

From the Chair



Lee Kraemer

Workforce investment is not a step-child to economic development – rather it is a Siamese twin – sharing a common heart. A business, no matter how large or small, cannot survive without reliable, committed workers. Recognizing this, in 1998 Congress enacted the Workforce Investment Act (WIA) – a blueprint for the country’s workforce development program.

Under the WIA program, Mendocino County receives \$2-3 million annually to train or retrain local job seekers and to assist businesses with their employment needs. The Mendocino County Workforce Investment Board (WIB) is the countywide body appointed by the Board of Supervisors to set policy for and oversee these workforce development programs.

An essential component of any oversight body is to be in touch with those it serves. To this end, the WIA mandates that the majority of the membership of the WIB be from the private sector – business owners or top managers are meant to be the driving force – the legs of the employment twin.

The WIB member’s role is to manage issues, to be a champion for the community’s workforce development efforts, and to be a catalyst for change. At present our Mendocino County WIB has 30 members (out of a legislated 38 slots) and is seeking more private sector members.

If you are a business owner or executive with a concern for the development of a strong local workforce and are interested in developing workforce policy and facilitating change, you are a candidate for service on the WIB.

Call the WIB administrative office, 467-5506, with any questions you may have concerning WIB membership, or to request application information.

Overview of the Uninsured

Researchers predict the number of non-elderly (ages 0-64) in America will grow from forty-five million in 2003 to fifty-six million by 2013, a nearly 25% increase in 10 years. This increase in the numbers of the uninsured

working poor is a trend across the nation – a trend that by no means passes by California or Mendocino County.

This newsletter illustrates the current picture of health care insurance coverage, or lack thereof, for residents of Mendocino County by looking at local, state and national statistics.

Statistics show that nearly 10,000 children and adults in Mendocino County are without health care coverage.

The economic and workforce impacts of having approximately 11% of the population uninsured are significant:

- Health insurance costs go up – 20% of private health insurance premiums go to subsidizing care for the uninsured;
- Every year, Mendocino hospitals and clinics lose hundreds of thousands of dollars to uncompensated care;
- The uninsured are likely not to seek preventive health care, resulting in more school and workplace absences -- schools lose money and employers lose production.

Obtaining insurance coverage reverses these negative impacts:

- More healthcare dollars are circulated in the county;
- Employers have a more productive workforce with fewer work hours missed;
- More average daily attendance funds are paid to the schools by the state;
- Healthy students do better on tests and are more likely to graduate from high school.

The bottom line: an insured employee and his/her family results in a more productive workforce.

Local Facts

Who are the uninsured? About 23.2% of Mendocino County’s non-elderly residents do not have insurance. White and Hispanic residents ages 18 through 64 make up the greatest portion of this percentage. The California Department of Health Services, Medical Care statistics section for January 2005 shows enrollment into Medi-Cal by ethnicity as follows: White – 57.2%, Hispanic - 27.8%, Native American – 8.3%, Asian/Pacific Islander - 1.2%, Black - 1.0% and Other - 4.5%. Similarly, Healthy Families enrollment was

as follows: White - 36.7%, Hispanic 38.7%, Native American - 3.6%, Asian/Pacific Islander - 1.5%, Black - 0.4%, Other-19.0%.

Between 1996 and 2004, the total individuals without insurance peaked in 1998 to 30% of the population. From 1999 to 2002 the figure leveled off to about 28% and some improvement was seen in 2003 and 2004, when an increase in Medi-Cal coverage occurred. (See Chart 1)

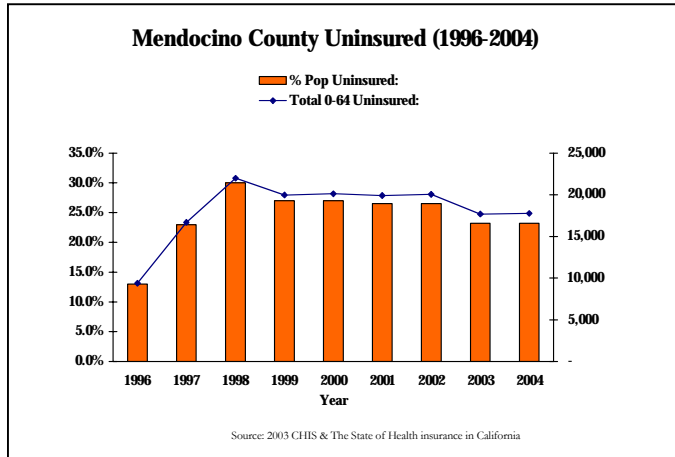


Chart 1, Source: *Health Insurance for All – Mendocino*

Who pays for the uninsured? The number of visits to Mendocino County’s free and community clinics increased from 205,473 in 2003 to 238,003 in 2004. Medi-Cal patients make up the largest proportion of visits at 45.3% followed by uninsured patient visits at 30.7%. In 2004, there were 4.1 visits per uninsured county resident and the revenue received by the community clinics was \$35 million while the costs reached \$35.9 million.

