

## HEALTH AND HEALTH CARE IN SAN JOAQUIN COUNTY

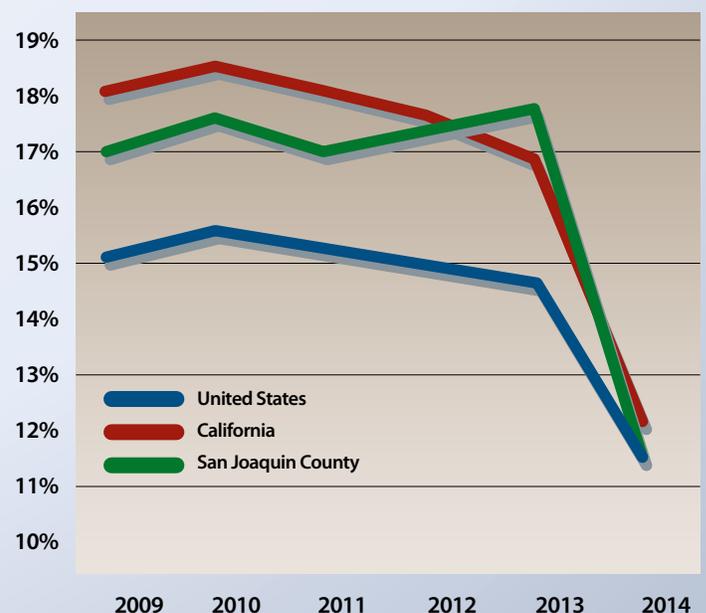
### San Joaquin County Health Care's Rapid Growth Creates Critical Shortages in Key Occupations.

Health care has been changing rapidly in the United States and San Joaquin County in recent years. This Regional Analyst focuses on a few economic aspects of health care in San Joaquin County: health insurance coverage, the supply of health care providers, and employment trends. There are now approximately 30,000 private health care jobs in San Joaquin County, and at least another 4,000 health care jobs in the public sector. While health care employment in the County has grown rapidly, there are still critical shortages in key occupations.

In March 2010, the Patient Protection and Affordable Care Act (ACA) was signed into law, putting in place health insurance reforms that were to be implemented over the course of a number of years. The law is extensive and because components of it have been implemented recently, its consequences, impacts, and anticipated outcomes cannot be properly measured or seen just yet. One of the ACA's goals is to expand health insurance coverage, which has resulted in an increase in the demand for health care in San Joaquin County. As shown in Figure 1, the percentage of San Joaquin County residents without health insurance dropped from 17.7% to 11.5% between 2013 and 2014, the first year of implementation of the ACA. Prior to the ACA, the share of County residents without health insurance was well above the national average.



Figure 1: Percent of Population Uninsured



Source: American Community Survey, 1 Year data

## Health Insurance

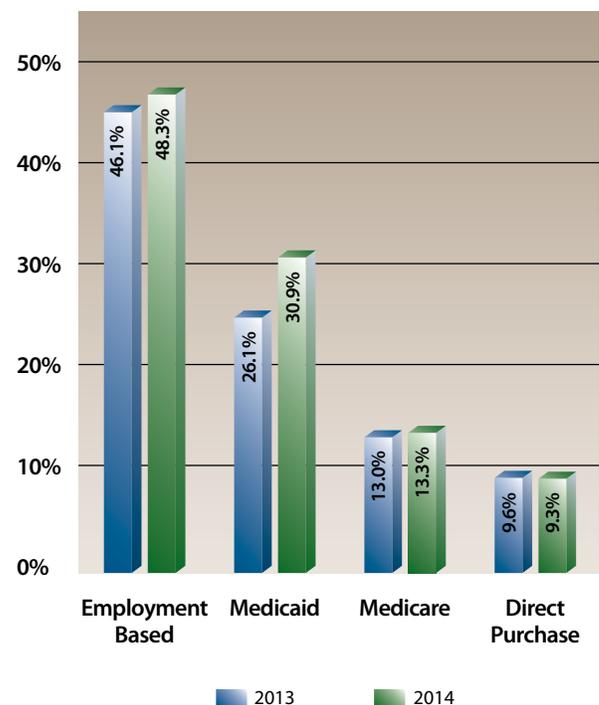
The ACA seeks to expand coverage through multiple approaches. The following is a partial list and discussion on the ACA:

