



SNAPSHOT
**Health Insurance:
Can Californians Afford It?**

June 2007

Introduction

This snapshot examines changes in the affordability and covered benefits provided through California’s individual and small group health insurance markets. These are the markets where the greatest number of currently uninsured Californians would get their coverage, if they could afford it.

Some key findings from the study are:

- The costs of coverage and care represent a large share of income, particularly for individual purchasers. In 2006, a single person with median household income (\$30,623) buying coverage in the individual market would have spent 16 percent of income on health care expenses. In the small group market, that same person would have spent 3.5 percent of income covering health care expenses.
- In exchange for lower monthly premiums, those purchasing coverage through the individual market bear a greater share of the costs of care. Insurance covered 54.6 percent of a typical consumer’s medical bills in the individual market, compared to 83.3 percent in the small group market.
- For those with chronic conditions, annual out-of-pocket medical expenses are high. In 2006, a person with diabetes spent an estimated \$3,275 if covered through the individual market or \$1,101 if covered through a small group—above and beyond the health insurance premium.

There is no bright line between “affordable” and “unaffordable” health insurance. But trends in premiums and covered benefits, as compared to wages and income, suggest that affordability is a real and growing concern for many insured Californians.

Note: Additional information on the project methodology is available on page 28. Unless otherwise noted, all figures, including income and wages are California-specific.

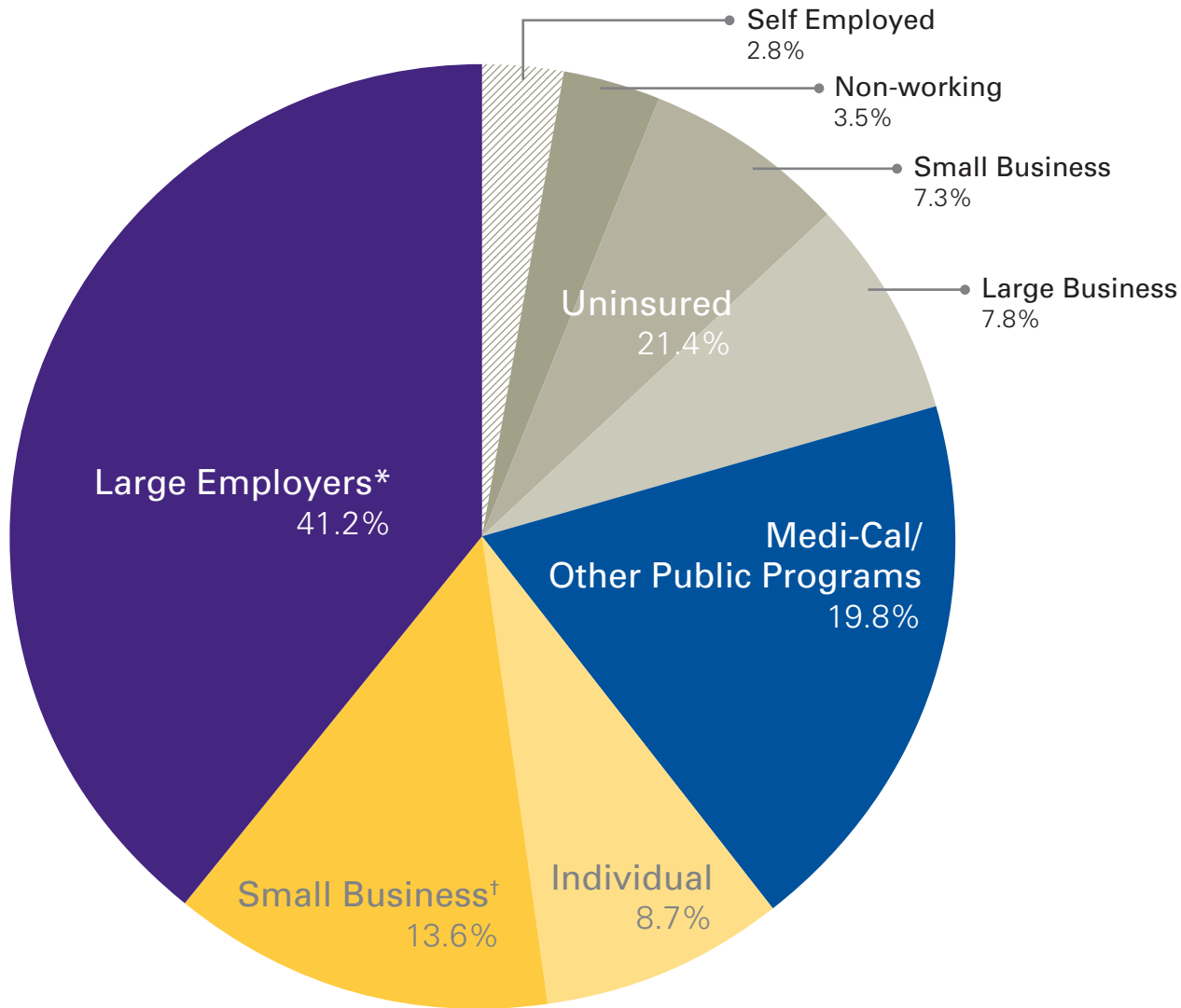
Source: California HealthCare Foundation 2006 Market Tracking Study. Data sources include surveys of small employers in 2003 and 2006, abstracts of individual insurance policies offered by major health plans in 2006, and a proprietary paid claims database.

