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# Hearing from Consumers – About Effects of the Recession

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# Our Approach

- Combine quantitative data
  - With
- Information from
  - Consumers
  - Counties



# In this talk I will

- Contrast what we learn from qualitative and quantitative data
- Show how these can work together
- Show the importance of hearing from consumers



# Why take this approach?

- Allows us to combine information from both sources and create a more complete picture



# Quantitative data

- Shows overall patterns
- Sometimes significance of differences (in a statistical sense)
- Necessary in many cases to convince policymakers, public, etc.



# Qualitative Data

- Especially from those affected
  - For our work – consumers and counties
- Allows is to ***understand*** the quantitative findings
- Permits stories of effects on real people
- It's the “real deal”



# Our studies --

- Looked at the effects of the recession on Californians
  - Using
- Quantitative data
  - From Medicaid Eligibility Data Set (MEDS)
  - 2006 – 2009
  - (shows effect on enrollment in Medi-Cal for children)
- Qualitative data
  - From focus groups and surveys
  - With consumers and county officials



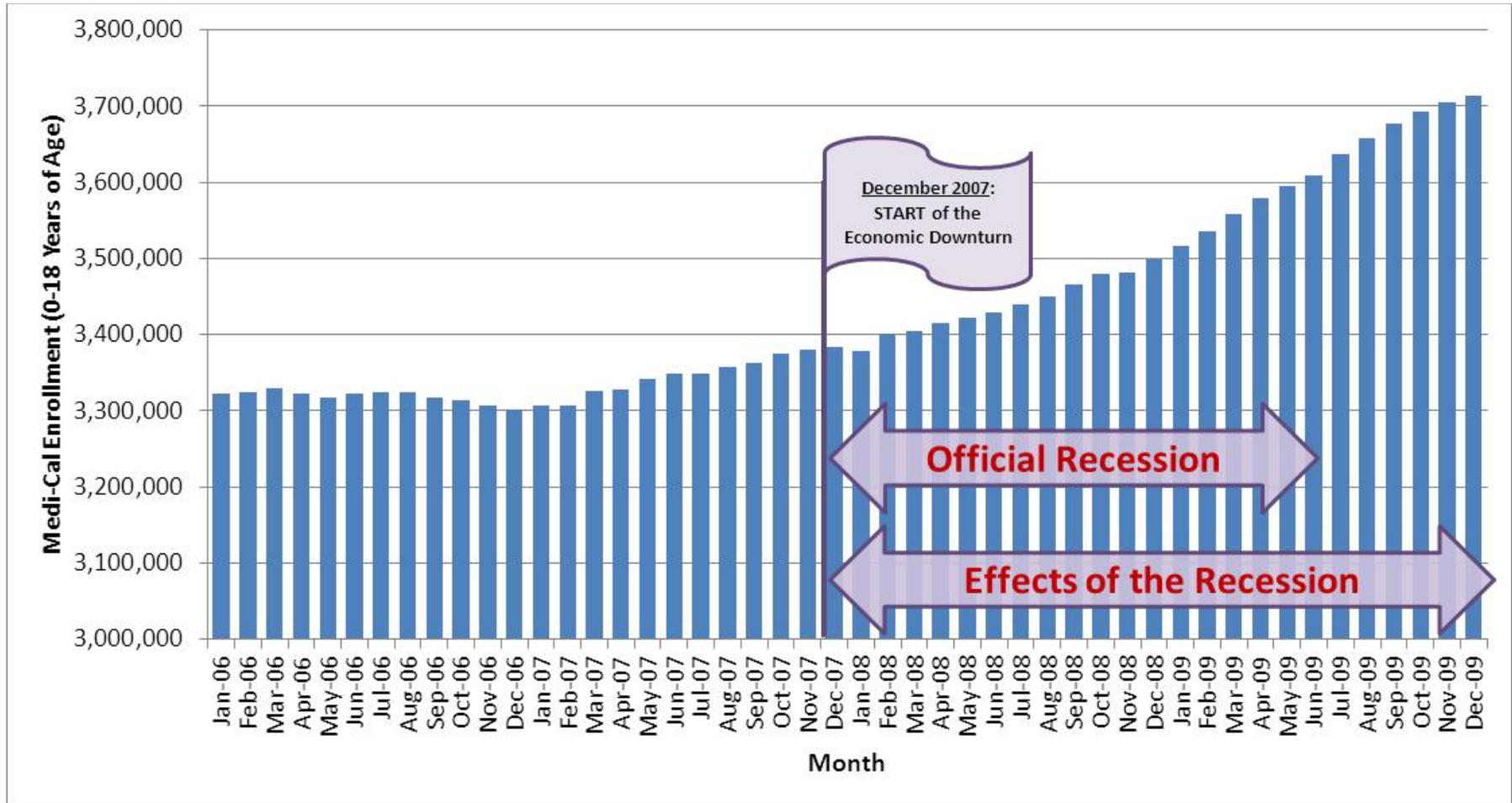
# Here is what the quantitative data showed

