



**Insuring California's Health:
*Building Community Consensus***

Summary Report, January 2008

A Civic Engagement Project of JERICO: Education for Justice

For the past several years polls have shown that Californians want health care reform. The cost of health insurance has risen dramatically. California employer-based coverage has declined and the subsequent increases in co-pays and deductibles have put more strain on family budgets. About 6.5 million uninsured Californians must rely on more expensive emergency services—putting a strain on hospitals and the state treasury. Over 10 million Californians have no prescription drug coverage.

Even with substantial agreement that “something must be done” to make health care more accessible and affordable for Californians, there has been little consensus regarding how to accomplish that goal.

For the past 20 years **JERICHO** has worked towards the goal of universal health care—supporting those efforts that increased or improved access and quality of health care, especially for low-income people. For the past six years **JERICHO: Education for Justice** has been facilitating health care reform conversations with faith communities throughout California. Earlier presentations focused on the problems of the uninsured and the three primary approaches to expanding coverage: augmentation (incremental changes in public programs), increased employer-based coverage, and comprehensive or universal (e.g. single payer program).

Two years ago we deepened the conversations in workshops entitled ***Insuring California’s Health: Building Community Consensus***. The workshop’s title reflected our interest in engaging faith communities not only in looking at the current reform models and the trade-offs that each required, but also in exploring within each model various elements that would be generally acceptable or clearly unacceptable. Our premise was that the elements within each model were “building blocks” that, viewed separately, could be used to evaluate support for new models as well as adjust old ones.

In 2007 JERICHO facilitated 11 workshops in various parts of the state¹—engaging about 330 people in two-hour conversations regarding reform choices. At the end of each workshop participants filled out a Participant Questionnaire entitled ***How Would You Design a Health Care System?*** Participants were asked to rank their agreement or disagreement on 33 differ-

ent statements.²

The Participant Questionnaire focused primarily on those aspects of health reform proposals that would most affect the workshop participants—either because they might increase cost, reduce benefits, challenge or support strongly held beliefs (e.g. what the role of government should be) or because of direct financial or benefits impact on them. We included the following concepts that were either controversial or key in the existing proposals being considered in Sacramento:

- Support for universal coverage
- Support for mandatory insurance
- The role of employers
- Coverage for only California citizens
- Willingness to support public subsidy programs
- The role of government

Because the phrase “shared responsibility” had positively tested in other surveys, we included it in the Questionnaire.

What We Learned

Almost two-thirds of the workshop participants had either little or very little familiarity with health care reform issues—other than their personal experience— prior to the workshops.³ Those who had more knowledge tended to be either single payer supporters who have been involved for some time, were health care providers, or were in a somewhat related field. The workshop format presented basic information on the uninsured, some of the problems with the current system , and current proposals being considered for reform. Small and large group discussion was included in several parts of the workshop.

Several themes developed in the workshop discussions:

- Substantial support for covering all Californians with employers, government, and individuals sharing responsibility in varying degrees
- A widespread agreement that affordability and cost containment were essential in any reform process
- Less concern about the *method* for creating reform than that it provide affordability, cost containment and widespread coverage

Most, but not all, of the workshop discussion was reflected in some way in the Participant

Questionnaire responses. Concerns or comments that recurred during workshop discussions are also included as such in this report.

Support for Universal Coverage

When presented with the statement *We need a basic level of health care for all Californians*, almost 94% of the respondents agreed with it. Of that number, 76.5% strongly agreed. This was not surprising and reflected what we have heard for the past several years.

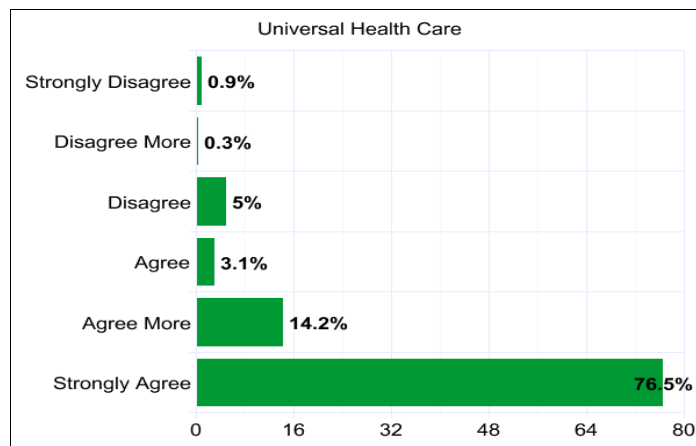


Table 1

The real question remains: How to we achieve that goal? Workshop discussion generally moved between two poles: those who believe in a “single payer” or a Medicare-type program for all Californians and those who believe in a market based system that would be expanded and improved upon. Many participants were somewhere in the middle. Discussion also varied in what people thought the relative shares of responsibility that government, individuals, and employers should take in a reformed system.

