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# Impact of Health Benefit Reductions in the Unionized Grocery Sector in California

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# Major Health Benefits Changes

	Pre So Cal	Post So Cal New Hires	Pre Nor Cal	Post Nor Cal New Hires
Workers eligibility	4 months	12 months, 18 for clerk's helpers	3 months	6 months
Dependents eligibility	4 months	30 months	3 months	24 months
Premium	NA	\$7.50/week	NA	NA
Co-insurance	90% paid	70% paid	100% paid	70% paid
Deductibles (Individual)	\$200	\$350	\$200	\$600
Graduation	NA	No	NA	Yes

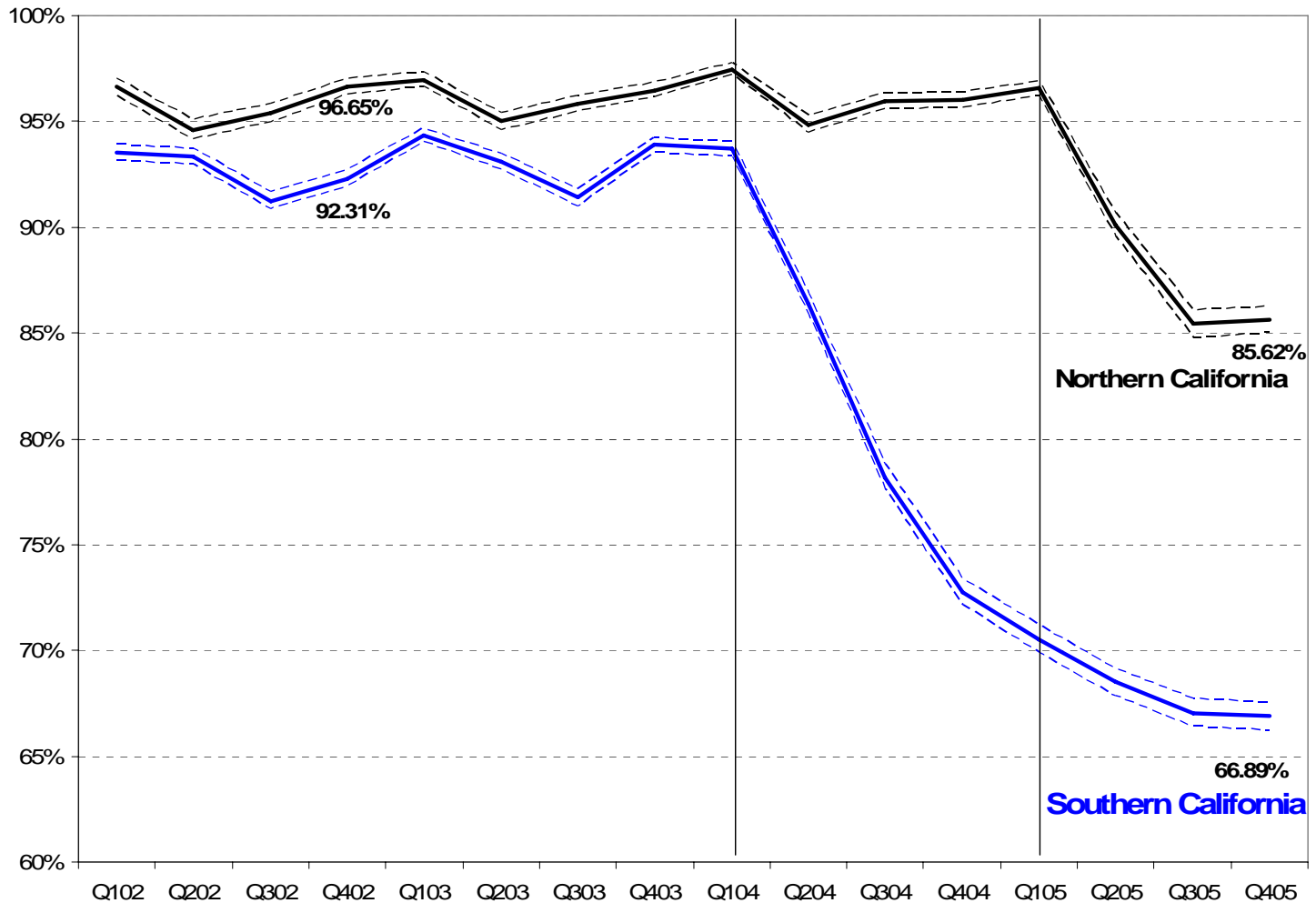
Note: Pre So Cal is prior to the April 2004 contract; post is for workers hired after 4/04.  
Pre Nor Cal is prior to January 2005 contract; post is for workers hired after 1/05.