Among uninsured patients, County Medical Services Program (CMSP) at 59.4% and self-payment at 26.5% capture the greatest proportions of revenue. Other sources include Expanded Access to Primary Care (EPAC), Child Health and Disability Prevention (CHDP), and Family PACTS programs round out the remainder of uninsured patient revenues.

Mendocino County hospitals, in 2004, provided 14,807 inpatient days, 184,649 outpatient visits, and 40,718 emergency department (ED) visits. Medicare pays for the largest proportion of inpatient stays and outpatient visits at 52.8% of days and 35.9% of visits, respectively, while private insurance pays for the greatest proportions of ED visits at 41.3%. The county uninsured accounts for 1.9% of inpatient days, 2.2% outpatient visits and 3.6% of ED visits.

Regional Facts

Why the increase in the uninsured since 1996? As the cost of health care increases, insurance premiums increase and the employer-provided health insurance decreases. In the *Overview of the Uninsured: North Rural, 1996-2004* study done by Insure the Uninsured Project (ITUP), the North Rural counties* in California were studied and indicated that the businesses with less than 10 employees have an uninsured rate of 39.7%, higher than the state average of 36.5%. Businesses with 10 – 54 employees equaled the state average at 32.9%. (See Chart 2)

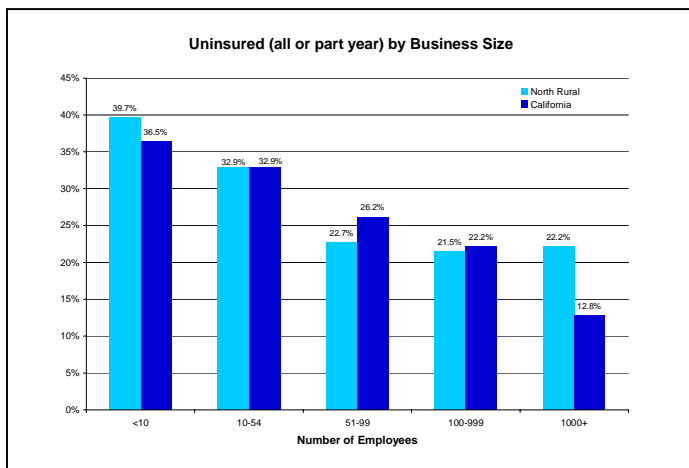


Chart 2, Source: www.itup.org

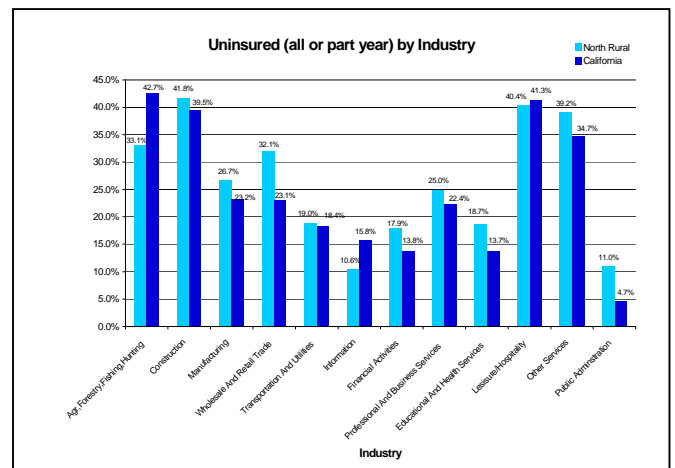


Chart 3, Source: www.itup.org

In addition to size, it is interesting to note the number of employees uninsured by industry. The construction and the leisure and hospitality industries account for above 40% uninsured with the latter slightly less than the state average. (See Chart 3)

*Counties included in this analysis: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Siskiyou, Sutter, Tehama, Trinity, Yuba.

State Situation

Six and one-half million Californians were uninsured for all or part of 2005, according to the October 2006 UCLA Health Policy Research Brief. The number of uninsured Californians represented one in five individuals under age 65. This figure is slightly lower than in 2003 due to California's tight labor markets and expanding enrollment and retention in California's public coverage programs for children. Looking further back to 1996 through 2004, Chart 4 below shows the percentage of the population and the total uninsured ages 0-64.