Shared Responsibility

Although several approaches to health care reform involved various amounts of participation from employers, individuals, and government, Governor Schwarzenegger was the first person to gain some traction with the phrase “shared responsibility”. The Participant Questionnaire included a statement regarding shared responsibility in order to compare support or lack of it with more specific choices. The way in which responsibility is “shared”—that is, how it is apportioned between employers, individuals/families, and government—may affect how much sup-

port the concept may actually have.

The graph below shows the current way in which health care coverage is proportioned. The employer-provided insurance does not, however, reflect the employee’s share of cost.

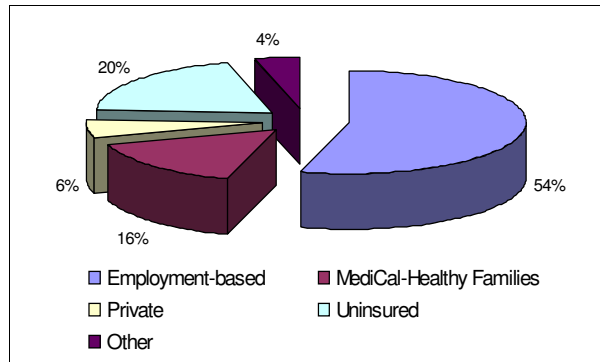


Table 2

There was strong support for the idea of shared responsibility. When faced with the statement **Health care costs would be a shared responsibility of individuals, employers, and government** only 7.4% of respondents disagreed. The statement **Health care is an individual responsibility and would be planned and paid for by each person or family in whatever way they choose** was overwhelmingly rejected by 83.9%.

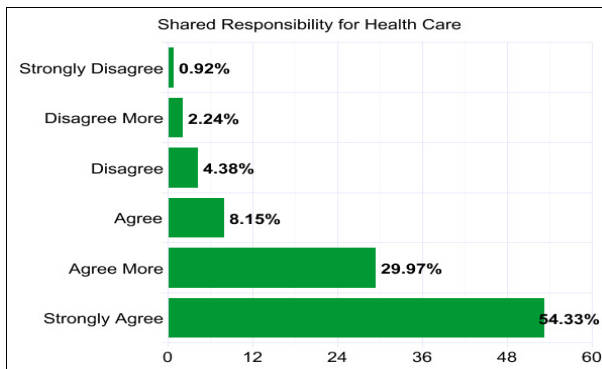


Table 3

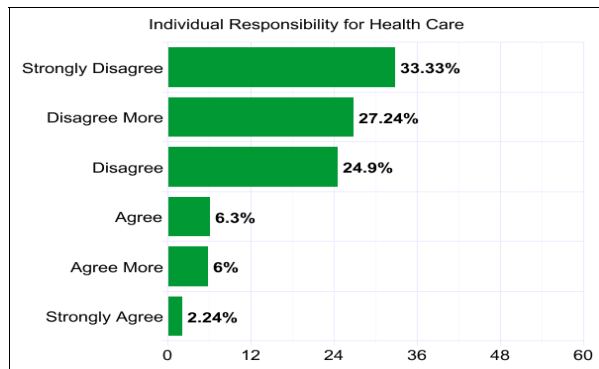


Table 4

Role of Employers

Since the growth of employer-based insurance following World War II, employers have been the greatest source of health insurance. However, California employer-based coverage has declined over the past few years. In 2000 60.8% of coverage was provided by employers; by 2006 it was about 54.9% of total coverage.⁴

Moderate and low-income Californians are most affected by the decline since higher wage-workers are more likely to have insurance from their employers. It is surprising to many people that 80% of California’s uninsured are workers and their family members.