NEW COVERAGE REQUIREMENTS:	MEDICARE EXPANSION INDIVIDUAL & EMPLOYER MANDATES:	TAXES, SUBSIDIES & OTHER COSTS:
<p>The ACA requires insurance plans to cover preventative care, increases coverage for pre-existing conditions, and allows young adults to stay on their parents' plan until age 26, among other enhancements. While these provisions increased the quality of health insurance, it also increased its cost to employers and individuals.</p>	<p>The ACA increases the number of insured people by providing federal funding to help states expand Medicare eligibility. It also requires most large employers to provide health insurance and imposes tax penalties on individuals who do not obtain health insurance.</p>	<p>The ACA provides subsidies to states for Medicare expansion and tax credits for low and middle-income households to purchase private insurance. These subsidies are funded with a variety of taxes including a Medicare tax on investment income of high-income households and limits on tax-free health savings accounts.</p>

Employee health plans with private health insurance companies are the primary way most people with health insurance get coverage. Some households purchase insurance directly from private companies, and the ACA created exchanges to facilitate the market for private insurance. Government insurance programs such as Medicare and Medicaid, known as Medi-Cal in California, are also important sources of coverage. However, a number of people do not have health insurance for a number of reasons, ranging from affordability, not being eligible for public programs, and unemployment. Most of the increase in health insurance in 2014 was driven by Medi-Cal expansion, and Figure 3 shows that Medi-Cal enrollment in San Joaquin County has continued to climb in 2015. Private insurance is also likely to increase further in 2015 and 2016 as tax penalties for employers and individuals failing to obtain health insurance increase. Thus, the number of uninsured in San Joaquin County should show another significant decrease once complete data for 2015 is available.

**Figure 2: Insurance Coverage Details and Type**

Figure 2 shows that the expansion of Medi-Cal was responsible for most of the increase in San Joaquin County health insurance in 2014, although employer based insurance also increased.



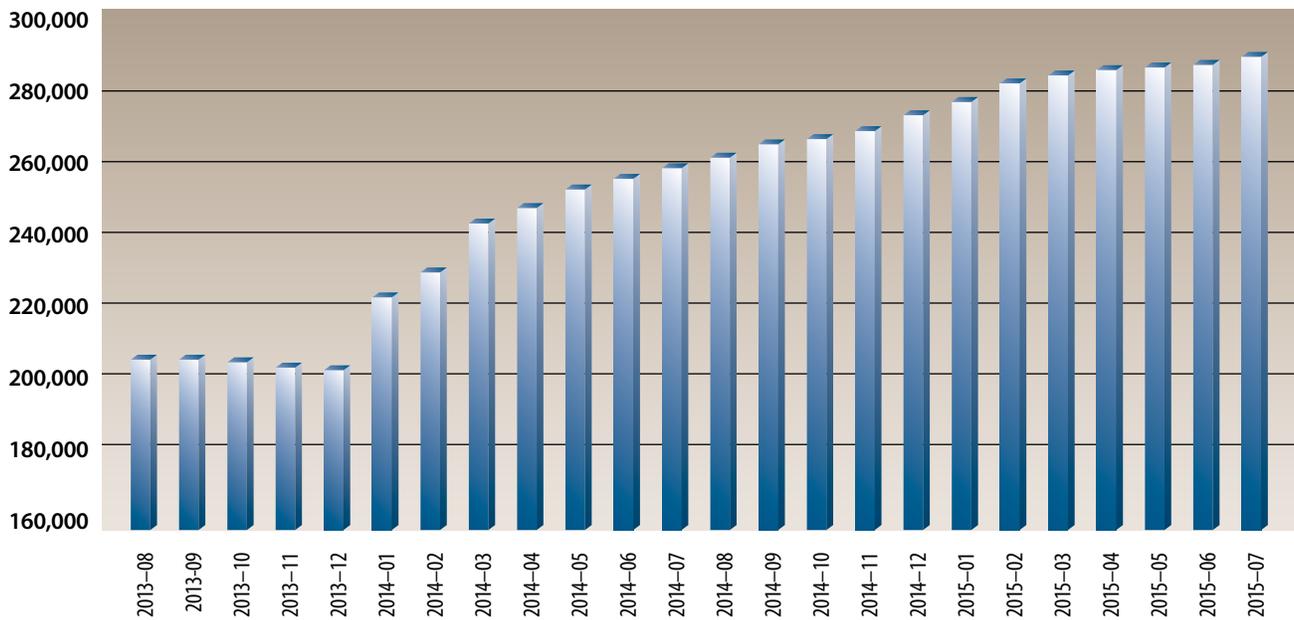
Source: American Community Survey, 1 Year data