about the effects of the recession

on Medi-Cal enrollment for children



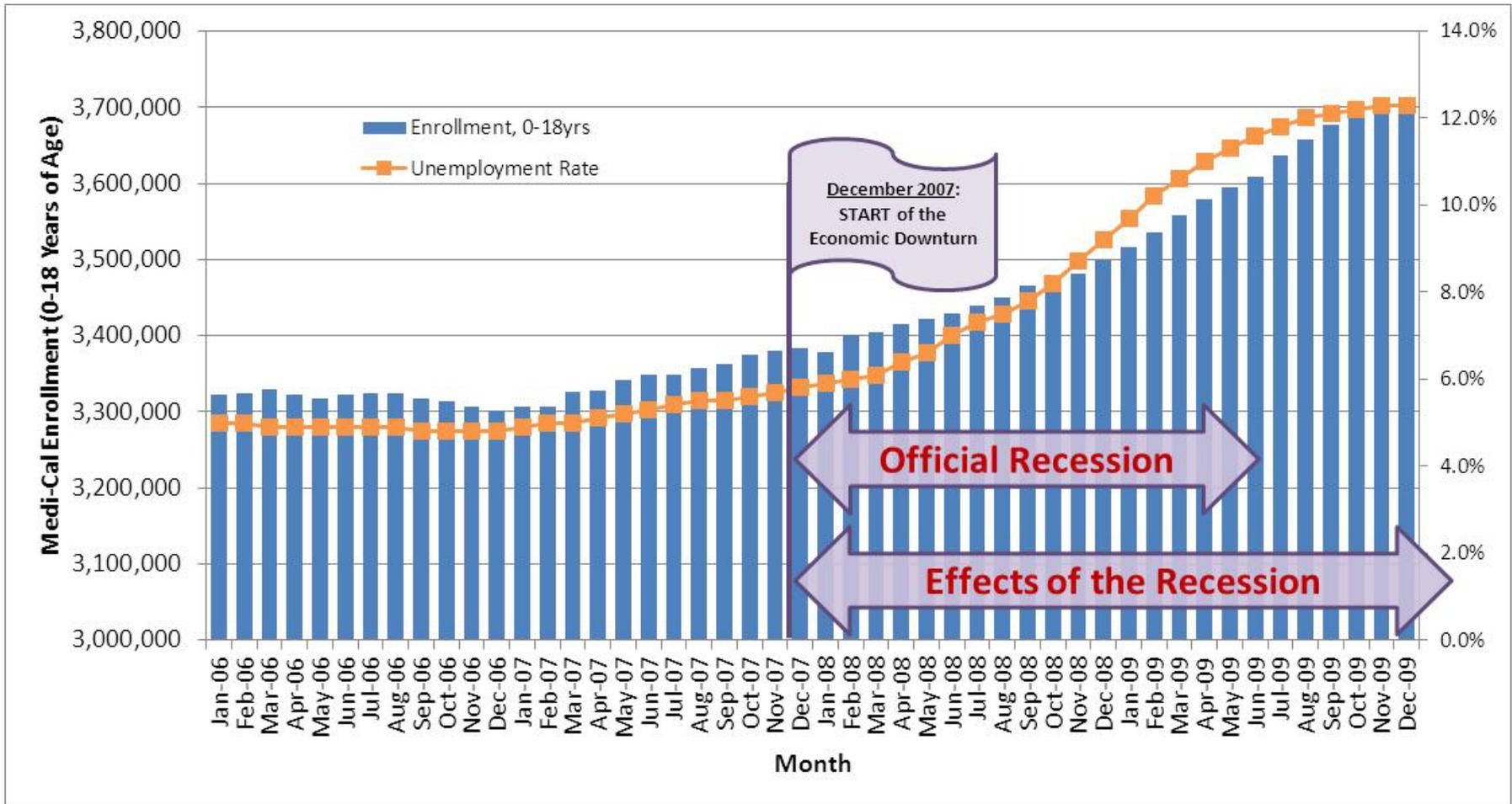
# Medi-Cal enrollment for children skyrocketed during the recession



Data Source: 2006-2009 Medi-Cal Eligibility Files (MEDS)



# Medi-Cal Enrollment follows Unemployment, with a Lag



Data Sources: 2006-2009 Medi-Cal Eligibility Files (MEDS); American Community Survey  
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# Quantitative data showed that

- Enrollment in Medicaid skyrocketed in the recession
  - And
- Increased after the official end of the recession
- Medicaid enrollment followed, but “lagged” unemployment



# Quantitative data also Helped Explain Medi-Cal Enrollment Increase

- High numbers in Medi-Cal can be either due to
  - More people coming on
    - Or
  - Fewer people dropping out
  - Or both

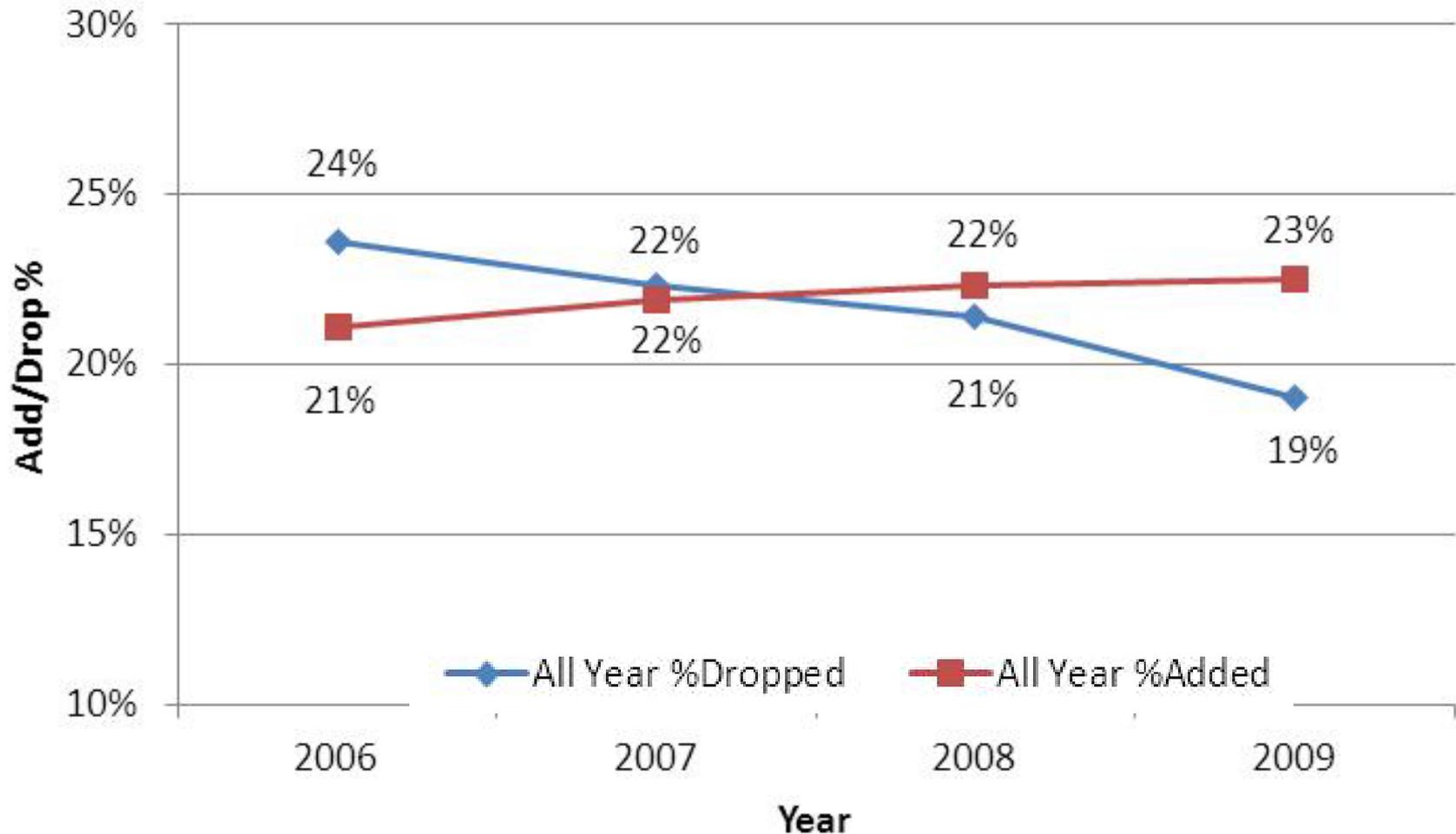


# To Examine this Further, We plotted....

- Proportion of children dropping out
  - And
- Proportion of children coming on Medi-Cal
  - For each year between 2006 and 2009