The California Health Insurance Act of 2003 required California employers to pay a fee to the state for their employees’ health insurance unless the employer provided coverage directly (play or pay). In 2004 the Act became Proposition 72 which was barely defeated by the voters (Support 49.1%, Oppose 50.9%). AB 8 in 2007 placed a major share of responsibility on employers.⁵

The Participant Questionnaire included the statement: ***Employers would continue to play the major role in providing health care for their employees.*** Sixty-one percent expressed agreement with the statement, although only 15% strongly agreed. For those who disagreed with the statement, a commonly expressed concern from small business owners was the amount of the obligation for employers—especially very small employers. The figure of 4% was the highest ever expressed and there was a general sense that employers with fewer than four employees should have minimal requirement or be exempt. Another often repeated theme was that we have outgrown the employment model and the burden of cost should be more equitably shared.

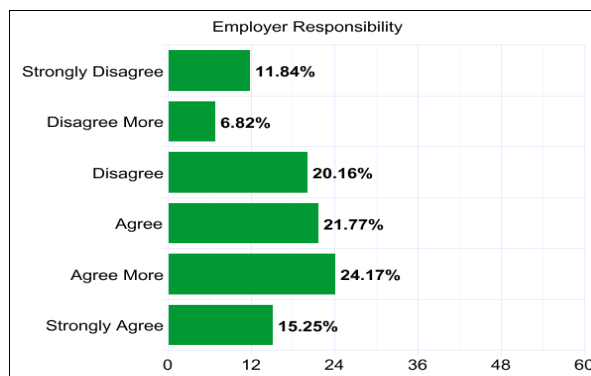


Table 5

Individual and Family Insurance Requirement

The Governor’s plan would require that all Californians have insurance—the “individual mandate”. The compromise between the Legislature and the Governor—reflected in special session AB x1 1—included the individual mandate, although initially AB 8 placed that requirement only on all employed Californians.

The currently uninsured are primarily low-and-moderate adults and children. Two-thirds of the

uninsured have annual incomes under \$50,000. In 2006 about 53% of the uninsured had family incomes below 200% of the federal poverty level (FPL)—\$31,000 for a family of three—and 75% had incomes at or below 300% FPL. Nearly 20% of California’s uninsured are children.⁶

The Participant Questionnaire elicited responses regarding the insurance requirement. Several statements looked at how participants viewed affordability. Almost 65% of respondents agreed with the statement: **All Californians would be required to purchase health insurance (much like automobile insurance) with help for those most in need.**

Even with the majority support for the idea of the individual mandate, workshop discussion regarding insurance coverage as a requirement consistently raised two concerns: cost containment and affordability. There was a great distrust that neither the government nor insurance companies could hold costs down. There was also concern that a requirement without affordability was too much burden and there needed to be exemptions where there was cause.

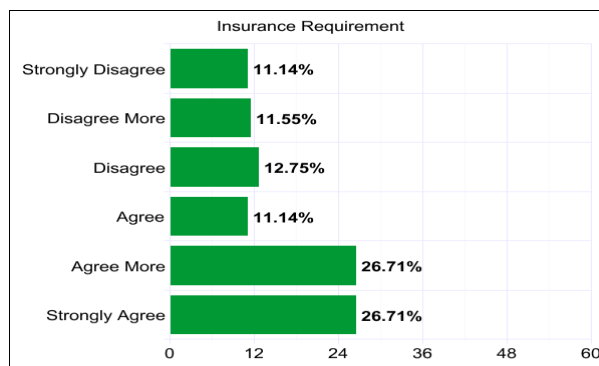


Table 6

The Place of Citizenship in Health Care

Although two-thirds of non-citizens who didn’t have a green card were uninsured for all or part of a year in 2005, nearly 2 out of 3 uninsured Californians are U.S. citizens. Recent studies have found that while undocumented immigrants are less likely to be insured, they are also 50% less likely to visit a doctor, clinic or emergency room.⁷

Workshop participants were given the statement: **Only California citizens should be provided health care.** Fewer than 20% of respondents agreed with the statement.