Affordability

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Health Insurance Sources, Non-Elderly, 2005



*Includes public sector.

†Includes coverage through self employment.

Note: Small business refers to employers with 3 to 50 employees.

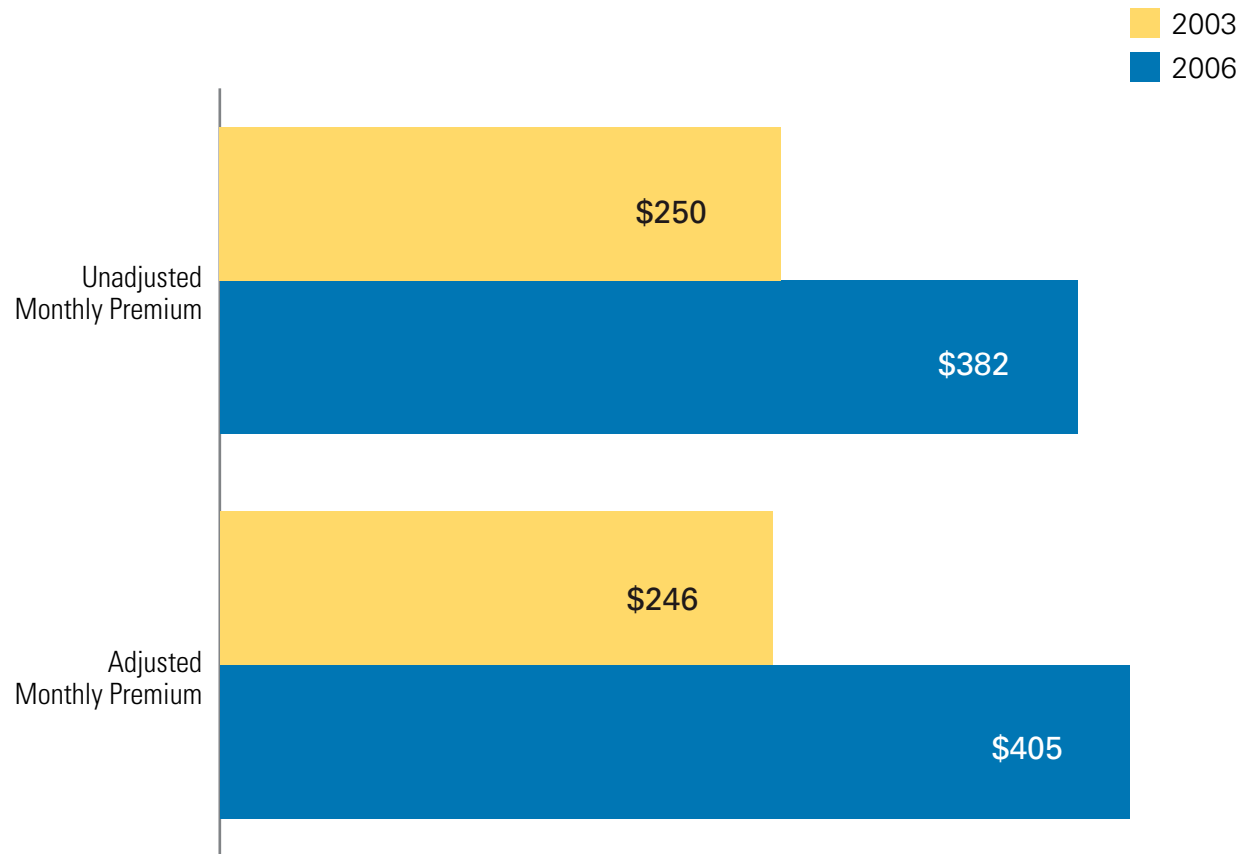
Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2006 Supplement.

