

Research Brief

**IMPACT OF SB2 ON HEALTH
COVERAGE**

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SUMMARY

According to the latest available data, 6.72 million Californians, representing about 19.5% of the state's population, are uninsured each year. Presently, half of all uninsured individuals are working, and around 80% of them are in working families. **Implementing Senate Bill 2 will reduce the number of people uninsured by 1.56 million. SB 2 will provide health insurance to 1.16 million workers, 190,000 adult dependents, and 220,000 children. 60% of the newly insured are Latinos, 43% are women, and 14% are children.**

Most of the newly insured are workers at medium or large businesses, or are dependents of such workers. 44% of the newly insured will be covered by businesses with 1000 or more employees. 66% will be covered by businesses with 200 or more employees. Only 17% would be covered by businesses with less than 50 employees.

DETAILS ON ESTIMATION

I have estimated the number of uninsured that SB 2 will cover under the current policy configuration. Specifically, I have assumed the following about SB2:

- Individual coverage for workers at firms with 20 or more employees
- Family coverage for workers at firms with 200 or more employees
- Eligibility restriction: workers are eligible if they: (1) have worked for more than 3 months at the firm, *and* (2) work for more than 100 hours a month at the firm, *and* (3) are not self employed.

In these estimates, I utilize the March 2002 CPS (latest available), which provides information about family structure, health coverage, and labor market participation. Although the dataset does not ask how long an individual has worked for their current employer, this information is estimated based on: (1) the number of employers s/he has worked for in the past year (not at the same time), and (2) information about stretches of unemployment in the preceding year. Adjustment is also made for firm size categories in the CPS not matching the exact cutoffs as in the bill by estimating a log firm size density function for the relevant subset of workers.

Number of Uninsured Covered by SB2	Number of Uninsured Workers Covered under SB2	Number of Uninsured Workers Covered by Own Employer under SB2
1,560,000	1,250,000	1,160,000

SB 2 will cover 1.56 million individuals who are currently uninsured. This includes 1.25 million workers who will receive coverage either directly or as a dependent. 1.16 million workers will receive health coverage from their own employer as part of SB 2.

Uninsured Who Will be Covered by SB2 Are:

<i>Latinos</i>	60%
<i>Women</i>	43%
<i>Children (under 18)</i>	14%

Looking at the 1.56 million people who will be insured by SB2, we find that 60% of them are Latino, 43% are women, and 14% are children. Overall, SB 2 will insure 1.16 million workers, 220,000 children, and 190,000 adult dependents.

Distribution of Newly Insured Workers and Dependents

<i>Firm Size</i>	Workers	Dependents	TOTAL
<i>20-50</i>	23%	0%	17%
<i>50-100</i>	12%	0%	9%
<i>100-200</i>	10%	0%	7%
<i>200-500</i>	11%	20%	13%
<i>500-1000</i>	8%	14%	9%
<i>1000+</i>	36%	66%	44%
<i>TOTAL</i>	1,160,000	400,000	1,560,000

Most newly insured workers and dependents (66%) will be covered by businesses with 200 or more employees. 44% will be covered by businesses with 1000 or more employees. In contrast, only 17% will be covered by small businesses with 50 employees or less. Overall, we find that as currently structured, SB 2 places the responsibility of covering the uninsured fall largely on larger and mid-sized businesses.