In general, workshop participants were sympathetic to the idea of undocumented immigrants receiving health care. There was even a greater percentage for support from workshop participants than that reflected in a 2007 Los Angeles Times/Bloomberg poll which found that 46% of

U.S. residents believe immigrants, whether undocumented or documented, should be able to receive treatment in hospital emergency departments.⁷

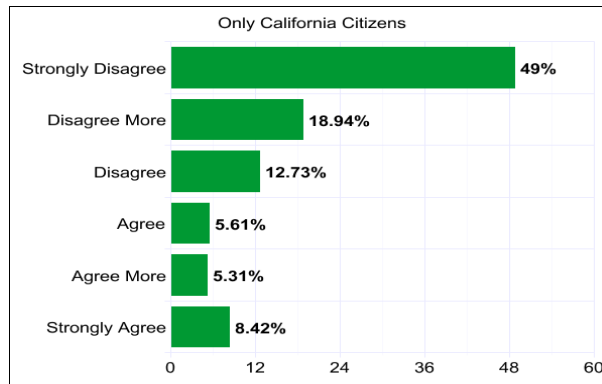


Table 7

Support for Publicly Funded Programs for Low-Income People

Medi-Cal and the Healthy Families programs are two major sources of health care support for low income Californians who qualify. Both the Governor’s plan, AB 8 and ABx1 1 expand these programs to include more people. SB 840 also covers low income people by utilizing these funding streams.

Although there were several statements relating to health services for low income people, two typified the responses: ***Those who cannot afford health insurance would be subsidized through publicly financed programs*** and ***I would be willing to pay more for health care if I knew that low-income people would have access to care.***

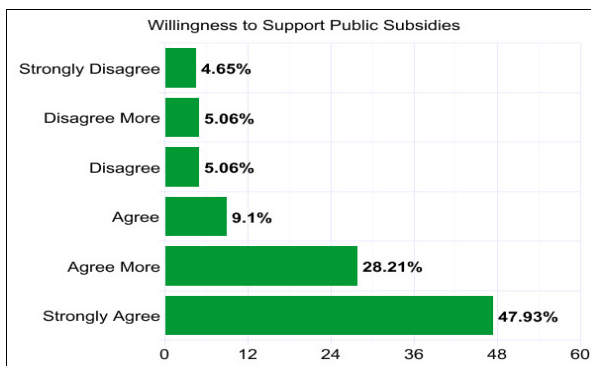


Table 8

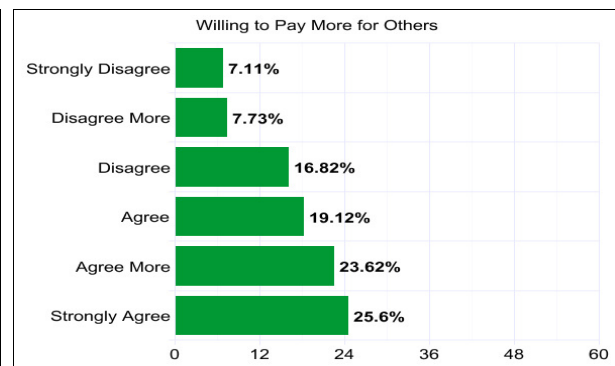


Table 9

The support for public programs at 85% is greater than for those who would pay more to pro-

vide it at 68%. The importance of this support will be extremely important if Californians are asked to give more through a ballot measure. Workshop participants may be a more likely group to be supportive than the general public.

The Role of Government

Workshop discussions looked at the role government should have in “shared responsibility”. Some participants had a strong distrust of government involvement beyond overseeing public programs for low-income people. Others supported the state having a much larger role as in the Medicare-like single payer program. Most agreed that the state should at least oversee and provide regulations for health service.

The Questionnaire tried to assess how much involvement participants thought that government should have in the health care system. One set of statements provided a range of options

- ***The state would administer a comprehensive insurance program that utilizes private providers to deliver services.***
- ***The state would be minimally involved in health care and let consumer choice regulate quality and cost.***
- ***The state would provide regulations and oversight that required insurers and providers to offer quality care at a reasonable cost to the consumer.***

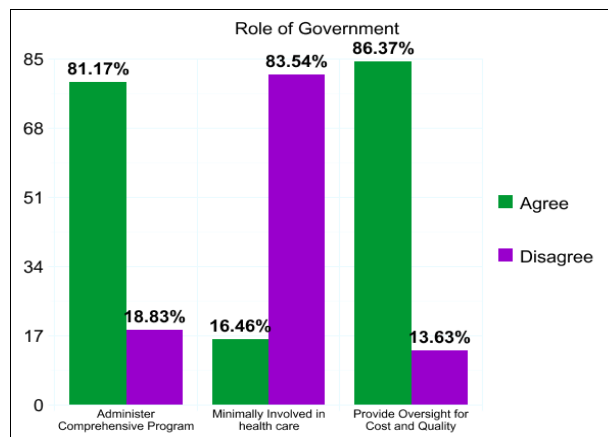


Table 10

There was strongest support for the oversight role of government (86%) and only slightly less for the government administering a comprehensive insurance program (81%). In contrast, 83.5% disagreed with the statement regarding minimal involvement in health care.