# A dramatic increase in retention is the driving force behind increased Medi-Cal enrollment.



- Can also see the dramatic reduction in drop out rates in counties
- Using maps showing drop out by county

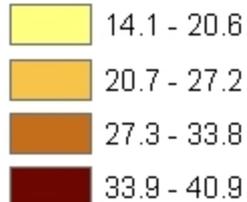


## Drop Rates in 2006:

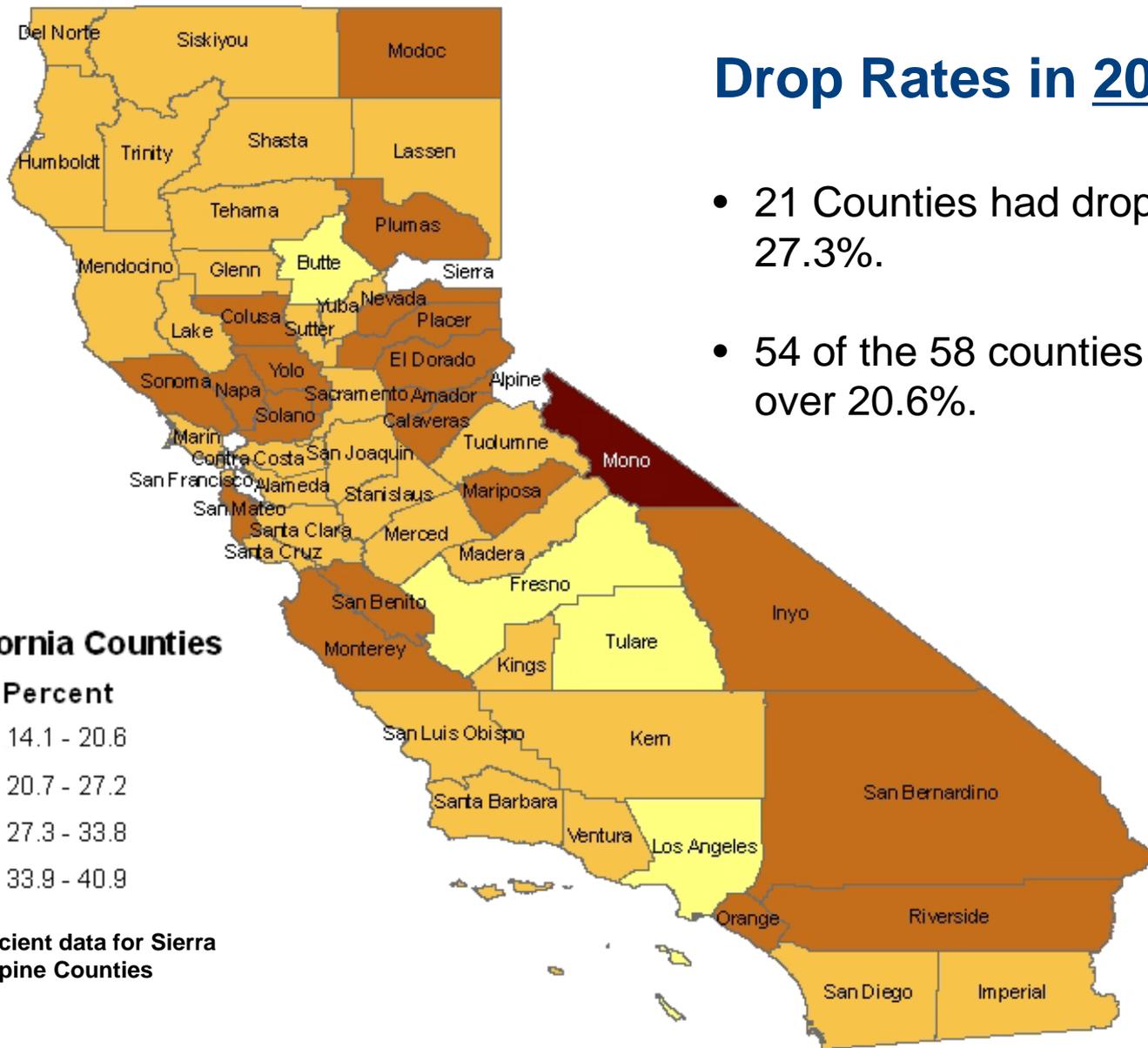
- 21 Counties had drop rates in excess of 27.3%.
- 54 of the 58 counties had drop rates over 20.6%.

