



### Adequacy and Affordability of Healthcare Coverage in Rural California

#### HIGHLIGHTS

- 11 of California's rural counties have no HMOs that provide services on a county-wide basis.<sup>1</sup>
- 13.3% of rural California is insured by Medicaid.<sup>2</sup>
- 14% of rural California youth are uninsured.<sup>3</sup>
- Over 25% of rural California youth are insured by Medi-Cal.<sup>3</sup>
- 47% of rural California teenagers have health insurance through a parent's employer.<sup>3</sup>
- Agricultural workers constitute 8% of the California workforce.<sup>4</sup>
- The *California Agricultural Workers Health Survey* found that 70% of respondents had no form of health insurance.<sup>5</sup>

#### BACKGROUND

Many of California's rural residents have difficulty obtaining healthcare coverage. This stems from the high cost of coverage, the fact that many rural residents are self-employed or seasonal workers, and the lack of coverage by an employer. Private insurance companies are leaving rural counties, forcing many residents to rely on Medicare. Health Maintenance Organizations (HMOs) are profit little from rural areas, and are also leaving at alarming rates. As of 2002, 11 rural counties had no HMO provider, and 12 rural counties only had one HMO that operated on a county-wide basis.<sup>1</sup>

#### CHILDREN

It is becoming increasingly difficult to obtain healthcare coverage for children living in rural areas. Not only are they less likely to be covered under a parent's employer-sponsored insurance, but they are also twice as likely as non-rural children to have health insurance through Medi-Cal.<sup>3</sup> If private coverage is available, it is often too expensive, and employer-sponsored insurance sometimes does not cover children of employees. While some children are covered by the State Children's Health Insurance Program (SCHIP) and the Healthy Families program, many others do not qualify for state-provided healthcare, and cannot afford private coverage.

#### WORKING ADULTS

Working adults in rural California often work low-wage, part-time, or seasonal jobs, or are self-employed.<sup>6</sup> Thus, they are less likely than urban residents to have employer-sponsored healthcare, and a higher percentage of rural adults are covered by state-sponsored insurance programs than working adults in urban California.<sup>2</sup> In addition, rural doctors are experiencing lower Medi-Cal and Medicare reimbursement rates, they are becoming less likely to accept state-sponsored health insurance. Rural working adults who do not have employer-sponsored coverage and do not qualify for state-run programs are forced to pay high premiums for private insurance, or be uninsured.

#### AGRICULTURAL WORKERS

California's agricultural laborers are among the lowest paid workers in the state.<sup>7</sup> The rate of coverage is extremely low for agricultural workers, and visits to doctors are often few and far between. Because over half of California's agricultural workers are not legally working in the United States, they therefore rely on emergency Medicaid for a hospital visit.<sup>8</sup> For those workers who are eligible for state-sponsored coverage, navigating the labyrinth of paperwork and government agencies can be a deterrent, especially because a large proportion of California's agricultural workers are not native English speakers. In fact, 63% of workers with income levels below 200% of the poverty line are of Hispanic descent and work in California's agricultural or service sectors.<sup>9</sup>

<sup>1</sup>California Legislative Analyst's Office. (2002). *HMO's and Rural California*.

<sup>2</sup>North Carolina Health Research Policy and Analysis Center. (2007). *State Profiles of Medicaid and SCHIP in Rural and Urban Areas*.

<sup>3</sup>Department of Human and Community Development, University of California, Davis. (2002). *California's Rural Youth*.

<sup>4</sup>California Health Interview Survey. (2007). *Healthcare coverage search, rural/urban comparison*.

<sup>5</sup>California Agricultural Workers Health Survey. (2004). *Increasing Access to Care: Promising Practices in Health Promotion Programs*.

<sup>6</sup>The California Endowment Task Force on Agricultural Worker Health. (2001). *The Bounty of Food. The Poverty of Health*.

<sup>7</sup>Bolin, J.N. (2004). *Chronic Disease Management in Rural Areas: Rural and Non-rural Differences in Managed Medicare and Medicaid Programs*.

<sup>8</sup>The National Agricultural Workers Survey 1997-1998. (2000). *A Demographic and Employment Profile of United States Farmworkers*.

<sup>9</sup>Glasnapp, Bustos-Navarro. (2004).