## Even with health insurance, patients may have a variety of barriers to health

San Joaquin County Public Health is currently completing a Community Health Needs Assessment. Its completion in late spring / early summer will help address these other barriers to health.

**Figure 3: Medi-Cal Enrollment in San Joaquin County**

Figure 3 shows that Medi-Cal enrollment in San Joaquin County has continued to grow in 2015, although the rate of increase has slowed in recent months.



Source: California Department of Health Care Services

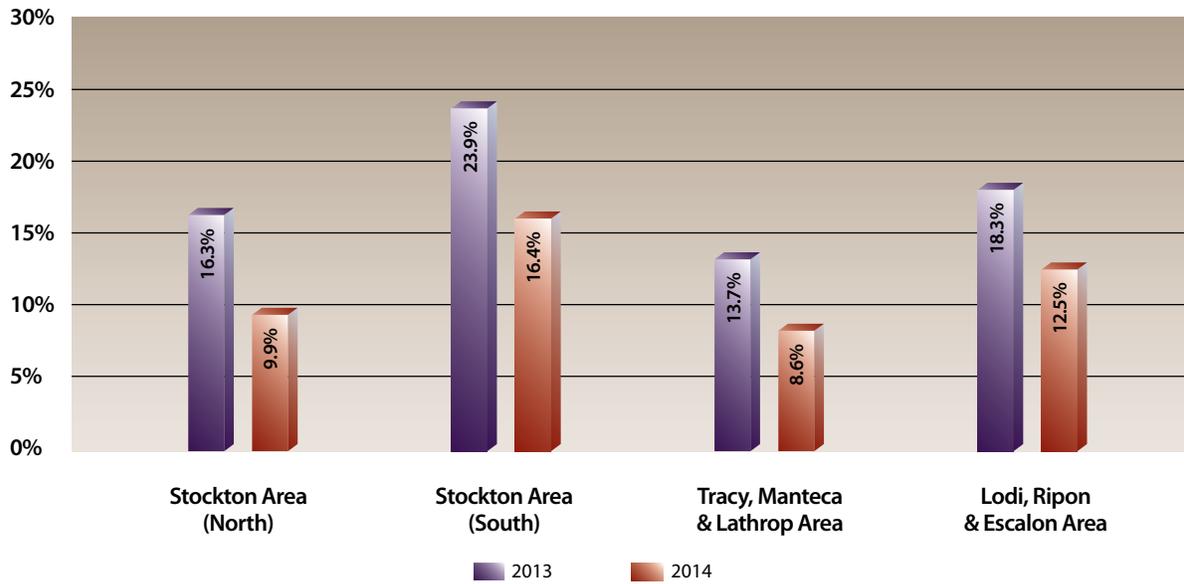
Health insurance coverage rates in San Joaquin County vary by geography, age, and sex. The Census Bureau divides San Joaquin County into 4 main sub-regions, displayed in Figure 4 on the next page. The ACA substantially reduced the number of uninsured people in all four regions. South Stockton has the highest rate of uninsured residents, and experienced the largest absolute decline in 2014 (a decrease of 7.5 percentage points). However, even with the implementation of the ACA, the South Stockton area still has the highest share of the population without health insurance, and the Tracy/Manteca area has the lowest share.