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# Data Sources

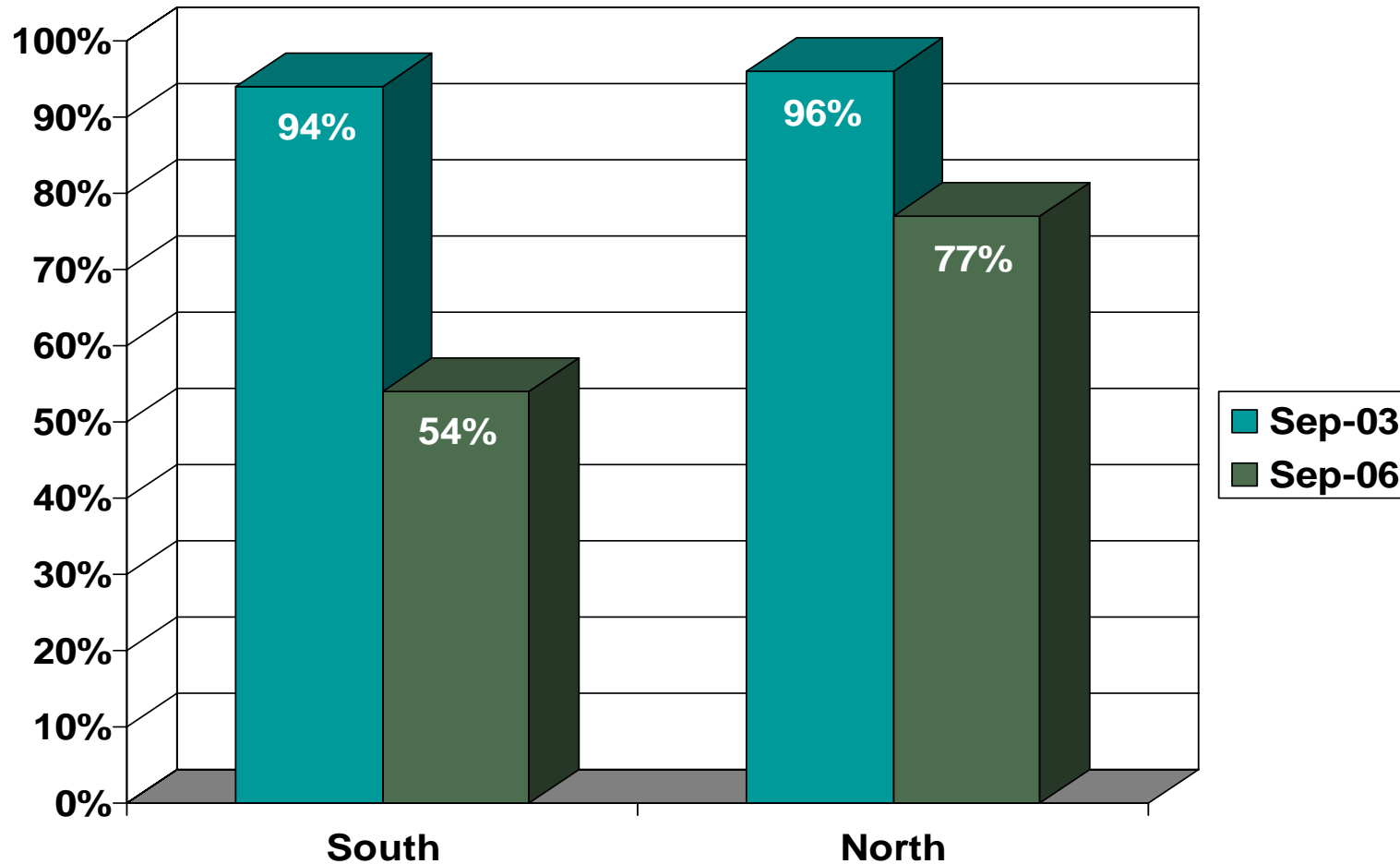
- Actuarial data from *UFCW Unions and Food Employers Benefit Fund* and from the *Segal Company* was used to calculate the health insurance eligibility and coverage rates, and the number of covered workers and dependents from Southern and Northern California.
  - Union membership lists from Northern 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 Grocery Workers by Quarter 2002-2005

