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# Declining Health Coverage in the Southern California Grocery Industry

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# Major Changes in the Southern California Contract

- Increased health care eligibility waiting periods from four months to twelve months for individual coverage (18 months for clerks) and 30 months for family coverage.
- Required new employees to contribute 20 percent of the health premium cost; under the old contracts employees did not make direct premium contributions.
- Increased co-pays, co-insurance and deductibles under the new plan, while restricting plan options.
- Reduced wage rates for new hires.

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# Data Sources

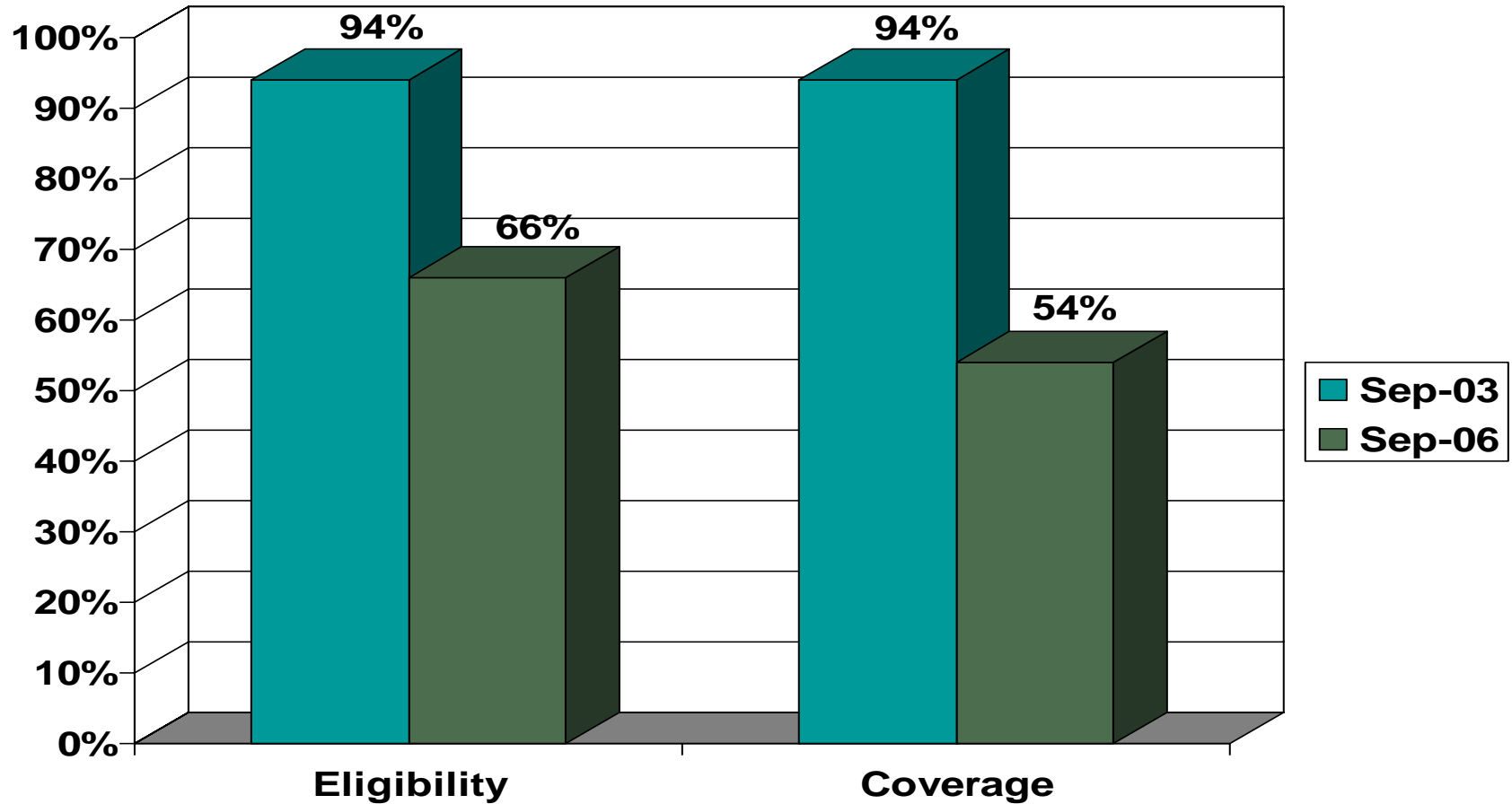
- Actuarial data from *UFCW Unions and Food Employers Benefit Fund* and from the *Segal Company* was used to calculate the health insurance eligibility and coverage rates, and the number of covered workers and dependents from Southern and Northern California.
  - Union membership lists from Northern California locals (428 and 101) and Southern California Local 770 were used to estimate employee turnover, health care eligibility and the age distribution over the 2002-2005 period.
  - Our own survey of 755 active UFCW members from Locals 428, 101, 770 and 1428 was used to estimate effects on healthcare utilization.
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# Estimated Healthcare Eligibility Rate for LA Grocery Workers 2002-2005