When looking at insurance rates by age group, rates for those uninsured are much higher for adults between the ages of 18 and 64 because far fewer people in this age group qualify for public insurance programs such as

Medi-care and Medi-Cal. However, the ACA has had its biggest impact on these age groups. Figure 5 on the next page shows the percentage of those uninsured by age group. For instance, the share of uninsured 18 to 44 year olds in San Joaquin County dropped from about 30% to 20% between 2013 and 2014.

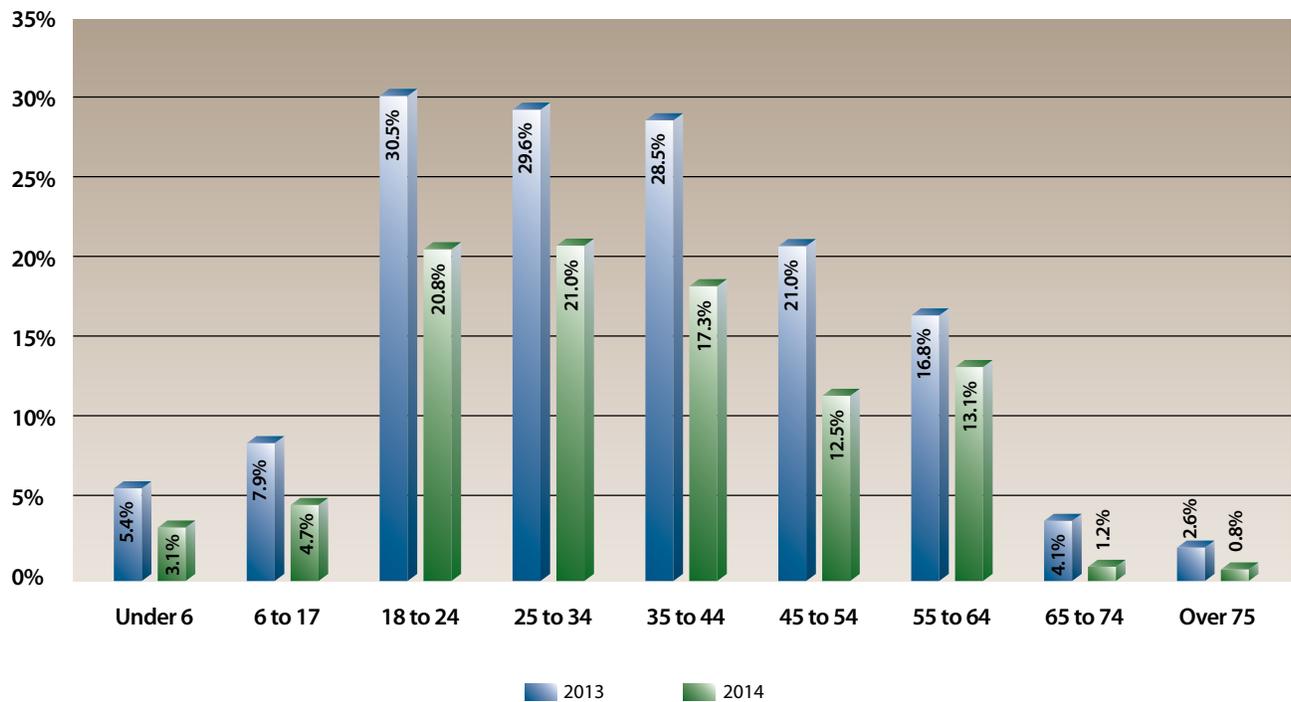
While there was a large decrease among young adult males, they are still more likely to lack health insurance than adult females. The rate for uninsured females between 18 and 64 dropped from 24% to 16% between 2013 and 2014. In addition, children (under 18) and seniors (over 65) also experienced increases in health coverage. Only 1% of San Joaquin County seniors lacked health insurance in 2014, down from over 3% in 2013. Children from 6 to 17 lacking insurance declined from 8% to 5% over the same period.

**Figure 4: Percent Uninsured by Area in San Joaquin County**



Source: American Community Survey, 1 Year data

**Figure 5: Uninsured Rate by Age Group**



Source: American Community Survey, 1 Year data

## Health Care Professional Shortages

While the ACA provides access to health insurance for more people in San Joaquin County, access to health care services in the region will still be challenging. Most of the growth in health insurance is through Medi-Cal, and not all private health care providers accept Medi-Cal due to its low reimbursement rates. Furthermore, San Joaquin County continues to deal with a shortage of physicians and other health care professionals that limits access to health care for local residents.