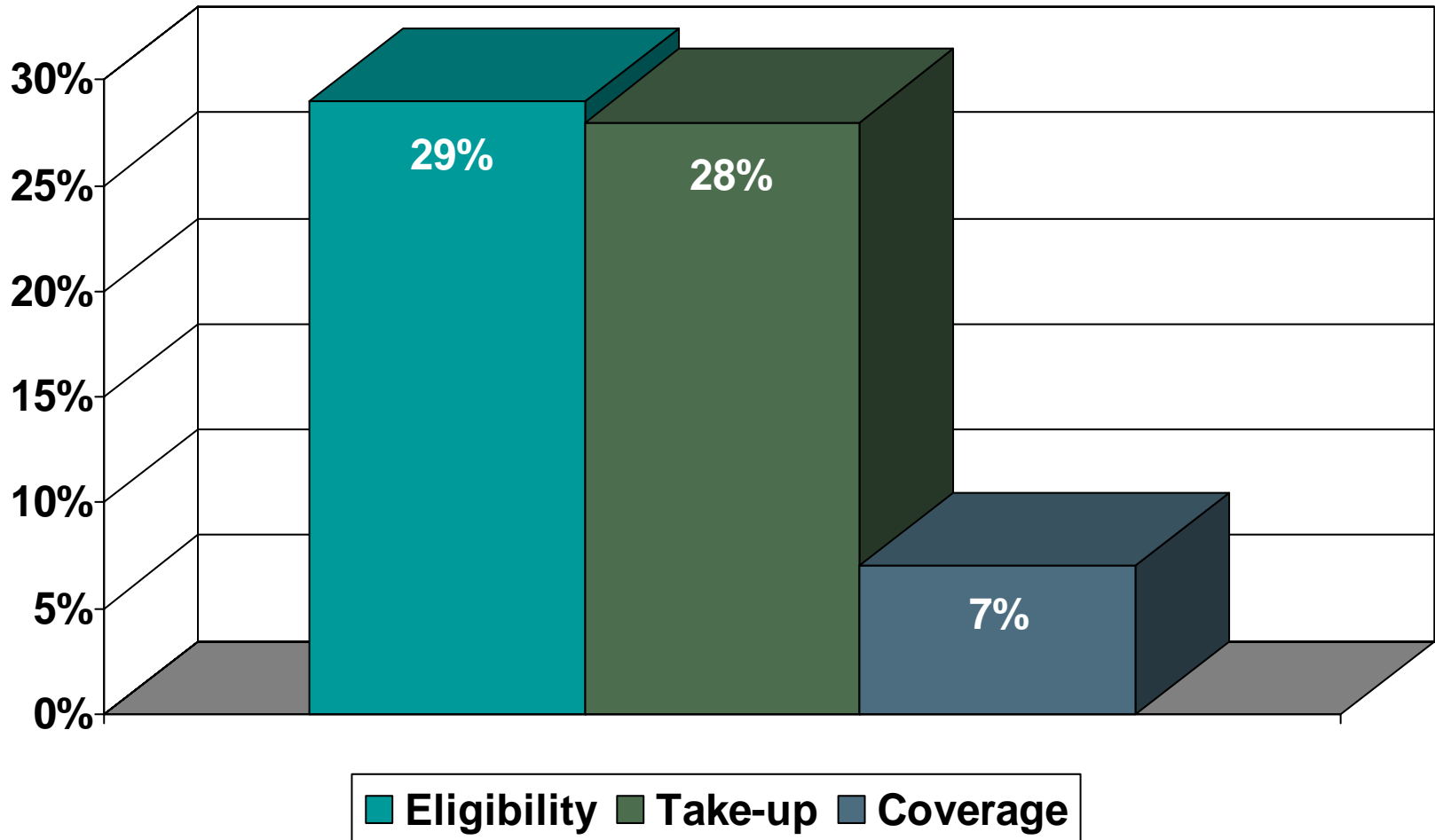


Source: Analysis of UFCW 770, UFCW 101 and UFCW 428 Membership Data  
Notes: Dates are for quarters, e.g. Q105 is the first Quarter of 2005, etc.

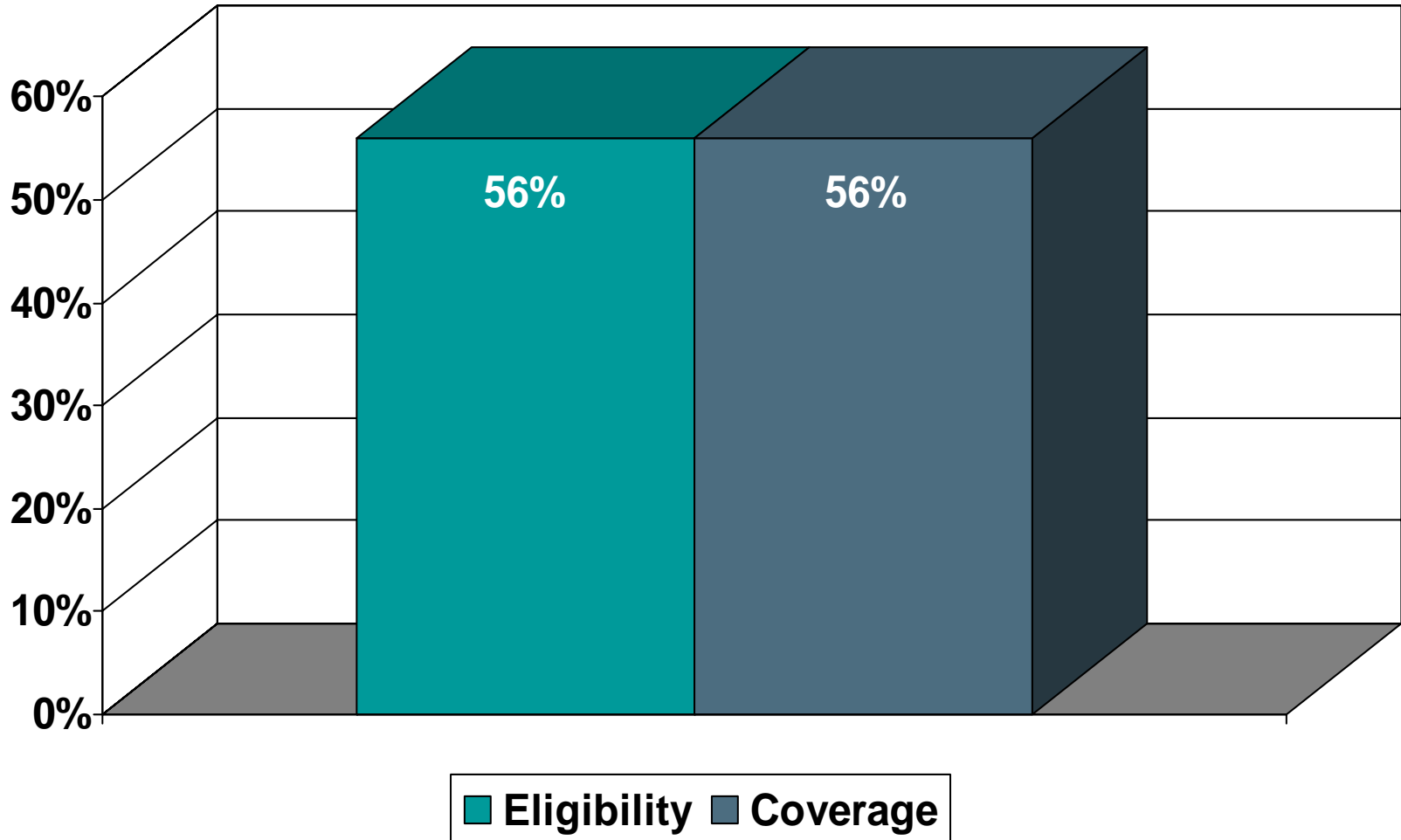
# Changes in California Grocery Worker Health Coverage, September 2003-September 2006