National Situation

The Economic Policy Institute (EPI) published their *Economic Snapshot* for August 16, 2006 which shows those employees who still receive employer-provided coverage are now paying a larger share of the insurance costs. In 1993, 54% of workers in the private sector with individual coverage were required to pay for some of the premiums. By 2005, the share had gone to 76%. Of those with family coverage in 1993, 74% paid part of their premiums. Out of pocket premium payments for family coverage increased to 88% in 2005.

(See Chart 5)

How much more employees pay now than in the past is shown in Chart 6. The employee share rose from 14% in 1992 to 22.1% in 2005.

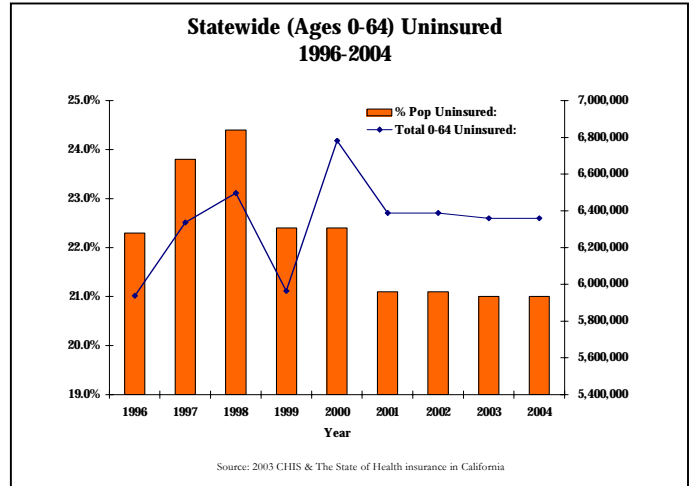


Chart 4, Source: *Health Insurance for All – Mendocino*



Chart 5, Source: www.epi.org

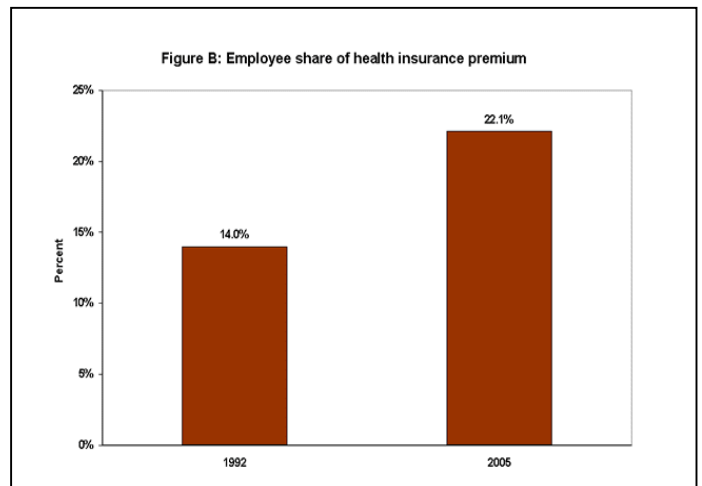


Chart 6, Source: www.epi.org

It is important to note that this transfer of cost onto employees for basic premium costs does **not include** any of the higher deductibles or co-pays paid by employees that have also occurred over this same time frame.

During the downward trend of private employer coverage, enrollment into public programs, at least for healthcare for children, have helped to offset the decline. The percent of children covered by employer-provided health insurance fell from 65.6% to 60.8%, while the percent of children covered by Medicaid/State Children's Health Insurance Program (SCHIP) increased from 20.9% to 26.9%. (See Chart 7) Even with this increase, the year 2005 was the first time in seven years the number of children without insurance increased.

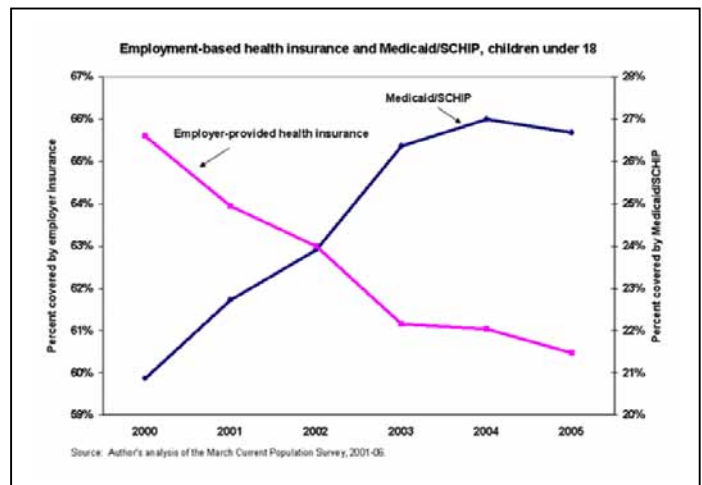


Chart 7, Source: www.epi.org