Table 1 below shows the number of primary care physicians per 100,000 from the 2011 Community Health Status Indicators dataset for San Joaquin County. A few regional counties were added to the graph for comparison. The Office of Statewide Health Planning and Development (OSHPD) has designated French Camp, South Stockton, and the Southeast Stockton areas as Primary Care Shortage Areas. The OSHPD has also designated San Joaquin County as a Registered Nurse Shortage Area (RNSA).

**Table 1: Primary Care Physicians per 100,000 Residents (2011)**

<b>San Francisco County</b>	<b>221.9</b>
<b>Sacramento County</b>	<b>98.5</b>
<b>Fresno County</b>	<b>75.3</b>
<b>Stanislaus County</b>	<b>73.7</b>
<b>San Joaquin County</b>	<b>72.8</b>

*Source: Centers for Disease Control and Prevention, Community Health Status Indicators*

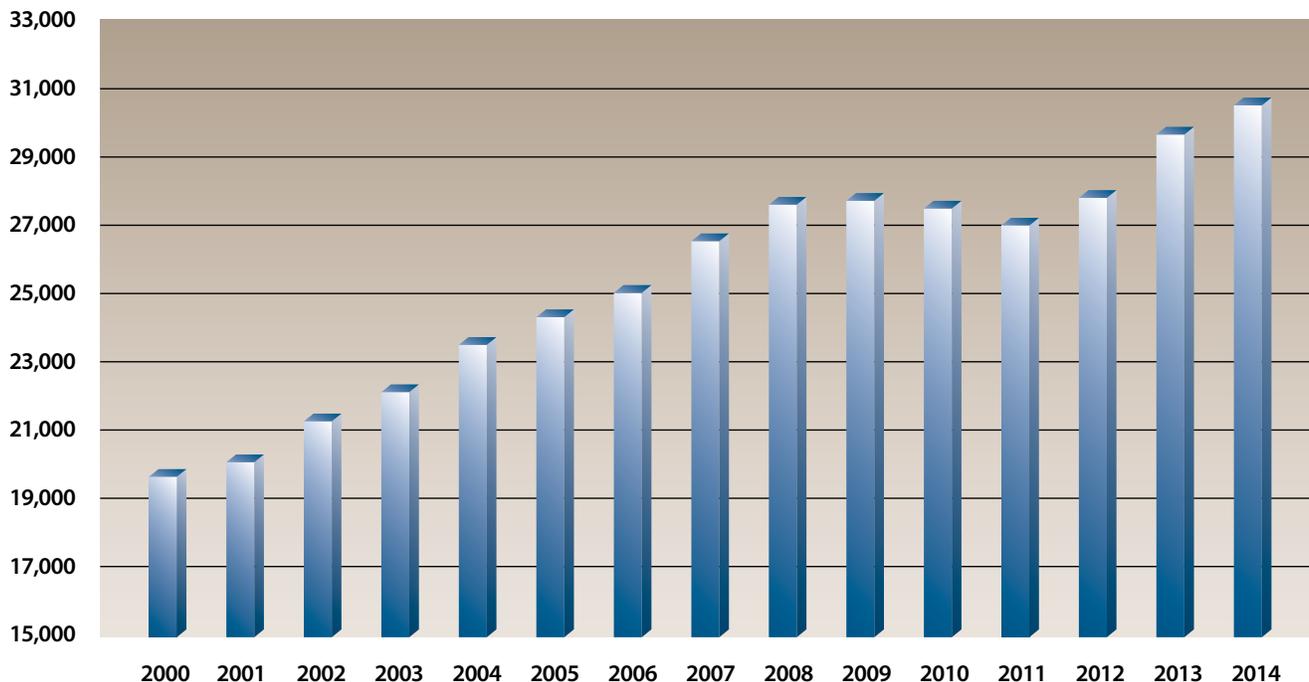


## Health Care Employment and Occupational Trends

The Health Care and Social Assistance sector consists of 4 industry sub-sectors: Ambulatory Care Facilities such as offices of doctors, dentists and outpatient clinics; Hospitals; Nursing and Residential Care Facilities; and Social Assistance. Overall, Healthcare and Social Assistance sector employment grew rapidly in San Joaquin County between 2000 and 2007 as strong population growth fueled local demand for healthcare services. Employment rates held relatively steady through the recession years of 2007 to 2012. Since 2013, Healthcare and Social Assistance jobs have been growing rapidly again in both the private and public sector.