# Southern California Health Coverage for Workers Hired under New Contract

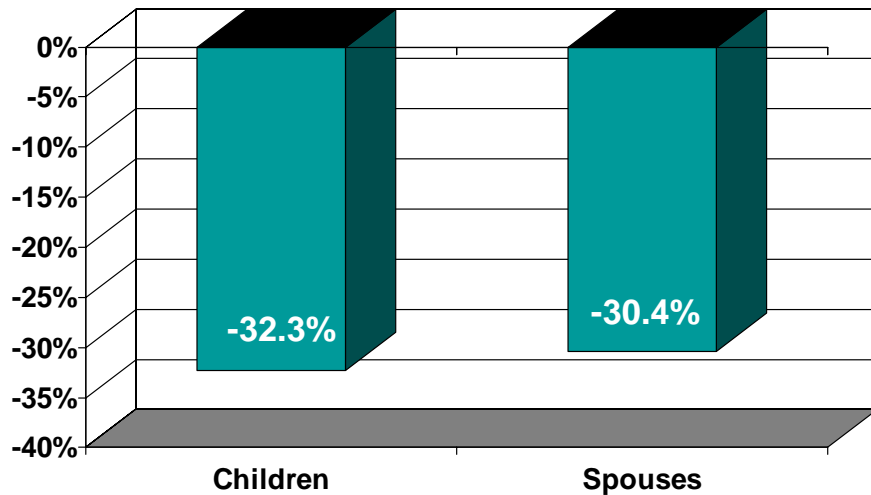


# Northern California Health Coverage for Workers Hired under New Contract

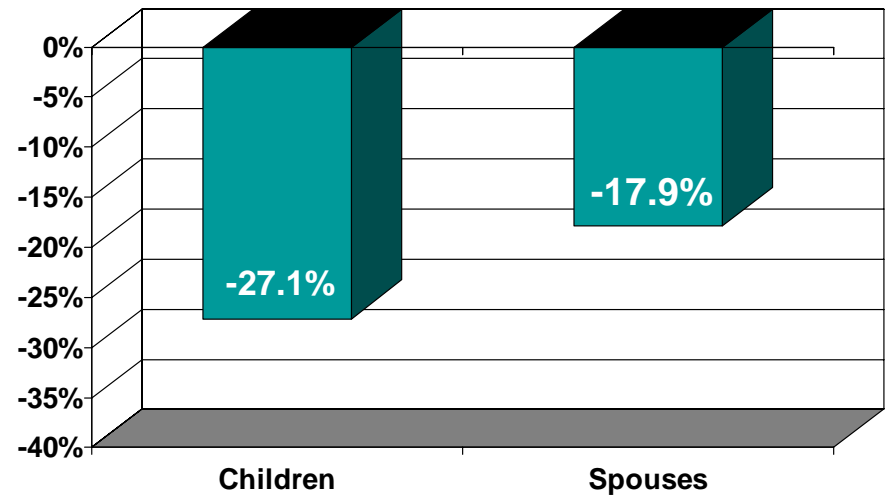


# Changes in Coverage for Children and Spouses for California Grocery