100%	100%

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

	2003	2002
Patient Fees	53.0%	54.8%
Federal	3.5%	3.1%
State	3.8%	2.4%
County/Local	14.3%	12.9%
Private	5.6%	8.9%
Donations	16.6%	15.9%
Other	3.2%	2.2%
Total	100%	100%

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

	2003	2002
County/CMSP	8.7%	15.1%
Self-Pay	26.8%	27.7%
Free	0.0%	0.4%
Breast Cancer	3.8%	3.5%
CHDP	5.7%	7.4%
EAPC	10.5%	9.1%
Family PACT	44.5%	36.8%
Total	100%	100%

Source: Office of Statewide Health Planning & Development, "2003 Primary Care Clinics Annual Utilization Data" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Table III-8a: Inpatient Hospital Utilization; 2003 vs. 2002

	2003	2002
Medicare	41.9%	42.1%
Medi-Cal	20.7%	18.7%
Uninsured (County Indigent)	2.0%	2.0%
Private	32.8%	34.8%
Other Indigent	0.7%	0.6%
Other	1.8%	1.8%
Total	100%	100%

Source: Office of Statewide Health Planning & Development, "Selected Hospital Annual Financial Data: FY 2002-2003" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Table III-8b: Outpatient Hospital Utilization; 2003 vs. 2002

	2003	2002
Medicare	27.5%	23.6%
Medi-Cal	14.5%	13.3%
Uninsured (County Indigent)	1.8%	2.7%
Private	49.1%	51.0%
Other Indigent	1.4%	2.3%
Other	5.8%	7.1%
Total	100%	100%

Source: Office of Statewide Health Planning & Development, "Selected Hospital Annual Financial Data: FY 2002-2003" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Table III-8c: Emergency Department Visits; 2002 vs. 2002

	2003	2002
Medicare	16.7%	16.1%
Medi-Cal	14.3%	13.0%
Uninsured (County Indigent)	2.6%	2.0%
Private	53.3%	56.4%
Other Indigent	2.0%	2.1%
Other	11.2%	10.4%
Total	100%	100%

Source: Office of Statewide Health Planning & Development, "Hospital Annual Financial Data Selected Pages: Year 28 (June 30, 2002 to June 29, 2003)" and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

	OSHPD		MICRS	
	2003	2002	2003	2002
Inpatient Days	65.2	65.9	68.1	61.2
Outpatient Visits	122.9	190.1	1077.3	1035.3
ER Visits	38.1	30.4	27.7	27.1

Source: Office of Statewide Health Planning and Development, "Selected Hospital Annual Financial Data: FY 2002-2003" and "Hospital Annual Financial Data Selected Pages Year 28 (June 30, 2002 to June 29, 2003); 2001 California Health Interview Survey; and ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

	2003	2002
Realignment	\$30.86	\$31.70
Prop. 99	\$0.18	\$0.82
Net County DSH	\$0.00	\$0.00
County Match	\$6.13	\$6.13

Source: California Department of Health Services, Office of County Health Services, "FY 2002-2003 Final Maintenance of Effort (MOE) Calculation," "California Healthcare for Indigents Program (CHIP) Allocation Summary: Fiscal Year 2003-2004," and "County Health Services Budget/Actual Data: Fiscal Year 2002-03"; ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

	2003	2002
Realignment	\$196.53	\$207.18
Prop. 99	\$1.14	\$5.34
Net County DSH	\$0.00	\$0.00
County Match	\$39.05	\$40.08

Source: California Department of Health Services, Office of County Health Services, "FY 2002-2003 Final Maintenance of Effort (MOE) Calculation," "California Healthcare for Indigents Program (CHIP) Allocation Summary: Fiscal Year 2003-2004," and "County Health Services Budget/Actual Data: Fiscal Year 2002-03"; ITUP, "Overview of the Uninsured: Orange County 2003," November 2003.

Endnotes

¹ Counties included in calculating Southern California regional averages are Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego.

² Poverty level calculations are based on reported 2000 Census population and 2000 poverty levels.

³ Due to reporting methods for community clinic data, the race of the patient cannot be distinguished from his or her ethnic origin.

⁴ Reported outpatient visits include ED visits.

⁵ Analysis includes Bellwood General Hospital which is not included in the OSHPD Selected Annual Financial Report which was used to calculate inpatient and outpatient utilization.

⁶ Both the Office of Statewide Health Planning & Development (OSHPD) and the Medically Indigent Care Reporting System (MICRS) report DSH reimbursement data. Hospitals report the services and expenses reimbursed by the county to OSHPD and the county reports the services and payments to providers to MICRS. At the time this report was developed, MICRS had not released its final DSH disbursements for SFY 2002-2003 therefore reported DSH numbers may be underestimated.

⁷ “Comparable” hospitals are designated as such by OSHPD. They are usually acute hospitals and do not include psychiatric facilities, long-term care hospitals, or pre-paid health plan hospitals such as Kaiser Permanente facilities.

⁸ ITUP’s Overview of the Uninsured—Orange County 2003 did not include tobacco settlement funds in its calculations resulting in 47.7% of funding spent on the uninsured. If tobacco settlement funds are included in the 2003 calculations, total funding would increase from the reported \$99.1 million to \$135.3 million, reducing spending on the uninsured to 35.0%.

⁹ Tobacco settlement funds for 2002 include all initial and annual payments for the 2002 calendar year. Funds for 2003 include initial and annual payments, Brown & Williamson settlement payments, and any other miscellaneous payments for the 2003 calendar year.

¹⁰ Non-elderly population.

¹¹ A higher co-payment may apply for all Blue Shield products when using “Affiliate” providers.

¹² If not admitted into the hospital.