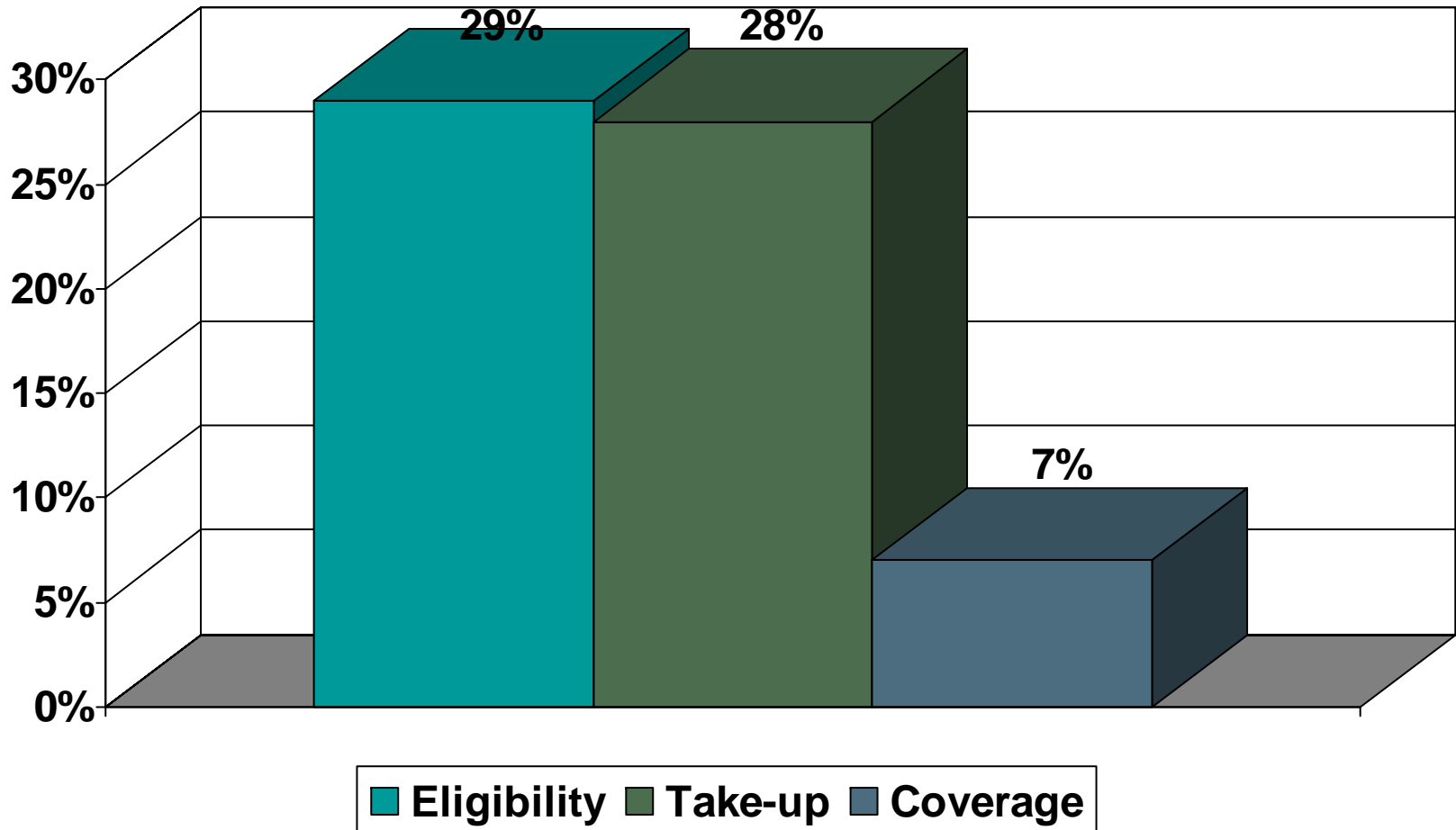


Source: Analysis of UFCW 770 Membership Data

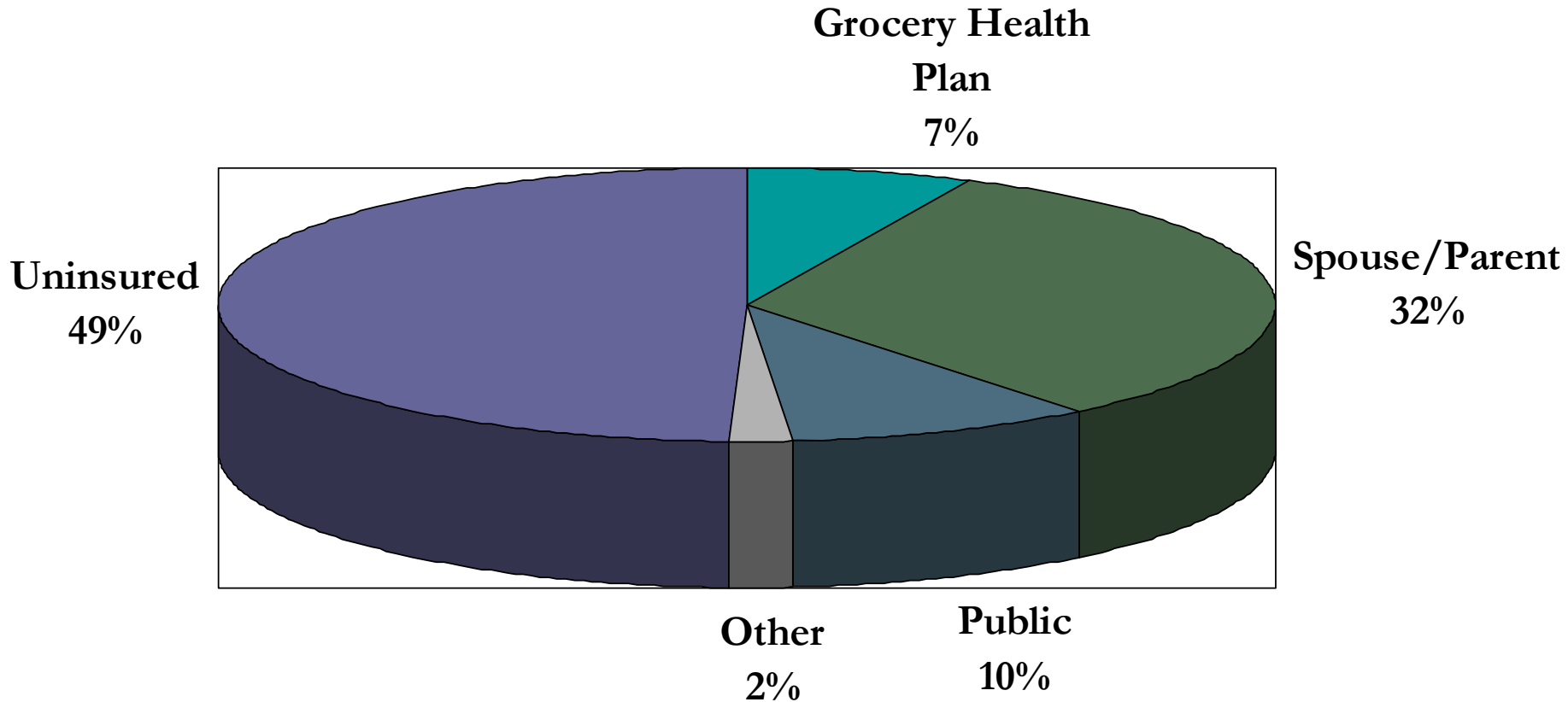
# Changes in Southern California Grocery Worker Health Coverage, September 2003-September 2006