Workers, September 2003-September 2006

## Southern California



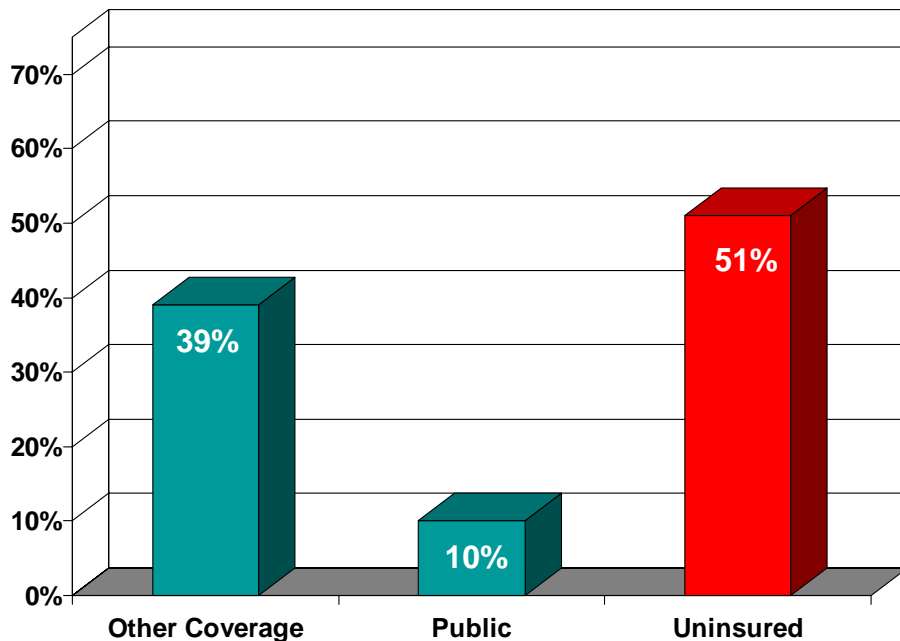
## Northern California



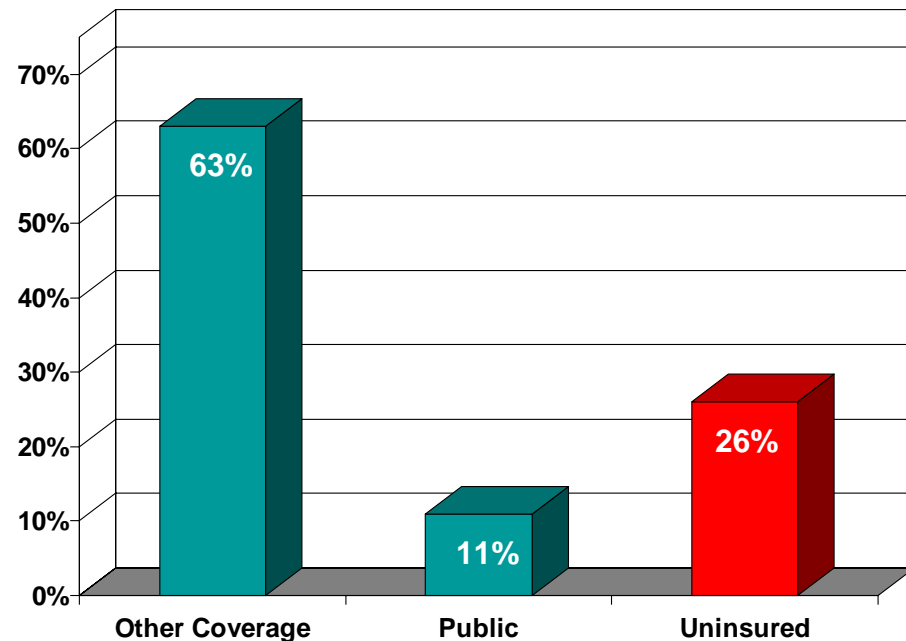


# Coverage Sources for California Grocery Workers Not Covered on the Contract

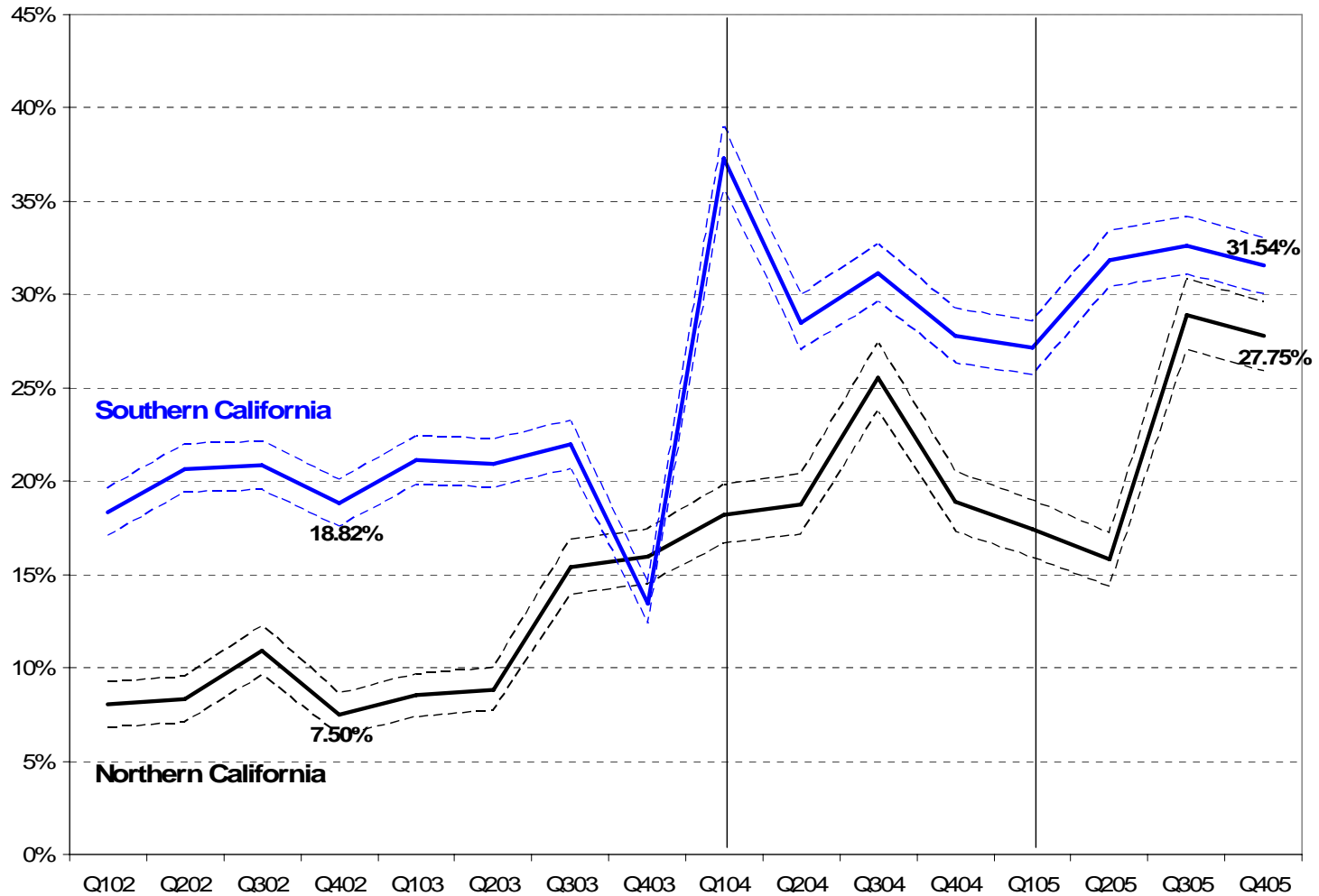