### California Counties

#### Drop Percent

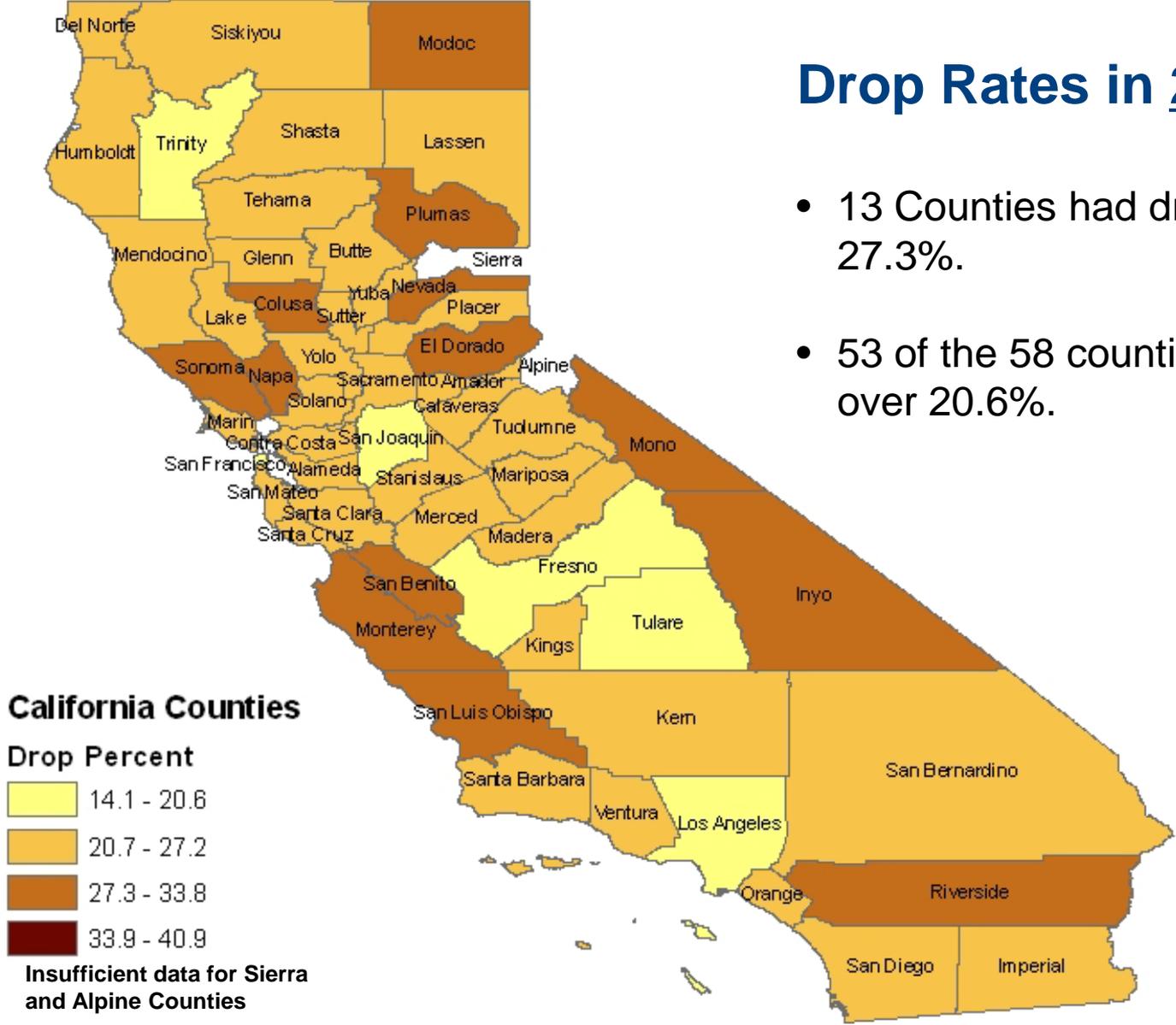


Insufficient data for Sierra and Alpine Counties



# Drop Rates in 2007:

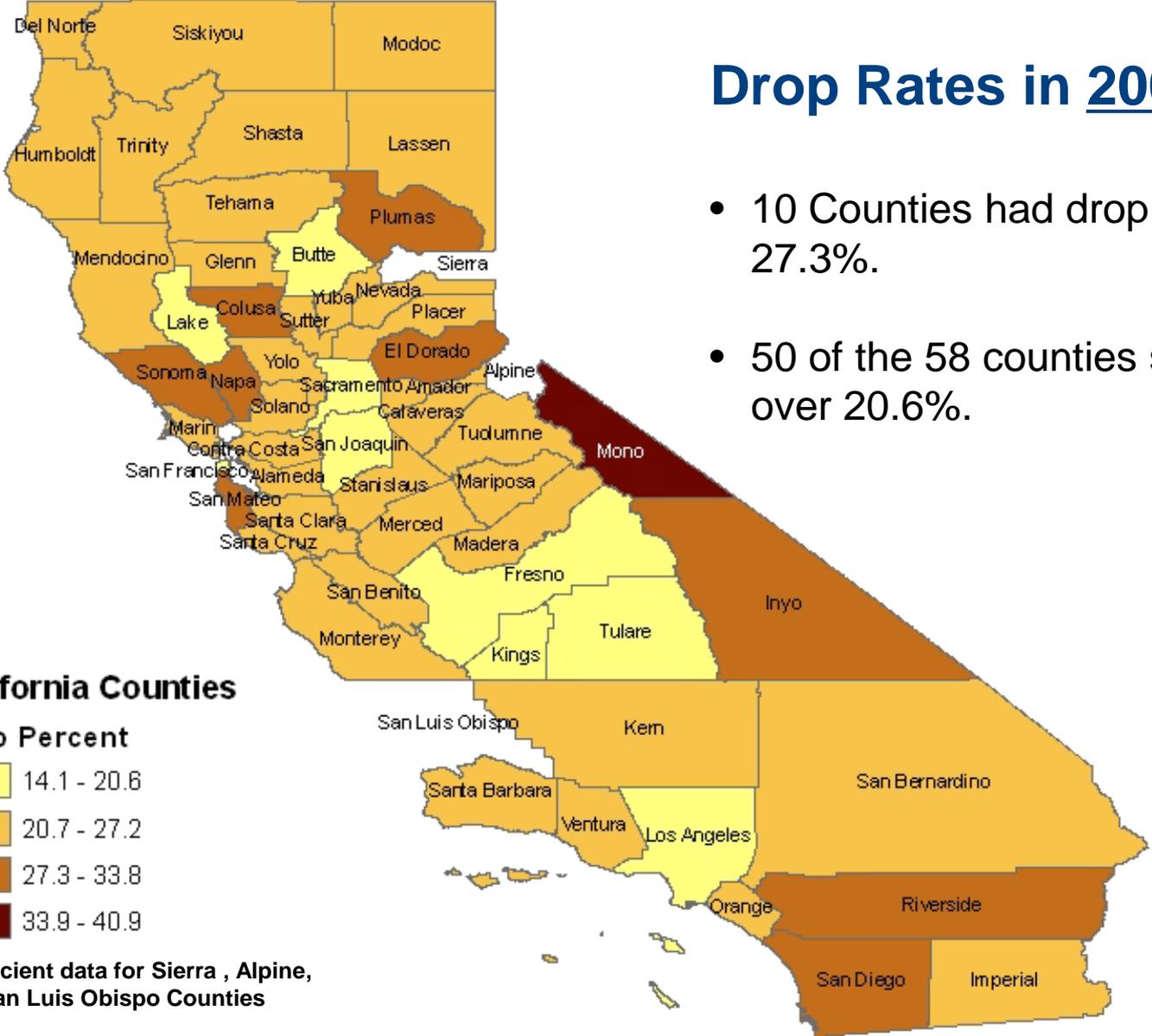
- 13 Counties had drop rates in excess of 27.3%.
- 53 of the 58 counties had drop rates over 20.6%.



**California Counties**  
**Drop Percent**  
 14.1 - 20.6  
 20.7 - 27.2  
 27.3 - 33.8  
 33.9 - 40.9  
 Insufficient data for Sierra and Alpine Counties

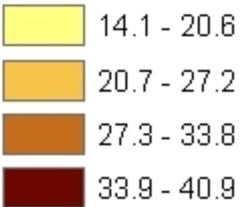
# Drop Rates in 2008:

- 10 Counties had drop rates in excess of 27.3%.
- 50 of the 58 counties still had drop rates over 20.6%.