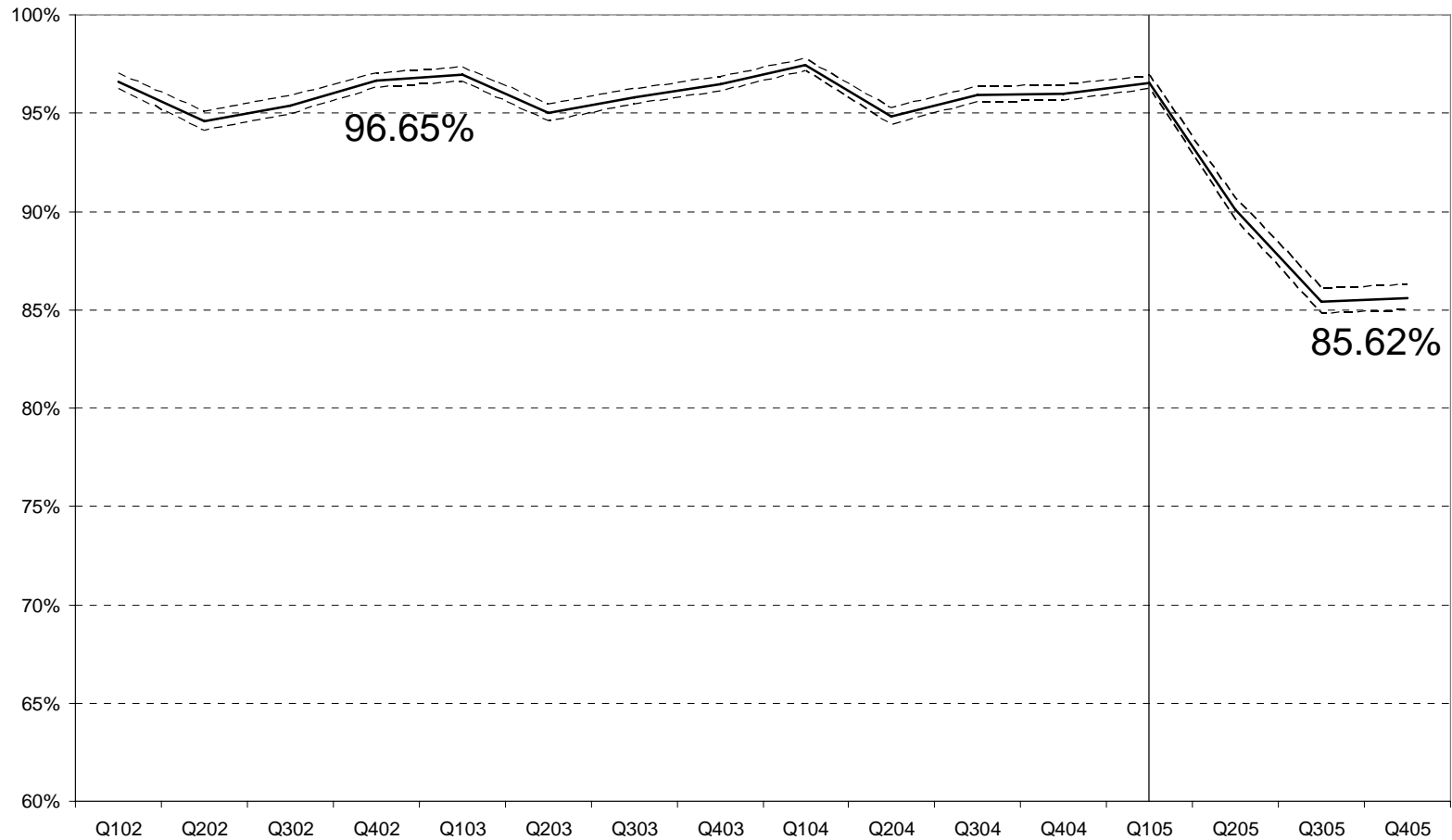
# Health Coverage for Workers Hired under New Contract



# All Coverage Sources for Southern California Grocery Workers Hired under New Contract



# Estimated Healthcare Eligibility Rate for Northern California Grocery Workers 2002-2005



Source: Analysis of UFCW 428 and 101 Membership Data



# Coverage Rates for Southern and Northern California Grocery Workers

	Southern California	Northern California
September 2003	94%	96%*
September 2006	54%	79%

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# Coverage for Children and Spouses for Southern California Grocery Workers

	Children	Spouses
September 2003	64,389	33,269
September 2006	43,572	23,162
Difference	20,817	10,107