## Southern California



## Northern California



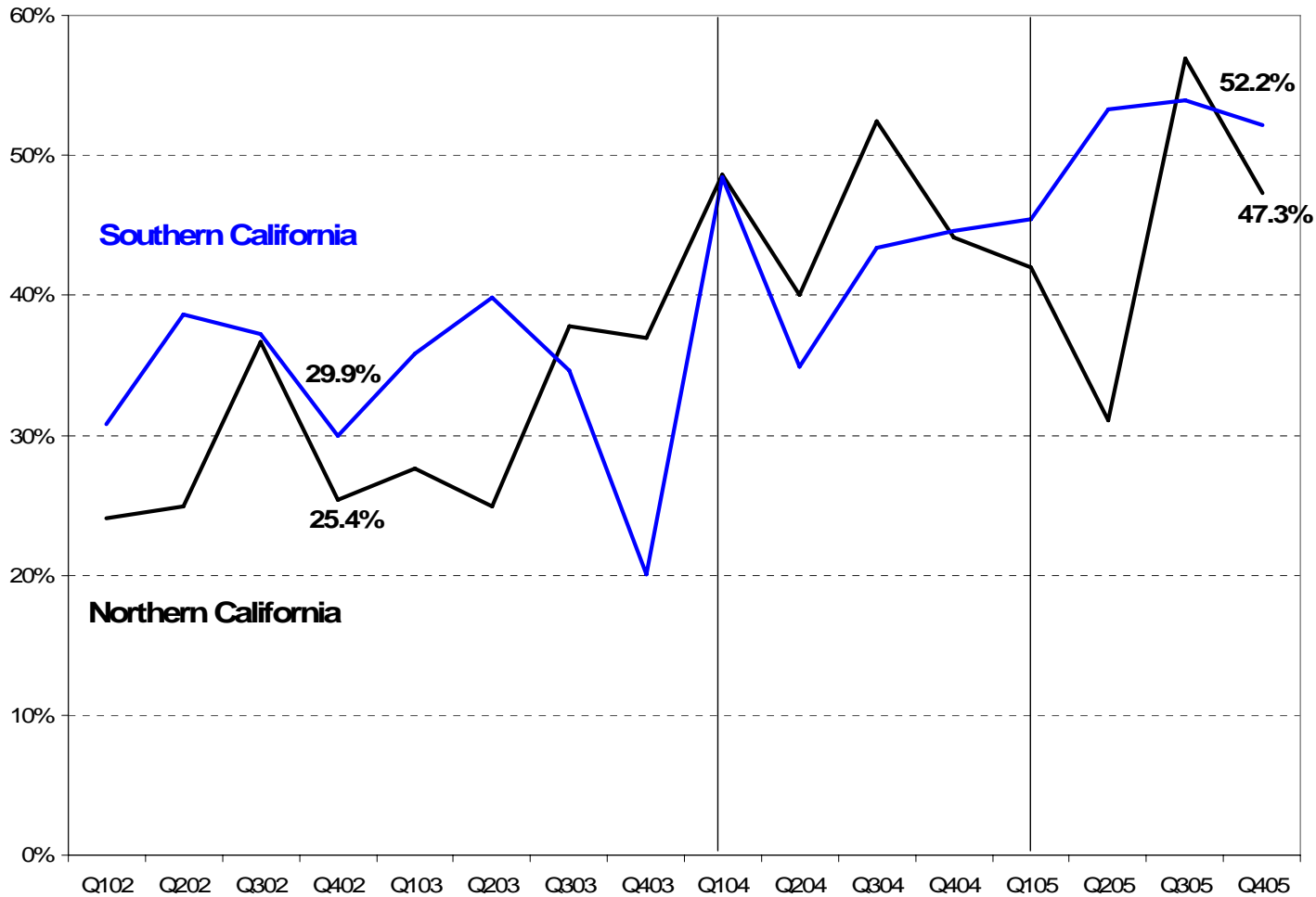
# Annualized Turnover of Grocery Workers 2002-2005



Source: Analysis of UFCW 770, UFCW 101 and UFCW 428 Membership Data

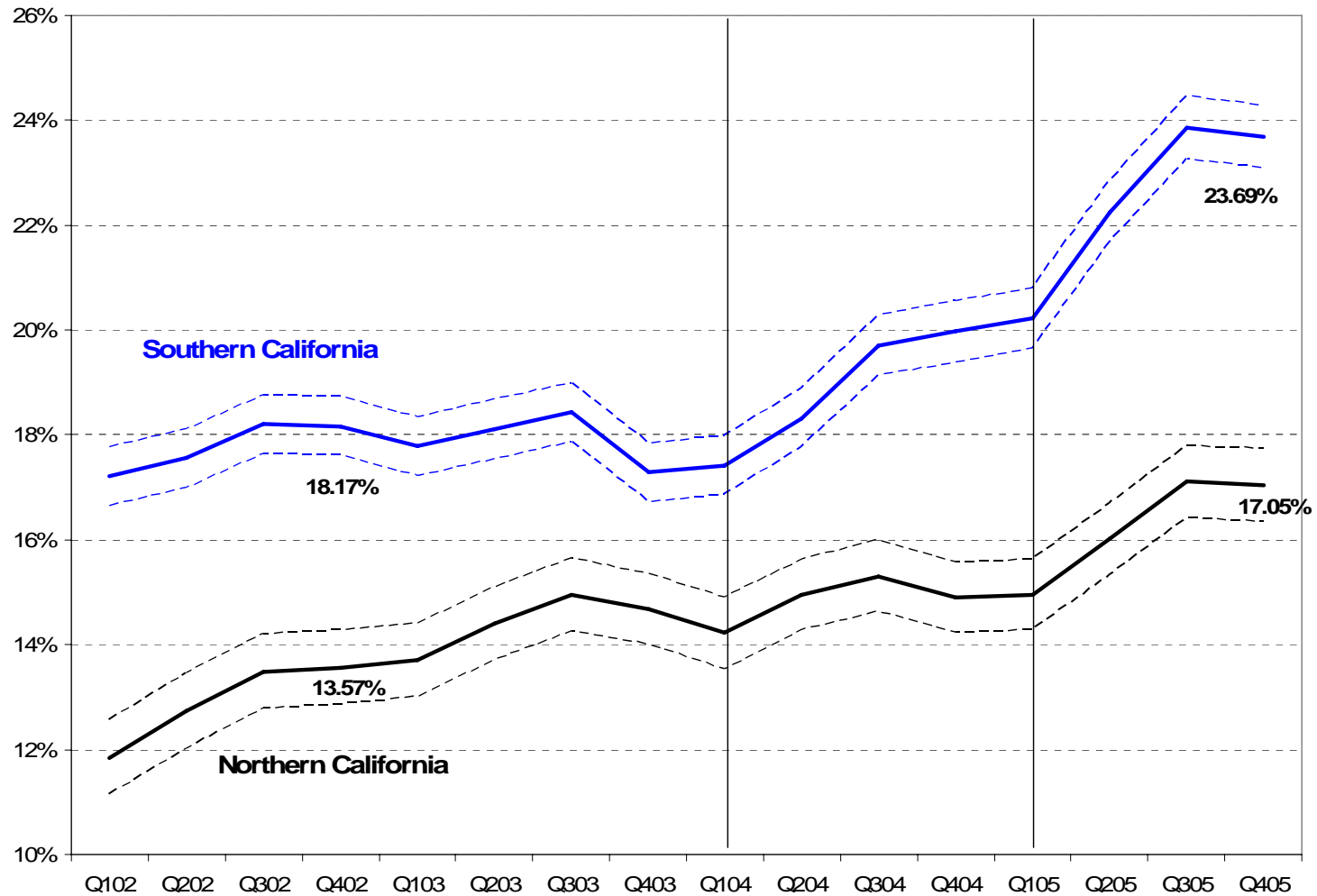
Notes: Dates are for quarters, e.g. Q105 is the first Quarter of 2005, etc.