Another statement was more representative of the single payer or Medicare type program: ***Californians would pay through a payroll or personal tax that would guarantee health care when they needed it.***

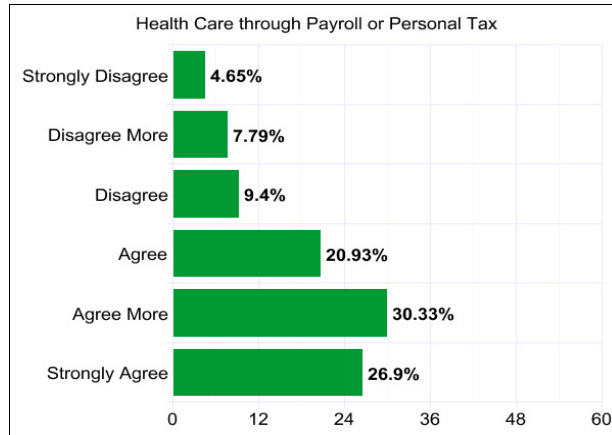


Table 11

Responses to this statement were slightly lower (at 78%) than for the one above regarding the government administering a comprehensive program.

Impact on Participants

Two statements were presented to see how participants viewed the impact of system changes on themselves. One, illustrated above in Table 9, asked if they would be willing to pay more—and 68% said they were. Another stated: ***Some reduction in health benefits is acceptable if it means that everyone has access to basic health care.***

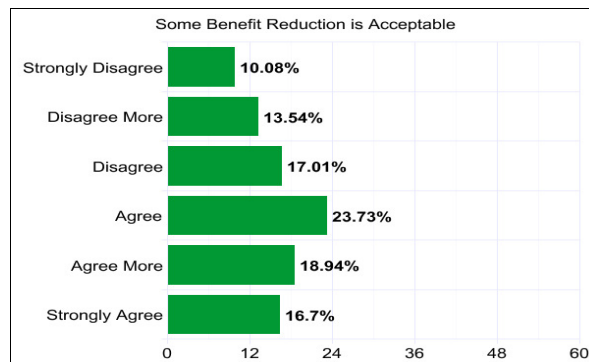


Table 12

The results seem to show more ambivalence among the participants than other responses

showed. The statement probed concerns regarding their own possible losses as someone else gained. Although about 59% were in agreement with the statement, only 16.7% strongly agreed.

A final statement looked at results for reform in light of how results would be obtained. It said: ***The method that would deliver the most benefits for the least amount to the greatest number would be acceptable whether it was provided by a public entity or through the private sector.***

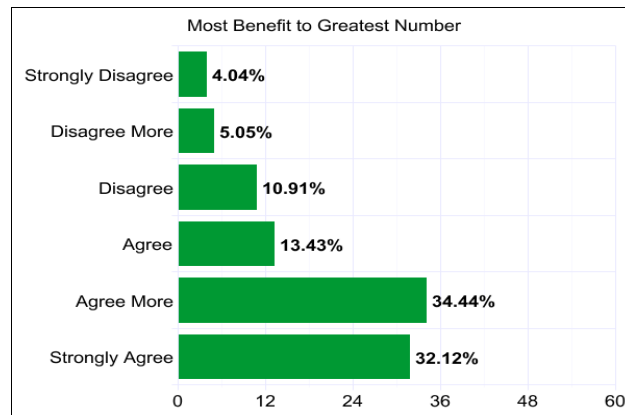


Table 13

Almost 80% of participants agreed with this statement. It is hard to tell if these results set broad parameters for acceptable change or that the statement, because it is pragmatic, has appeal. What the results suggest, however, is that if good benefits, reasonable cost, and moves towards universality are met, it is not so important whether the government or the private sector provided it.

Conclusions

The results of the Participant Questionnaire are limited in their generalization. Although the workshop participants were not necessarily JERICHO members, they tended to be members of various faith communities and perhaps more sympathetic on low-income issues. There was a greater representation than the general population of Democrats over Republicans and of Caucasian over other racial and ethnic representation.