### California Counties

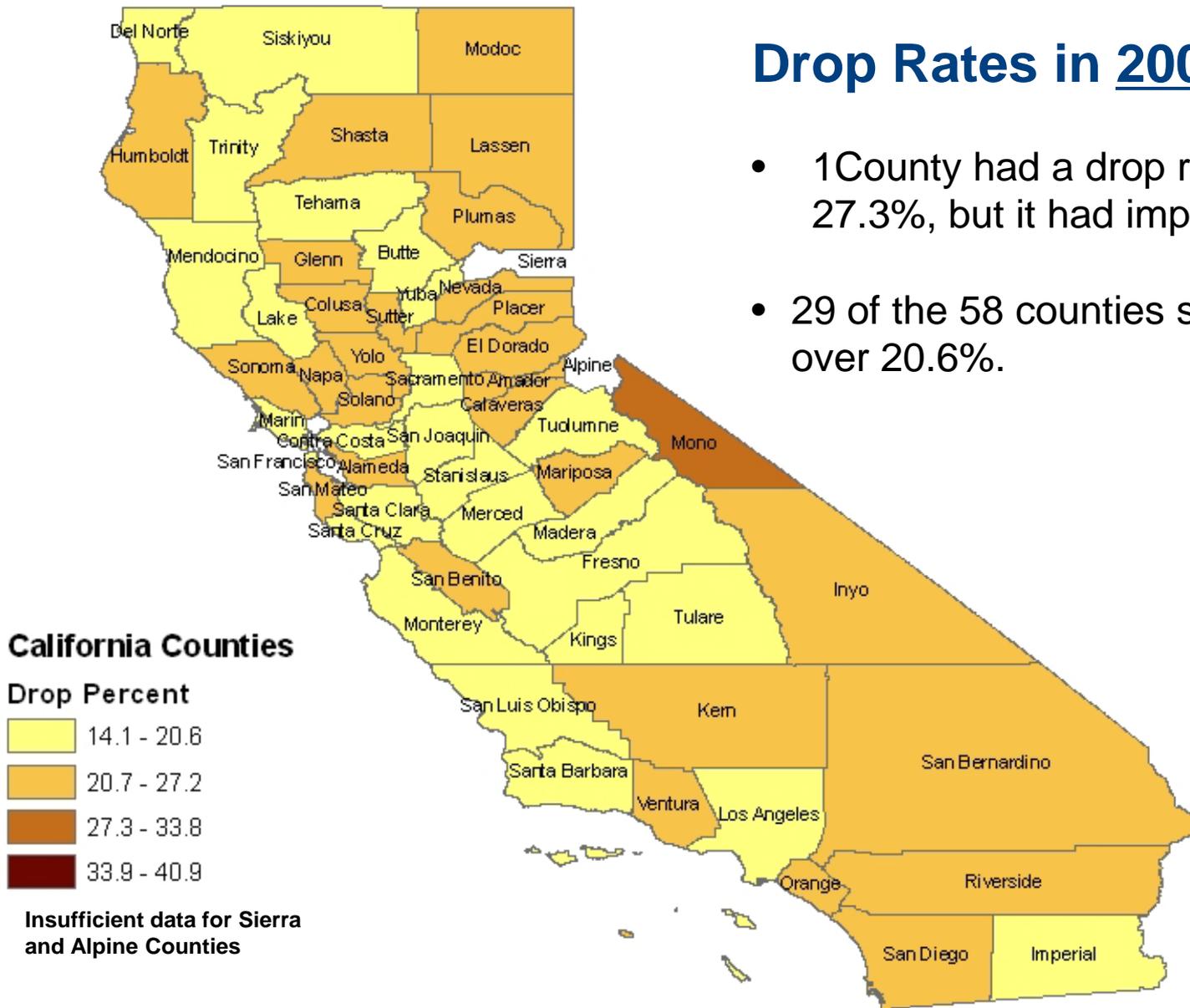
#### Drop Percent



Insufficient data for Sierra , Alpine, and San Luis Obispo Counties

## Drop Rates in 2009:

- 1 County had a drop rates in excess of 27.3%, but it had improved from 2008.
- 29 of the 58 counties still had drop rates over 20.6%.



# Thus, ... Quantitative showed

- Medi-Cal enrollment skyrocketed during recession
- Enrollment increases followed unemployment with lag
- Increased enrollment in Medi-Cal was almost entirely due to better retention
  - And
- Effect seen in **ALL** counties



# Quantitative data did *NOT* show

- What is behind the retention
- Who the new enrollees are
  - Percent of new enrollees is the same
    - But
  - Could be different type of applicant



# *NOR* does quantitative data show

- Impact of the recession more broadly on lives of consumers,
  - or
- How this impacts county-level work and workers



# To learn from consumers, we conducted....

- Focus groups in 5 counties
  - Alameda, LA, Riverside, Sacramento (in English)
  - LA (in Spanish)
  - Participants recruited from the community
- Surveys of applicants in two counties
  - Sacramento
  - Riverside
  - Participants recruited in County Offices



# To learn from counties, we (CWDA) conducted ....

- Survey of all 58 counties
- Focus groups
  - (More about this later)



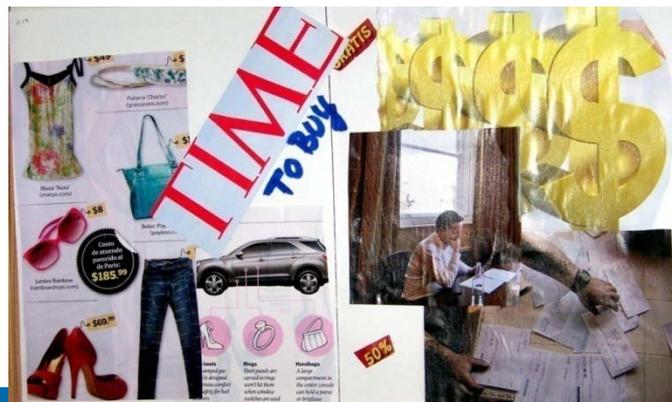
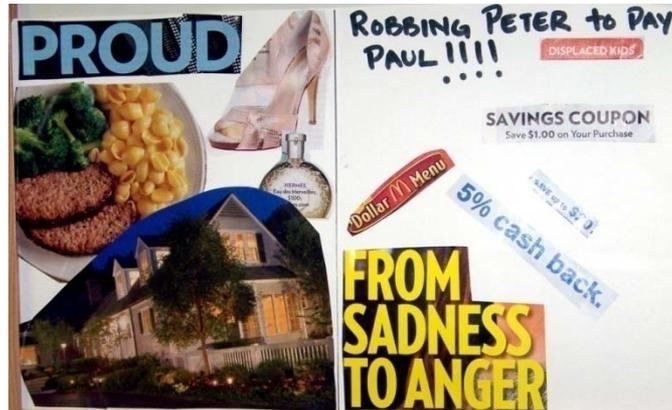
What consumers in focus groups  
said....