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



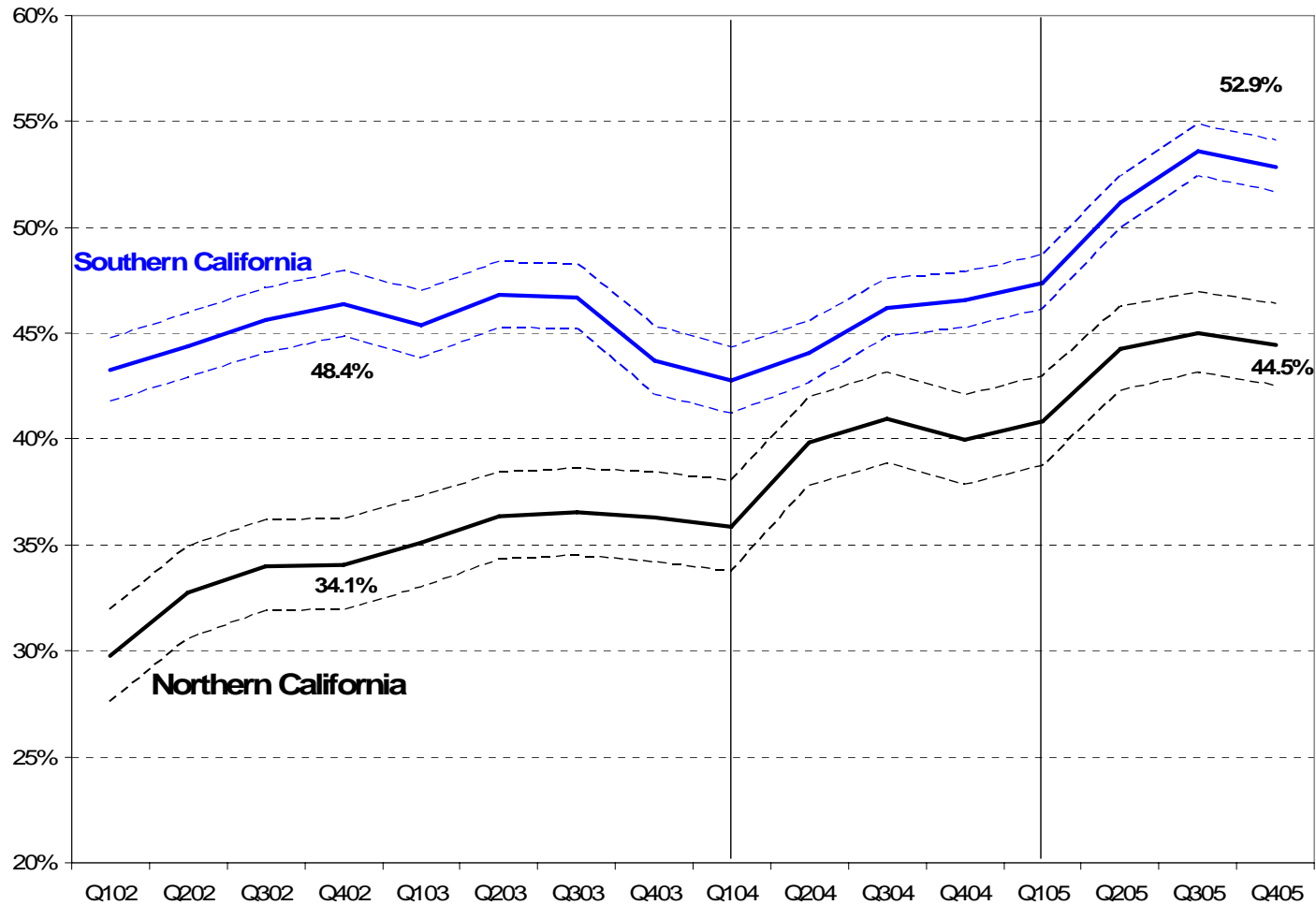
Source: Analysis of UFCW 770, UFCW 101 and UFCW 428 Membership Data  
Notes: Dates are for quarters.