# Annualized Turnover of LA Grocery Workers 2002-2005



Source: Analysis of UFCW 770 Membership Data

# Annualized Turnover of LA Grocery Workers on the Job Less than One Year, 2002-2005



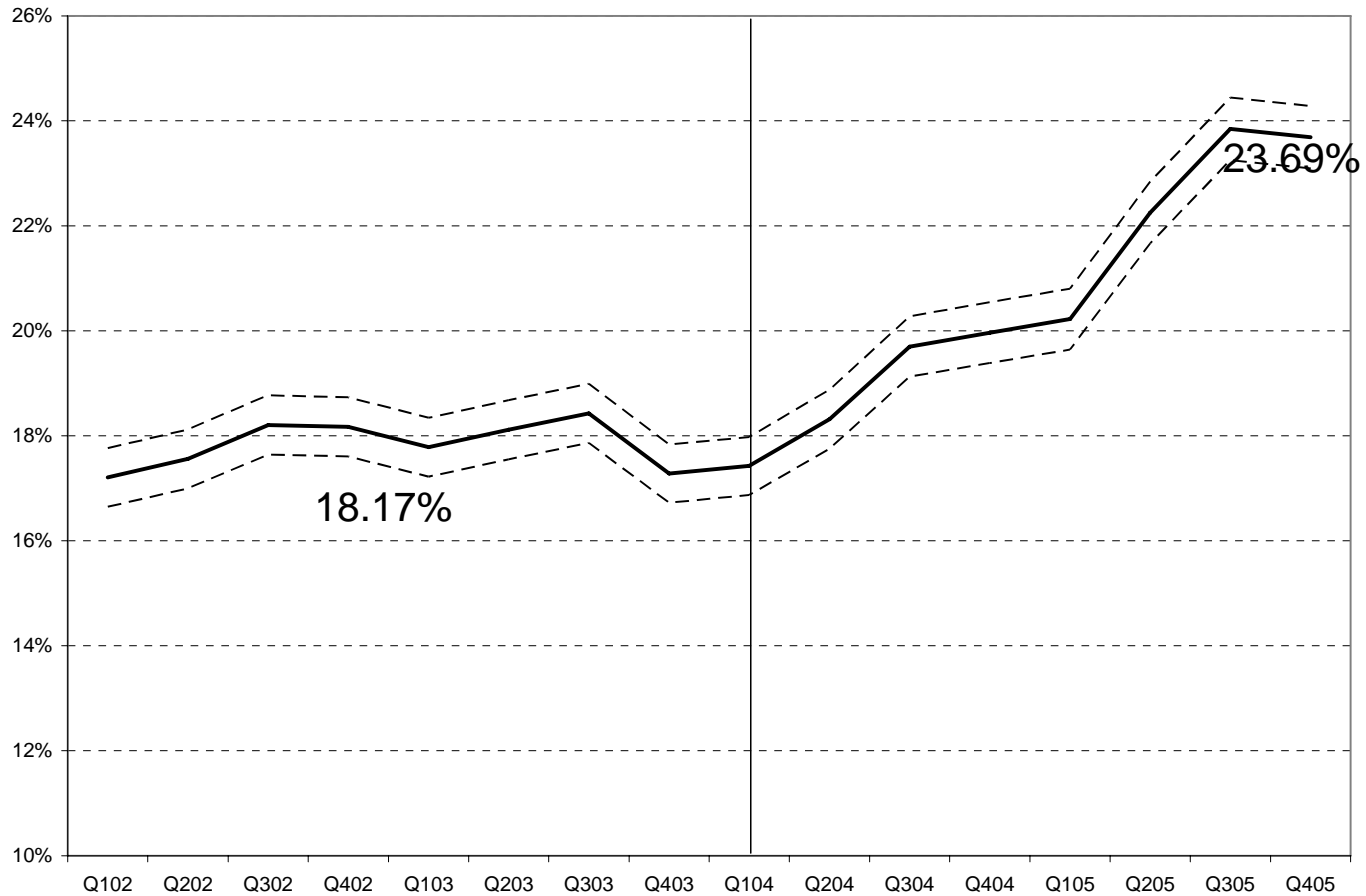
Source: Analysis of UFCW 770 Membership Data