# Life changed dramatically before and after the recession

## LIFE TWO YEARS AGO

Money in Bank  
Comfortable  
Stable Job  
Future  
Pleasure  
Energy  
Content  
Eating Out  
Vacations  
Shopping  
Great Weekends  
Happy  
House  
Smiles  
Easy  
Healthy



## LIFE TODAY

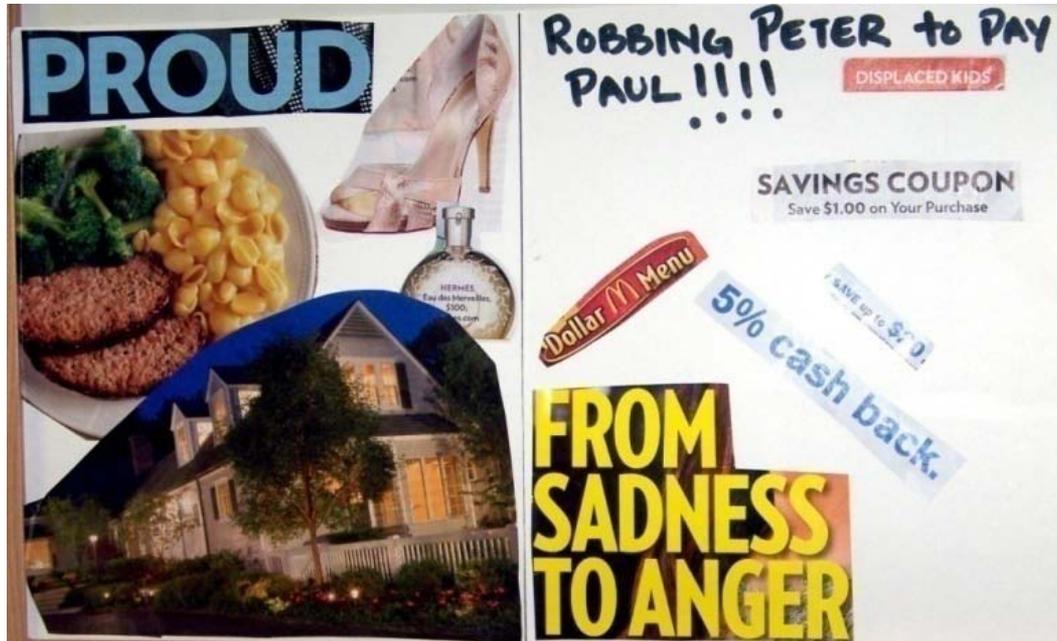
Down Roller Coaster  
Dangerous  
Shocking  
Fighting  
Lots of Coupons  
Fast Food  
No Job  
No Stability  
No Future  
Boredom  
Awful  
House Gone  
Barely Making It  
Cramped  
Worried  
Unhealthy



# Focus groups showed life going from BIG to small

## Three Years Ago

- \$\$\$ in the bank
- Future
- Healthy
- Energy
- Eating out
- Vacations
- Happy
- Smiles



## Today

- Downhill roller coaster
- No future
- Unhealthy
- No job
- Fast-food
- No vacations
- Unhappy
- Sad



## Job Loss

“You lost your job?” “Yes. I looked and looked. And then when I could get one, changing resume, going on interviews—couldn’t get one, my housing came through, moved to the County, applied for disability and decided I’m going back to school, because I’m not having luck with jobs. Because the rate of pay never matches the cost of living.”

## Reduction In Income

“I had a lot of trips. I went everywhere. I wore luxury clothing. I took my kids everywhere. I went to concerts or to the beach. I would change my car every three years. I would lease them out and return them, and I didn’t cook. I went out to restaurants; it was the kind of life that was a fantasy life maybe. A luxury life.”



## Housing Troubles

“Actually I took a roommate. I have a 2 bedroom with my daughter. She and I share a room...”

## Importance of Medi-Cal

“I would take Medi-Cal even if I had to live in an ally.”



# “Susan”



**Age:** 58  
**Children at Home:** 2  
**Ethnicity:** Latina  
**Education:** College graduate  
**Marital Status:** Married  
**First Application:** Within the past year

“Susan” used to be in business with her husband. However, the business has closed. She and her husband are in the process of declaring bankruptcy – they have not been able to make mortgage payments and are about to leave their home. Because of the stress and arguments around finances with her husband, they are going to separate. She can no longer pay her health insurance premium and is cancelling the policy. Because her oldest daughter currently lives at home and that daughter’s income is calculated into Medi-Cal, she is not eligible for Medi-Cal, and is therefore looking into the county healthcare system. She is incredibly depressed, but can’t pay for her anti-depression medicine. However, she says she is “not ashamed,” and is determined to get through all of this.

# “Tom”



<b>Age:</b>	<b>47</b>
<b>Children at Home</b>	<b>1</b>
<b>Ethnicity:</b>	<b>Caucasian</b>
<b>Education:</b>	<b>Some College</b>
<b>Marital Status:</b>	<b>Unmarried couple</b>
<b>First Application:</b>	<b>Within the past year</b>

“Tom” worked full-time in a minimal wage position until he was laid off in October, 2009. While working, he was able to live in his own home, and contributed his portion to his employer’s group health care coverage, although he admits he could pay the premium, but not afford to use the coverage since he couldn’t pay the deductible or co-pay. He is now living with his mother, can’t afford to repair his inoperable car and is fearful of starting over again at his age. He has difficulty paying for his diabetes supplies and can’t afford to get his glasses (one missing lens) replaced. “Tom” has applied for food stamps and Medi-Cal , and is hopeful for approval. Although he dislikes needing public assistance, he says, “I’ve always paid my taxes, now I need help badly.”



# Need was felt by all

- Contrary to some perceptions that level of education is a potential driver of need for public assistance, this study indicates that due to the current economic situation, ***individuals of all education levels may require various forms of public assistance.*** Over half of the respondents in this study have either some college education or are college graduates. The current economy affects everyone!



# Key Reasons to Apply for Public Assistance

- **Well over half of the participants in this study originally applied for public assistance due to financial hardship caused by loss of employment or a reduction in hours worked (wages received) as a result of the current economic downturn. Most of these participants say that if they, or the key household wage-earners were still fully employed, public assistance would not be necessary.**
- **Some respondents left the workforce voluntarily due to pregnancy, and have had difficulty finding re-employment in the workforce.**
- **Some other respondents are receiving public assistance due to disability issues.**
- **Only a small portion of the respondents in this study might be considered *perennial* public assistance beneficiaries.**



# Impact of the Economy and Personal Financial Situation

*“Now everything is going from big to small.”*

Almost all respondents say that they are much worse off financially today than they were two years ago

## Life Outlook Based on Personal Financial Situation

2 Years Ago



Today



# Impact of the Economy and Personal Financial Situation

- Respondents say that their life today is extremely stressful because there is “no light at the end of the tunnel.”
- All say that they have had difficulty paying bills in the last 12 months, and most say that at some time in the past 12 months they could not pay their mortgage, rent or utility bills.
  - Some have had electricity shut off, and have had to apply for emergency financial assistance to pay bills.
  - Most practice “selective bill paying” – paying the most critical bills at the last minute.
- To make ends meet, many respondents have had to move to smaller apartments, take in roommates, or live with family and friends. Several have lost their homes. A few have had times when they had to live in their cars.
- Most have had to borrow money from family and friends, which they say is difficult and embarrassing and leaves them feeling inadequate and bruised.