For the most part, however, they are also close to the demographics most likely to be California voters. Results are intended to give a sense of what ordinary Californians are thinking (if they are thinking) about health care reform.

Because a substantial majority of workshop participants clearly supported covering all Californians, including non-citizens as well as the concept of “shared responsibility” there appears to be public agreement with these aspect of the major reform proposals.

The question of how participation should be shared was not answered definitively—most notably for the role of employers. Small business workshop participants regularly expressed concern for the amount that they would be charged with an employer mandate. Although 61% thought that employers should continue to carry the greatest share, that percent compared with the strength of response on other positive items was not as heavily weighted. This would suggest that more than the 20% of participants identified as business owners had concerns about the employers’ role.

While there was vigorous discussion in the workshops about whether the state or the private sector was better prepared to administer a health care program, Questionnaire responses reflect the opinion that low cost and broad coverage were more important than whether the government or private sector provided it. If there are competing proposals from which Californians would be asked to choose, however, results don’t give a clear picture of how they would choose.

The two biggest concerns for participants was affordability and cost containment. These were most strongly expressed when discussing the individual mandate, but were also two of the concerns most often expressed throughout the workshops. Participants had themselves experienced increased insurance costs and were somewhat skeptical of both the government and the private sector in their ability to control costs. Almost without exception, the first comment or question in each workshop related to any reform’s ability to control future costs even though they might be reduced in the short-run. Plans for public “buy-in” to any reform effort will need to address this skepticism.

Even with their concerns regarding affordability, participants were concerned that low-income people be covered—even if it would mean additional cost (of an undetermined amount) to those already paying. Participants seemed to be a little more concerned about reductions to their own benefits than to additional cost that would help others.

As policy makers pass on to the voters the final decision for financing a health care reform

proposal, they should know that there is skepticism as well as hope and a bit of altruism “out there”. Voters will need to be convinced that any changes in the current system will have to protect their interests as well as those of the uninsured.

We found enough fear of change in the workshop discussion to be of concern for policy makers. It was clear from questions and comments in the two-hour workshops that most people come with very basic and personal understanding of the health care system. One of the difficulties that the general public will have in any ballot measure debate on health care reform will be most peoples’ minimal understanding of very complex issues. In order for health care reform to succeed there will need to be significant public preparation over an extended period of time. If not, negative messages may prevail.

FOOTNOTES

- 1 Workshops were held in Sacramento (3), Redding, Los Angeles (2), ee Appendix A for demographics.
- 2 Not all of the responses are summarized in this report. Some of the Questionnaire statements proved to be ambiguous. Others were meant to validate similar statements. The key statements are included in this report. Questionnaires were available in Spanish and English. Seven workshop participants did not fill out questionnaires. About five percent of those who completed the statement part of the questionnaire did not complete the demographic page.
- 3 Participants were asked to rate their knowledge of health care issues through an evaluation tool. They also expressed how they were different as a result of the workshop.
- 4 Employee Benefit Research Institute estimates of the Current Population Survey, March 2001 and 2007 Supplements.
- 5 During the months in which workshops were facilitated, legislation was in constant change. AB 8 reflected the major moving legislation during much of the time. AB 8 became ABx1 1 in the special session on health care reform called by the Governor.
- 6 The State of Health Insurance in California, Findings from the 2005 California Health Interview Survey, July 2007, UCLA Center for Health Policy Research.
- 7 Archives of Internal Medicine study reported in the Los Angeles Times article, Study Finds Immigrants’ Use of Healthcare System Lower than Expected”, November 27, 2007.

APPENDIX A

GENDER

	Number	Percent
Male	135	41.8
Female	174	53.9
No response	14	.3
Totals	323	100.0

AGE

66 and over	86	28.48
56 thru 65	95	31.46
46 thru 55	66	21.85
36 thru 45	40	13.25
26 thru 35		3.97
25 and under		0.99
No response		
Totals		

HEALTH CARE COVERAGE

Your employer	137	42.4
Private insurance	78	24.1
Medi-Cal	3	.9
Healthy Families	3	.9
Other's employer	24	7.4
Military related	7	2.2
Medicare	39	12.1
Some other source?	7	2.2
Not insured	10	3.1
No response	15	4.6
Totals	323	100.0