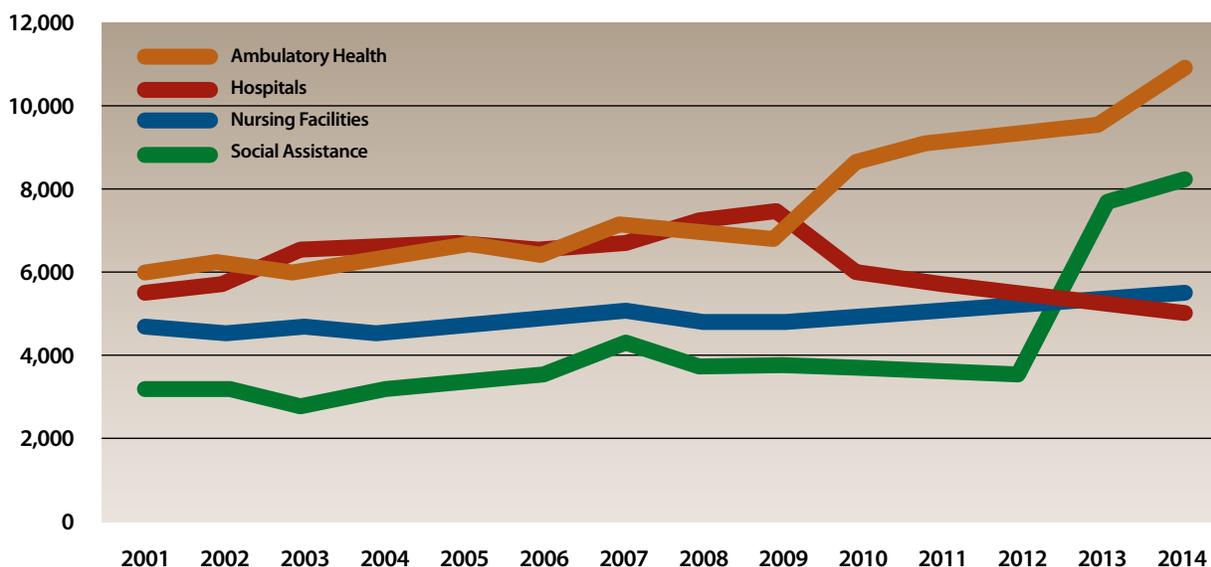
Figure 6 on the next page shows that private Healthcare and Social Assistance jobs grew to 30,700 in 2014, accounting for 18% of all private sector jobs in the San Joaquin County economy. In addition to these private sector jobs, there are a significant number of healthcare jobs in the public sector that are difficult to distinguish from other public jobs in local employment data. The California Department of Corrections reports 2,500 professional health staff work at the recently opened California Health Care Facility in south Stockton, and the San Joaquin County budget lists nearly 1,500 employees at San Joaquin General Hospital. Thus, total health related employment in the County is at least 35,000.

**Figure 6: Private Healthcare and Social Assistance Jobs (2000–2014)**



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

**Figure 7: Private Healthcare and Social Assistance Jobs in San Joaquin County by Industry Subsector**



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 7 on the bottom left page looks at private health care and social assistance jobs by industry subsector. Some notable changes occurred related to the structure of health care jobs in recent years that impact interpretation of these data trends. In 2010, several facilities with about 1,000 employees were reclassified from hospitals to outpatient care centers, which are classified in the ambulatory health subsector. Also, in 2013, about 4,000 personal care and home health aides were reclassified from household employment to the Health and Social Assistance sector. Data from the Quarterly Census of Employment and Wages (QCEW) shows a gradual shift in jobs from hospitals to ambulatory health care. Examples of ambulatory health care include outpatient care centers, offices of physicians and dentists, and home health care services. Between 2010 and 2014, jobs in private hospitals in San Joaquin County decreased by 800, whereas ambulatory health employment increased by over 2,200. Home health care services have accounted for over half the gain in ambulatory care employment,