# Impact of the Economy and Personal Financial Situation

- **Lack of money has had a negative impact on healthy nutrition**
  - Respondents and their families are not eating as well as they did two years ago. Many depend on “dollar meals” from fast food restaurants, or \$5.00 pizzas. The days of going to “sit down restaurants” are over.
- **General health and well being is not as good as it was two years ago**
  - Respondents report headaches, lack of sleep, increased weight, depression, and the lack of ability to be responsive to eye care or dental needs.
- **Those who once saw themselves as strong parents now feel inadequate**
  - Respondents have a strong sense of frustration because they can not provide for their children as they wish they could – be it food, new clothing, Christmas gifts, or the chance to be a part of soccer league because participation would cost \$100. For some, childhood privacy is gone as parents and children are now forced to share bedrooms.



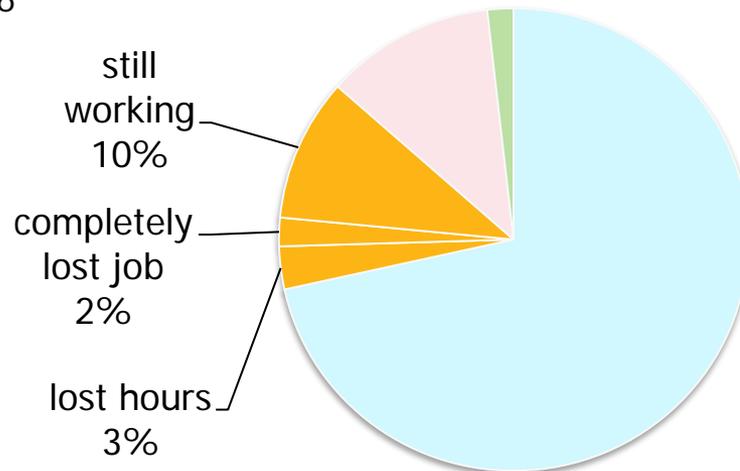
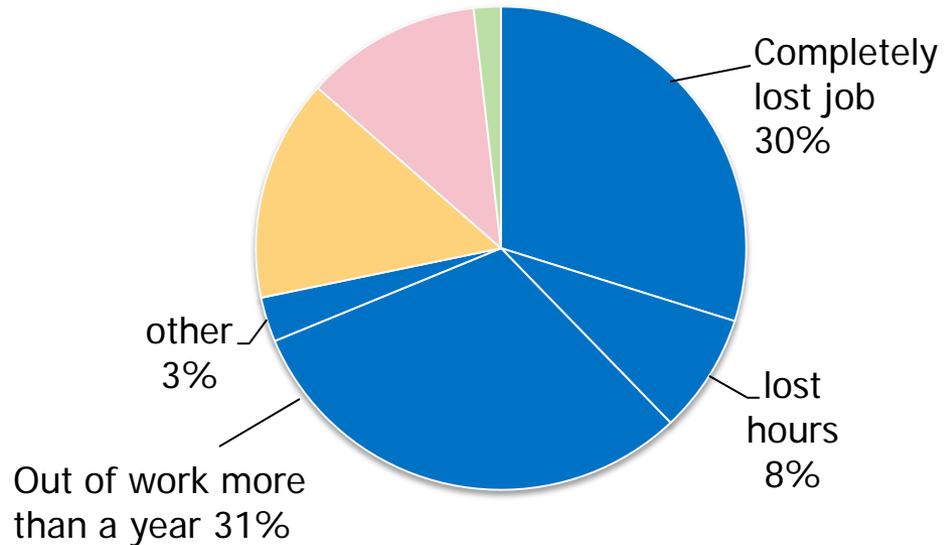
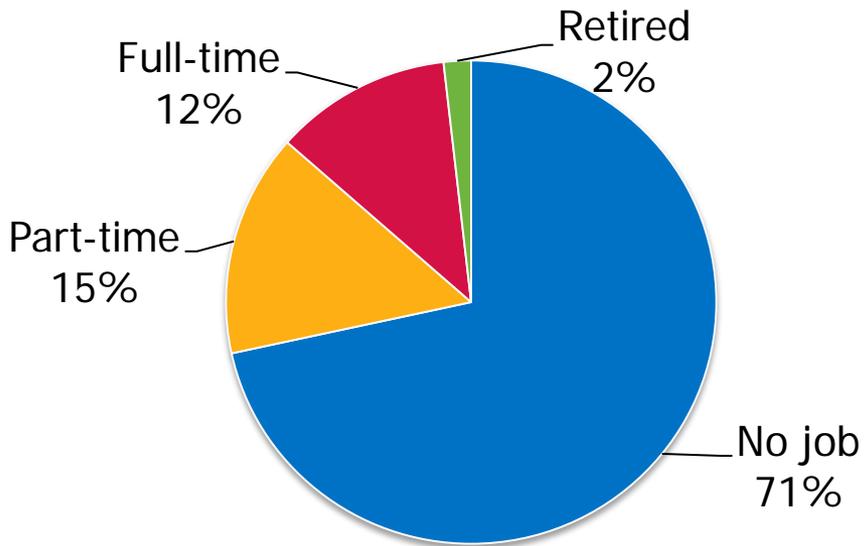


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Applicants in county offices told a similar story as those in focus groups