RACE/ETHNICITY

Asian	9	2.8
Black/African American	24	7.4
Hispanic or Latino	38	11.8
Caucasian or White	235	72.8
Other	3	.9
No response	14	4.3
Totals	323	100.0

REGISTERED TO VOTE AS

Democrat	181	56.0
Another political party	3	.9
Republican	69	21.4
No party affiliation	53	16.4
Not registered to vote	1	.3
No Response	16	5
Totals	323	100.0

BUSINESS OWNER

Small (10 or fewer employees)	43	13.3
Medium (11-49 employees)	20	6.2
Large (50 or more employees)	1	.3
None of these	243	75.2
No Response	16	5.0
Totals	323	100.0

EMPLOYED BY BUSINESS/ORGANIZATION SIZE

Small or medium business	35	10.8
Large business	9	2.8
Non-profit organization	44	13.6
Public/Government	29	9.0
Health care professional	28	8.7
Self-employed	45	13.9
Retired	94	29.1
Not employed at this time	24	7.4
No Response	15	4.6
Totals	323	100.0

HOUSEHOLD INCOME

Under \$20,000	10	3.1
\$20,000 TO \$39,999	38	11.8
\$40,000 TO \$59,900	81	25.1
\$60,000 TO \$89,999	103	31.9
\$90,000 TO \$124,999	40	12.4
\$125,000 TO \$150,000	17	5.3
Over \$150,000	19	5.9
No Response	15	4.5
Totals	323	100.0

HIGHEST GRADE COMPLETED

High school graduate or GED	24	7.4
Associate Degree	59	18.3
Bachelor's Degree	132	40.9
Graduate Degree	81	25.1
Decline to answer	9	2.8
Missing	18	5.6

APPENDIX B



HOW WOULD YOU DESIGN A HEALTH CARE SYSTEM?

Tell us what you want (or what you would be willing to live with) in your health system by darkening the number that best expresses your view (1=Strongly disagree/ oppose, 6=Strongly agree/ support) to the right of each of the following statements.

Who would have health care coverage?

Strongly Disagree/Oppose Strongly Agree/ Support

- | | | |
|----|---|-----------------------|
| 1. | We need a basic level of health care for all Californians. | ①---②---③---④---⑤---⑥ |
| 2. | Only California <i>citizens</i> should be provided health care. | ①---②---③---④---⑤---⑥ |
| 3. | Those who choose to have health insurance – either through public subsidy or ability to pay – would be able to have it. | ①---②---③---④---⑤---⑥ |
| 4. | Only those who can afford to pay for health care would have it. | ①---②---③---④---⑤---⑥ |

Who would pay?

- | | | |
|----|---|-----------------------|
| 1. | Health care is an individual responsibility and would be planned and paid for by each person or family in whatever way they choose. | ①---②---③---④---⑤---⑥ |
| 2. | Employers would continue to play the major role in providing health care for their employees. | ①---②---③---④---⑤---⑥ |
| 3. | All Californians would be required to purchase health insurance (much like automobile insurance) with help for those most in need. | ①---②---③---④---⑤---⑥ |
| 4. | Health care costs would be a shared responsibility of individuals, employers, and government. | ①---②---③---④---⑤---⑥ |
| 5. | Those who cannot afford health insurance would be subsidized through publicly financed programs. | ①---②---③---④---⑤---⑥ |

How would you pay?

- | | | |
|----|--|-----------------------|
| 1. | Californians would pay all their own health-related expenses as they use health services. | ①---②---③---④---⑤---⑥ |
| 2. | Californians would pay through a payroll or personal tax that would guarantee health care when they needed it. | ①---②---③---④---⑤---⑥ |
| 3. | Californians would pay insurance companies through the current method and receive some government help if coverage is unaffordable. | ①---②---③---④---⑤---⑥ |
| 4. | Californians would use tax-free health savings accounts to provide for future expenses together with a lower-cost catastrophic insurance plan. | ①---②---③---④---⑤---⑥ |



HOW WOULD YOU DESIGN A HEALTH CARE SYSTEM?

Strongly Disagree/Oppose Strongly Agree/ Support

How much cost would individuals bear?