# Teenage Share of Grocery Workers 2002-2005



Source: Analysis of UFCW 770, UFCW 101 and UFCW 428 Membership Data  
Notes: Dates are for quarters.

# Teenage Share of Newly Hired Grocery Workers 2002-2005



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

Dates are for quarters.

Source: Analysis of UFCW 770, UFCW101 and UFCW428 Membership Data

# Effects on Health Care Utilization

## Southern California

	Hired Before April 2004	Hired After April 2004	Difference	Difference with controls
Number of Doctor's Visits last year	3.2	2.1	1.1*	0.4
Number of General Checkups	1.0	0.7	0.3	-0.1
Receiving treatment if has chronic condition	50.6%	35.6%	15.1%	18%
Worker delayed or did not received needed care	20%	40%	-19%*	-20%*
Performed regular cancer checks	29%	3%	25%*	11%*

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

# Effects on Health Care Utilization

## Northern California

	Hired Before April 2004	Hired After April 2004	Difference	Difference with controls
Number of Doctor's Visits last year	3.6	2.6	1.0*	1.1
Number of General Checkups	0.5	0.7	-0.1	-0.1
Receiving treatment if has chronic condition	65%	48%	18%	22%*
Worker delayed or did not received needed care	26%	35%	-9%	-9%
Performed regular cancer checks	9%	10%	1%	0%

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

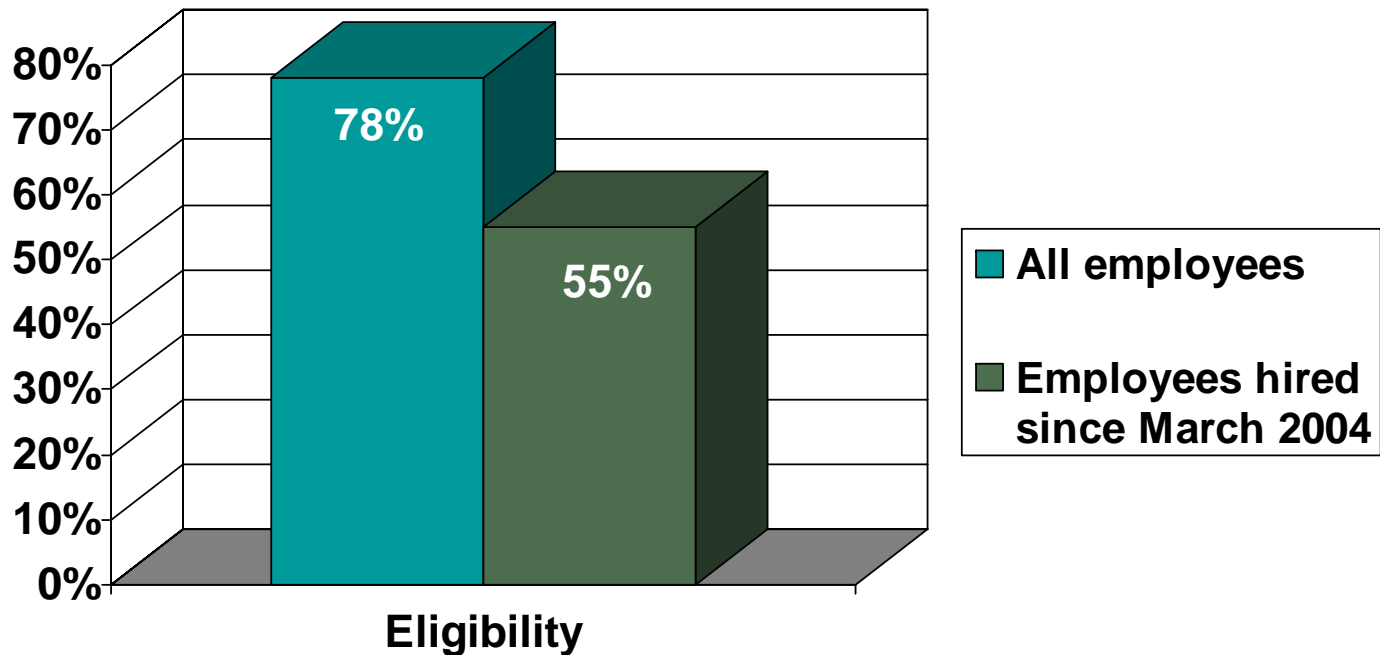
# July 2007 Southern California Grocery Contract: Partial Restoration

	Pre April 2004	2004 Contract New Hires	2007 Contract Hired after 4/04
Workers eligibility	4 months	12 months, 18 for clerk's helpers	6 months, 18 for clerk's helpers
Dependents eligibility	4 months	30 months	6 mo. children 24 mo. adults
Premium	NA	\$7.50/wk. single	\$7.00/wk. single
Co-insurance	90% paid	70% paid	100% preventative, no deductible, 75% other
Deductibles (Individual)	\$200	\$350	\$1,000 ind, \$2,000 family + HRA
Can graduate to Plan A	NA	No	Yes



# July 2007 Southern California Contract: Potential Impact on Health Coverage

- How many people would become eligible in Southern California under new contract?



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# Policy Implications

- Without policy interventions, the labor market is likely to provide ever less employment-based coverage to moderate- and low-income workers.
  - For low- and moderate-wage workers, reduction in job-based coverage is likely to increase both the numbers of those without insurance and the reliance on public safety-net programs.
  - For low- and moderate-wage workers, a requirement for even small worker contributions to the premium can be a serious barrier to deciding to obtain ESI coverage.
  - The decline in employment-based coverage tends to reduce or delay health care utilization, which may have long-term health consequences for the workforce.
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