# Annualized Turnover Rate of Northern California Grocery Workers 2002-2005



Source: Analysis of UFCW 428 and 101 Membership Data

# Teenage Share of LA Grocery Workers 2002-2005



Source: Analysis of UFCW 770 Membership Data

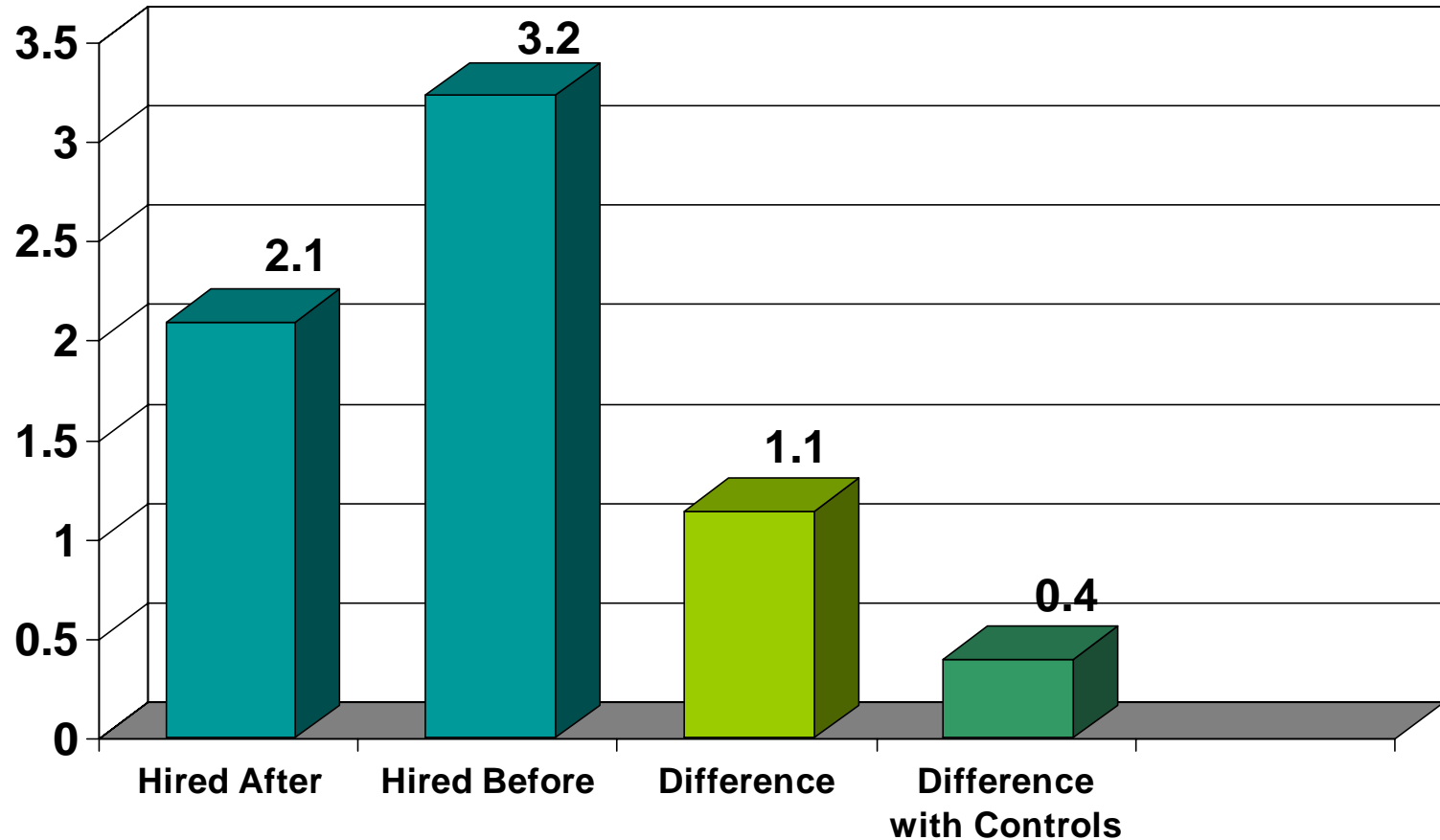
# Teenage Share of Newly Hired LA Grocery Workers 2002-2005



Note: Newly hired refers to workers with less than one year tenure on the job.