1. Those who are most needy would be insured through state subsidies that are paid for with public dollars. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
2. Health care coverage would be based on one's ability to pay. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
3. Coverage costs would mostly be set by market forces with some help for those with limited income. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
4. Individuals would pay for whatever health care they could afford. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
5. People with health problems and use more health services would have to pay higher insurance premiums. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥

What is the Government's Role?

1. The state would administer a comprehensive insurance program that utilizes private providers to deliver services. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
2. The state would be minimally involved in health insurance (e.g. to regulate safety, abuse and fraud) and to administer public programs for low-income people. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
3. The state would be minimally involved in health care and let consumer choice regulate quality and cost. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
4. The state would provide regulations and oversight that required insurers and providers to offer quality care at a reasonable cost to the consumer. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥

How much cost would the public bear?

1. Expand public programs for low-income people to provide coverage for more people without health insurance. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
2. Uninsured, low-income groups would be added as money to subsidize them becomes available. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
3. We would limit public programs to those who currently qualify and bring down insurance costs through competition in the market place. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥
4. I would be willing to pay more for health care if I knew that low-income people would have access to care. ① --- ② --- ③ --- ④ --- ⑤ --- ⑥



HOW WOULD YOU DESIGN A HEALTH CARE SYSTEM?

Strongly Disagree/Oppose Strongly Agree/ Support

How much choice regarding health benefits?

1. The number and kind of benefits would be based on individual choice and a person's ability to pay. ①---②---③---④---⑤---⑥
2. The number and kind of benefits would be determined through public decisions (made by elected or appointed representatives) and not made by employers or private insurance companies. ①---②---③---④---⑤---⑥
3. The number and kind of benefits would be based on what an employer can afford together with an employee's ability to share cost. ①---②---③---④---⑤---⑥
4. The number and kind of benefits would be based on what insurers decide is reasonable when considering the cost of providing coverage. ①---②---③---④---⑤---⑥

What about the benefit vs cost and access?

1. Some reduction in health benefits is acceptable if it means that every Californian has access to basic health care. ①---②---③---④---⑤---⑥
2. A state-administered program with basic health benefits should be paired with the opportunity to increase benefits through supplementary insurance. ①---②---③---④---⑤---⑥
3. The method that would deliver the most benefits for the least amount to the greatest number would be acceptable whether it was provided by a public entity or through the private sector. ①---②---③---④---⑤---⑥

Thank you for sharing your opinions regarding health care reform!

Please provide some information about yourself on the back of this page...

Please tell us something about yourself...

1. Are you... ① Male ② Female

2. In what year were you born? 19 __ __

3. Do you have health care coverage through...
 - ① Your employer
 - ② Private insurance that you or someone else purchases
 - ③ Medi-Cal
 - ④ Healthy Families
 - ⑨ Not insured
 - ⑤ Someone else's employer
 - ⑥ The Military, CHAMPUS, TriCare or the VA
 - ⑦ Medicare
 - ⑧ Some other source?

4. How do you describe your race/ ethnicity?
 - ① Asian
 - ② Black or African American
 - ⑤ Other (Please describe) _____
 - ③ Hispanic or Latino
 - ④ Caucasian or White

5. Are you registered to vote as a...
 - ① Democrat
 - ② Another political party
 - ⑤ Not registered to vote.
 - ③ Republican
 - ④ No party affiliation

6. What is the highest grade or year of school you completed?
 - ① Elementary (grades 1 to 8 or less)
 - ② Some high school
 - ③ High school graduate or GED
 - ④ Associate Degree
 - ⑤ Bachelor's Degree
 - ⑥ Graduate Degree
 - ⑦ Decline to answer

7. Are you an employer or business owner?
 - ① Small (10 or fewer employees)
 - ② Medium (11-49 employees)
 - ③ Large (50 or more employees)
 - ④ None of these

8. Are you employed in a business or organization?
 - ① Small or medium business
 - ② Large business
 - ③ Non-profit organization
 - ④ Public/Government
 - ⑤ Health care professional
 - ⑥ Self-employed
 - ⑦ Retired
 - ⑧ Not employed at this time

9. Lastly, which of the following categories best describes your total household or family income before taxes, from all sources?
 - ① Under \$20,000
 - ② \$20,000 TO \$ 39,999
 - ③ \$40,000 TO \$59,900
 - ④ \$60,000 TO \$89,999
 - ⑤ \$90,000 TO \$124,999
 - ⑥ \$125,000 TO \$150,000
 - ⑦ Over \$150,000



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