# Most applicants had no job

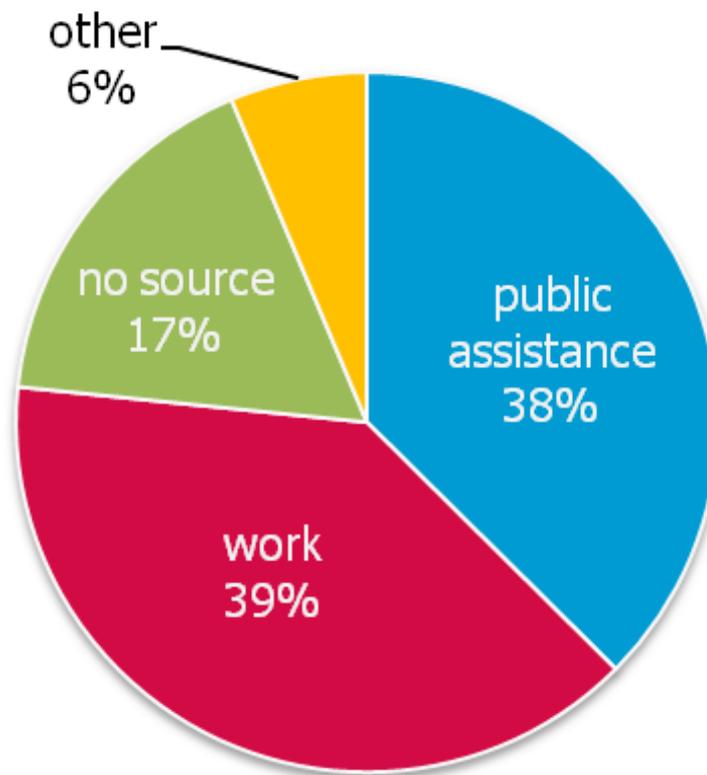


Question: Did you lose your job in the last year?  
N=553

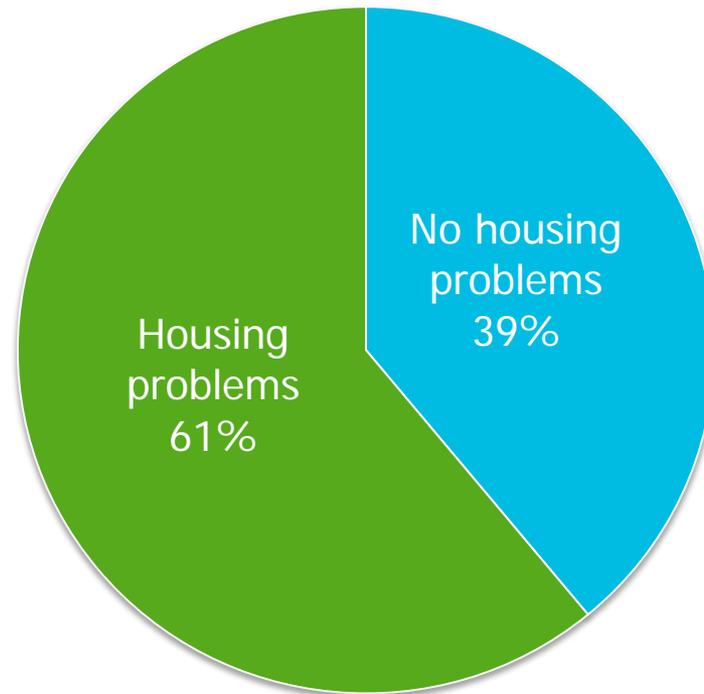


# Income: 54% of applicants depended on public assistance or had no income

Question: What has been your major source of income in the last six months?  
*N=553*



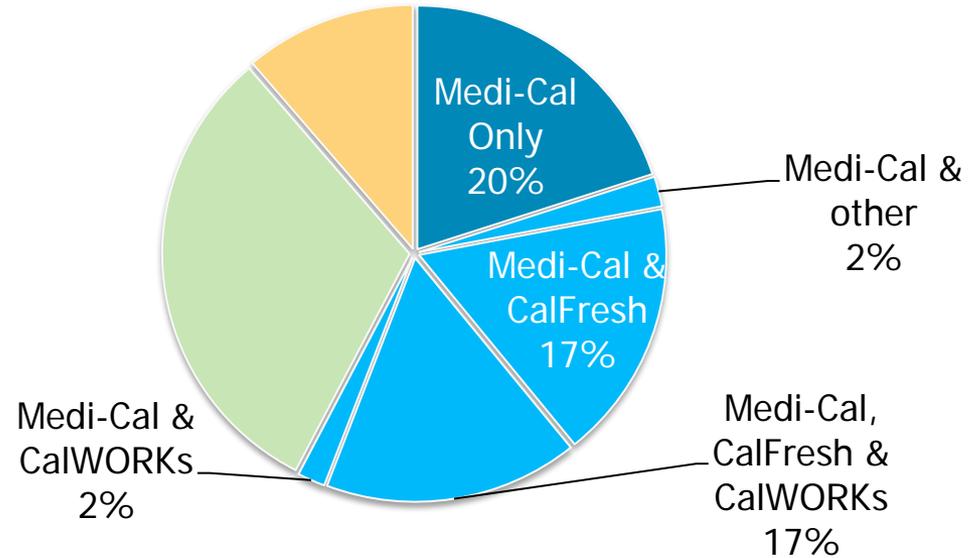
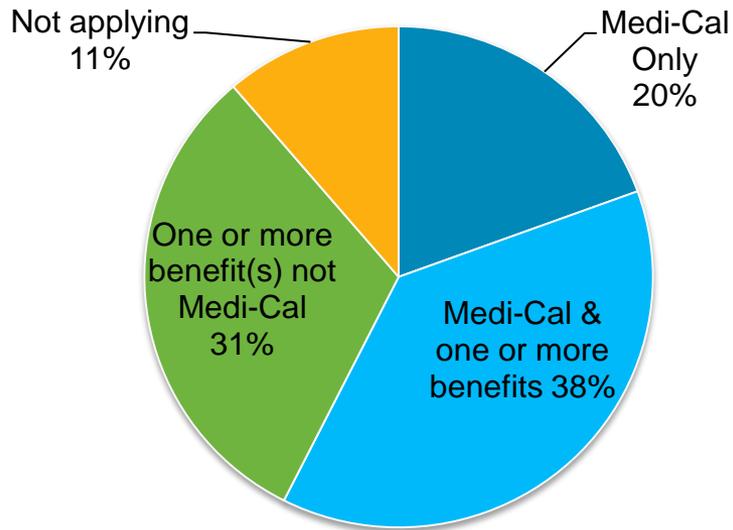
# Most, More Than Half, Reported Housing Problems



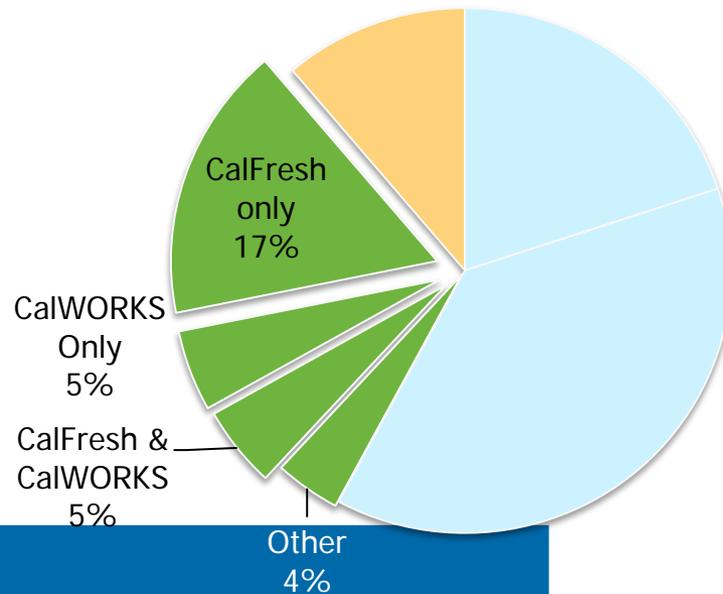
Question: Have you experienced any housing problems over the past year?  
*N=553*



# Most Individuals Were Applying for a Combination of Benefits



Question: What are you applying for?  
*N=553*



- ▶ 44% had at least some college -- English language questionnaires
- ▶ 35% of individuals who filled out the Spanish version attended some college or were college graduates.



**AND now, we hear from the  
counties.....**



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# T h a n k   Y o u !

Please contact Jessica McAuliffe  
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([Joshua.Watring@cchmc.org](mailto:Joshua.Watring@cchmc.org)) if you would like to receive  
a copy of the slide presentation, or would like further  
information.