Source: Analysis of UFCW 770 Membership Data

# Number of Doctor's Visits Last Year

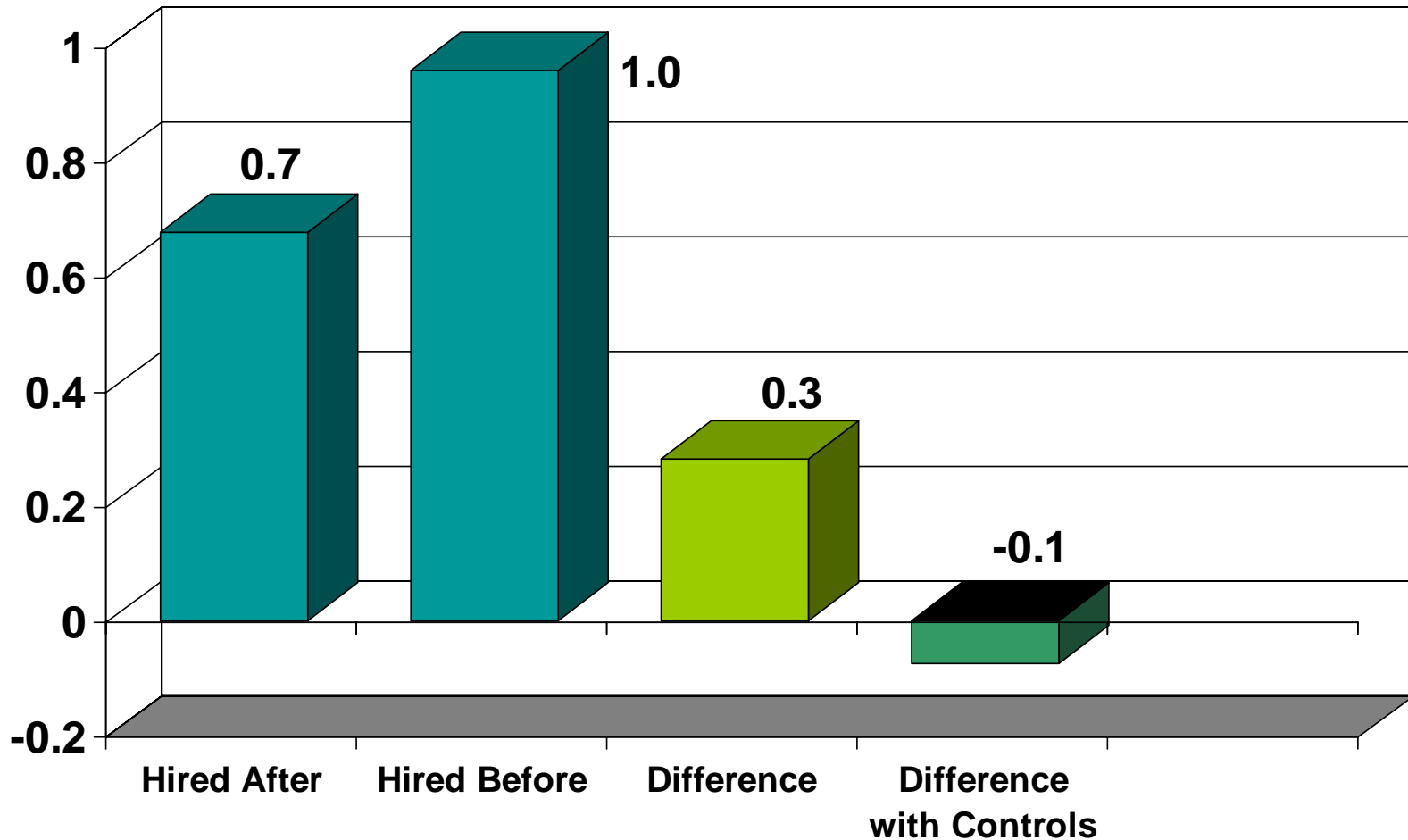


Notes: (1) The \* indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status

Source: 2006 Survey of UFCW Members



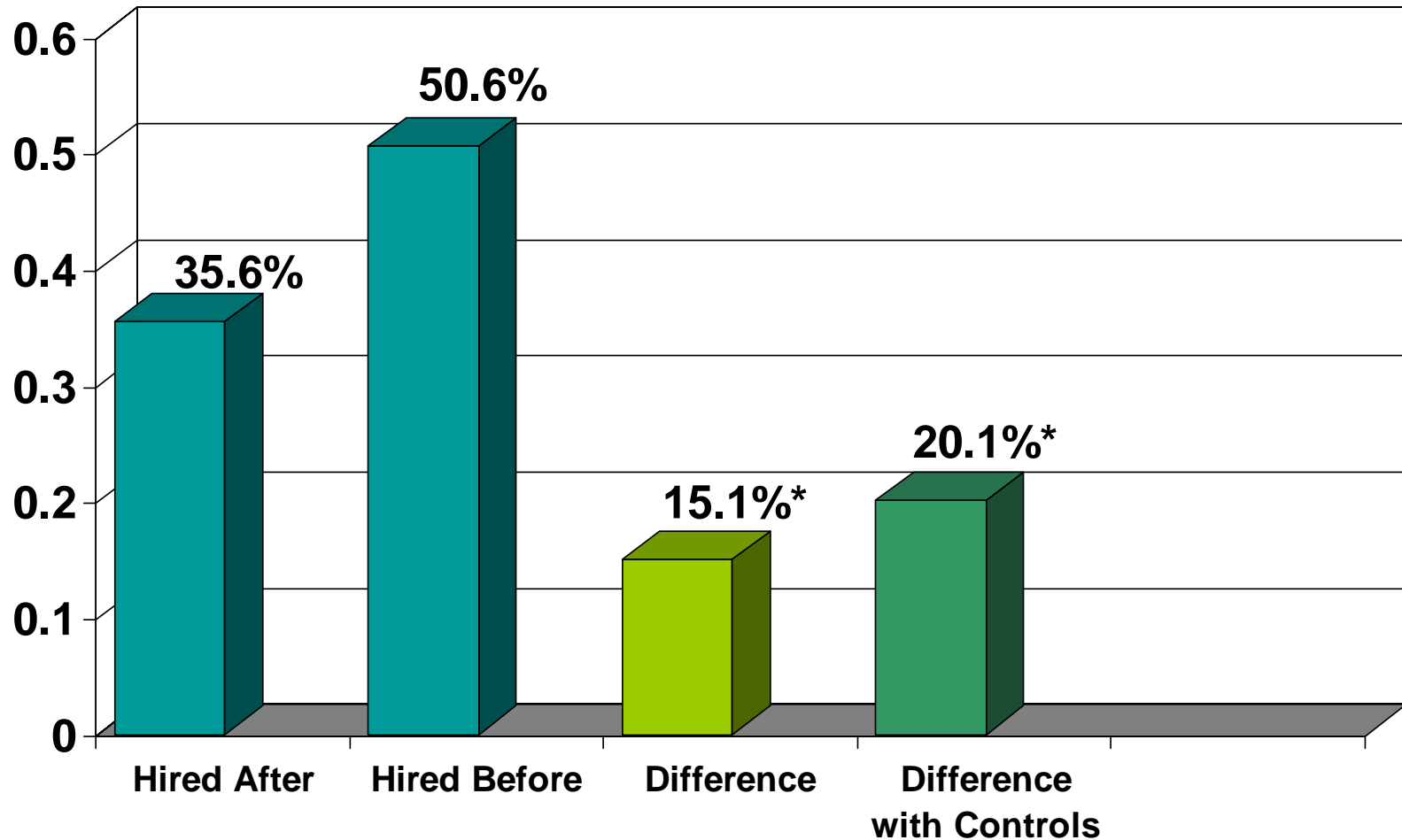
# Number of General Checkups Last Year



Notes: (1) The \* indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status