and offices of physicians and dentists have also grown steadily, adding several hundred jobs over these four years while employment in outpatient care centers and diagnostic labs has been relatively flat. Social assistance employment increased in 2013 when personal care and home health aides were reclassified as discussed above, and these jobs have continued to increase since 2013. Nursing and residential care facilities have also experienced steady employment growth.

Table 2 below lists the occupations in health care taken from the February 2015 Employment Development Department list of Fastest Growing Occupations in San Joaquin County between 2012 and 2022. In regards to employment growth, personal care aides are projected to grow 71% between 2012 and 2022, followed by home health aides with a projected growth rate of 54.5%. Personal care and home health aides require little in the way of education and are low paying positions with median annual wages of \$19,760 and \$21,916, respectively.

**Table 2: Fastest Growing Occupations In Health Care In San Joaquin County**

Occupational Title	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012–2022	Median Annual Wage	Entry Level Education
Personal Care Aides	4,490	7,680	71.0%	\$19,760	Less than high school
Home Health Aides	1,120	1,730	54.5%	\$21,916	Less than high school
Health Specialties Teachers, Postsecondary	340	500	47.1%	\$82,010	Doctoral or Professional degree
Community Health Workers	280	400	42.9%	\$44,263	High school diploma or equivalent
Phlebotomists	260	360	38.5%	\$46,342	Postsecondary non-degree award
Licensed Practical and Licensed Vocational Nurses	1,060	1,460	37.7%	\$52,515	Postsecondary non-degree award
Medical Records and Health Information Technicians	290	390	34.5%	\$38,577	Postsecondary non-degree award
Registered Nurses	3,650	4,870	33.4%	\$94,120	Associate's degree
Respiratory Therapists	280	370	32.1%	\$69,444	Associate's degree
Radiologic Technologists	220	290	31.8%	\$74,402	Associate's degree
Nursing Assistants	1,930	2,540	31.6%	\$25,675	Postsecondary non-degree award
Medical and Health Services Managers	360	470	30.6%	\$109,016	Bachelor's degree

Source: State of California Employment Development Department



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Nursing jobs are also projected to increase substantially, and as discussed earlier, San Joaquin County already has a critical shortage of nurses. Median annual salaries for registered nurses are close to \$100,000, and growing demand combined with current shortages will put additional upward pressure on salaries. The highest-skilled positions, such as physicians, dentists, and pharmacists, are projected to grow less rapidly and thus are not included in the list of fastest growing health-related occupations.

## Conclusion

Healthcare is an increasingly important and rapidly changing sector of the San Joaquin County economy. The healthcare sector includes some of the highest and lowest paying occupations in San Joaquin County, and many of the fastest growing occupations. The effects of the Affordable Care Act are evident in increasing health

insurance coverage and demand for health care services. Our review of current trends in San Joaquin County healthcare results in the following key conclusions:

- There was a large decrease in the number of uninsured people in 2014. The uninsured rate could drop below 10% in 2015 and 2016.
- Despite increasing insurance coverage, there are still challenges of access in San Joaquin County due to low concentrations of physicians and high-skilled health providers and heavy dependence on Medi-Cal.
- The largest healthcare employment growth is outside of hospitals in ambulatory care, home health and skilled nursing facilities. The fastest growing occupations include lower-paying personal care and home health aides, and higher-paying occupations such as nursing.

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### FOR QUESTIONS OR COMMENTS

The San Joaquin Council of Governments serves as the federally-designated Metropolitan Planning Organization for San Joaquin County. Under that umbrella, SJCOC also serves as the Census Data Center for the county and partners with the University of the Pacific's Center for Business and Policy

Research to provide data and analysis of a variety of socio-economic issues relevant to the San Joaquin region.

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