Source: 2006 Survey of UFCW Members

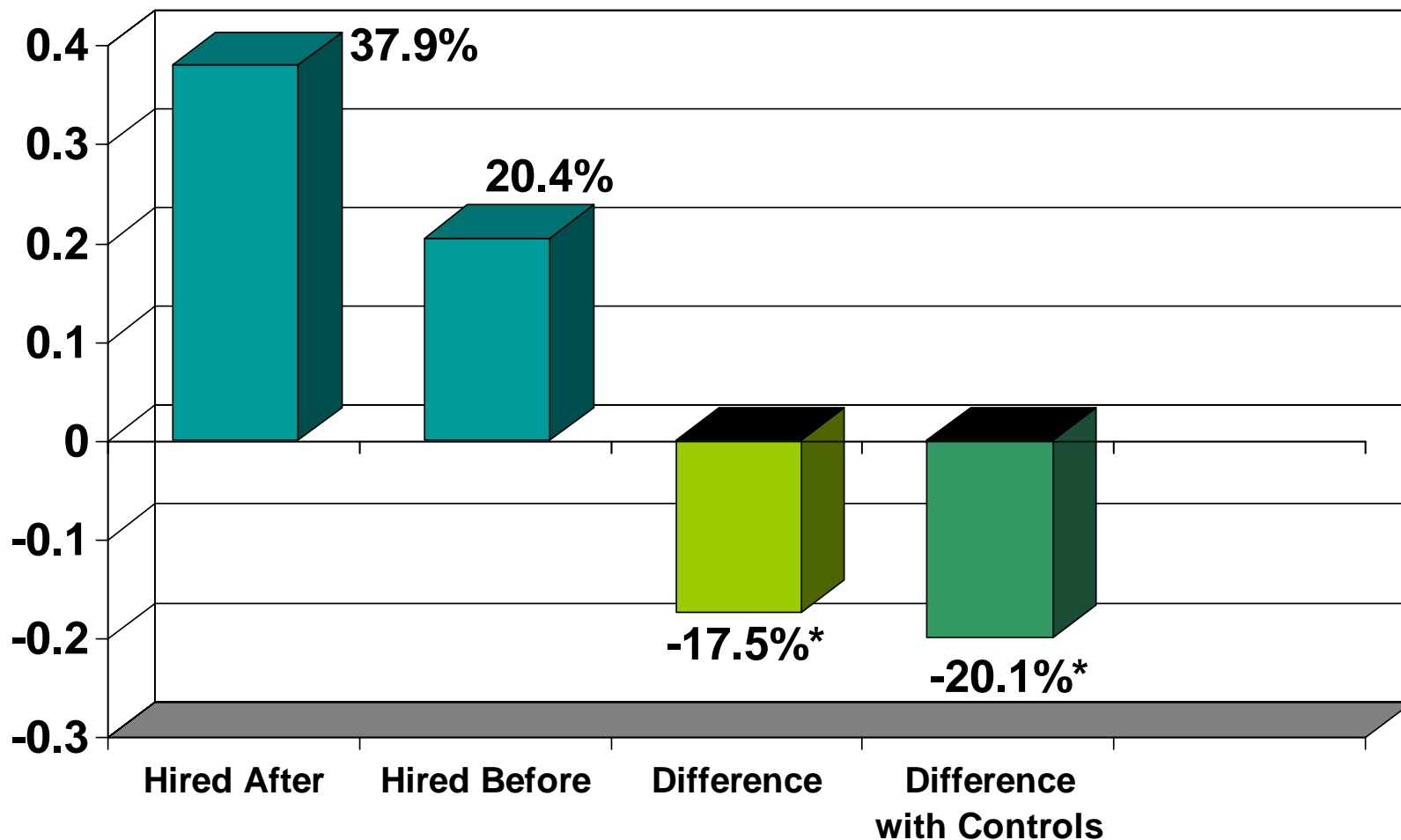
# Receiving Treatment if the Worker has Chronic Conditions



Notes: (1) The \* indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status

Source: 2006 Survey of UFCW Members

# Worker Delayed or Did Not Receive Needed Care



Notes: (1) The \* indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status

Source: 2006 Survey of UFCW Members