Affordability

Insurance Sources

Today one in five Californians is insured through the small group and individual markets. Absent sweeping policy changes, these markets would also be the source of coverage for most of the state's uninsured, if they were to seek private health insurance.

Unadjusted and Adjusted Monthly Premiums for Single Coverage,* 2003 and 2006



*Includes both HMO and PPO plans. Adjusted premiums eliminate the effect of benefit differences in premium comparisons. (See Appendix A for details and Appendix B for additional detail on benefit levels.)

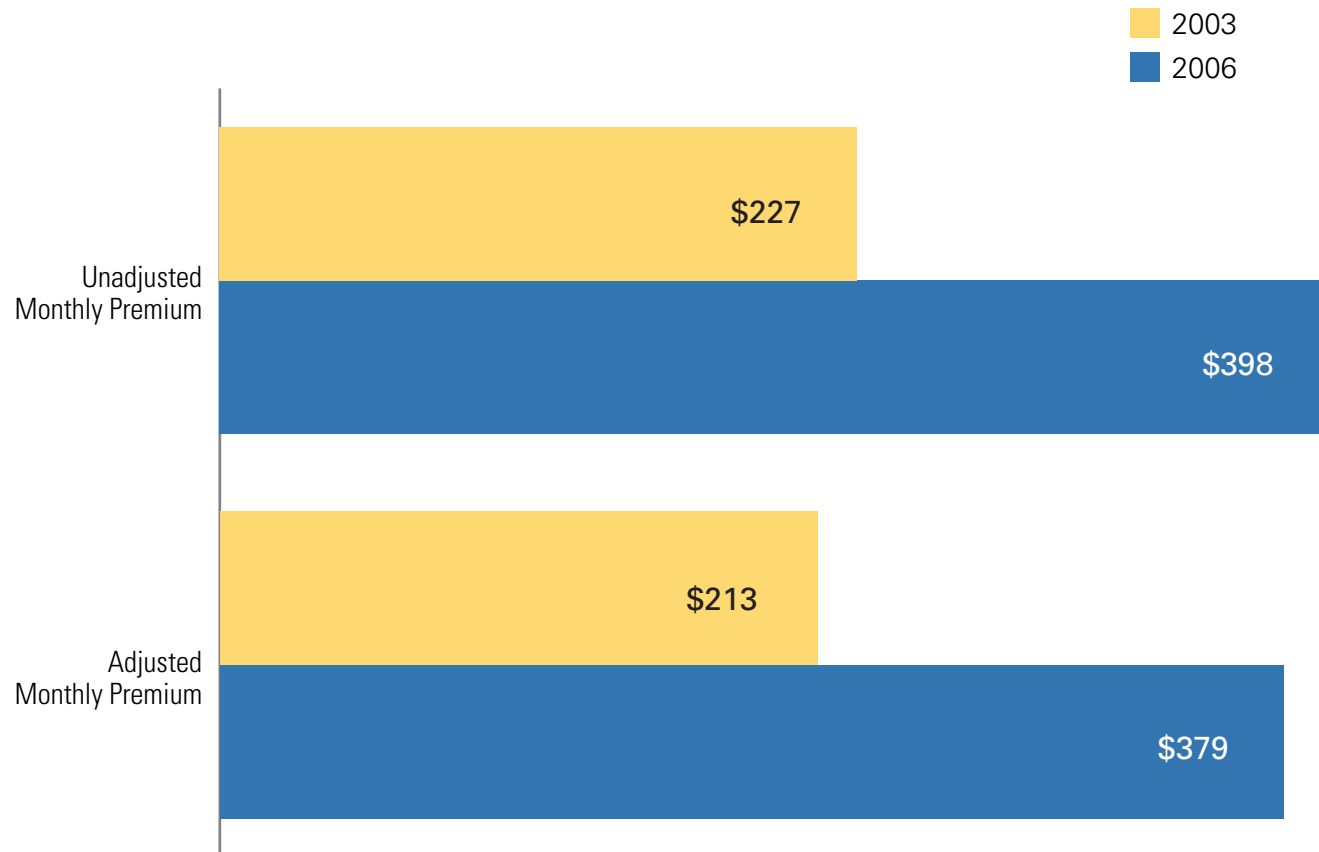
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability Small Group¹

In the small group market, monthly premiums for single coverage increased more than 50 percent from 2003 to 2006. After adjusting for reductions in benefits between 2003 and 2006, the premium increase is even greater.

1. Small group refers to employers with 3 to 50 workers.

Unadjusted and Adjusted Monthly Premiums for HMO Single Coverage, 2003 and 2006



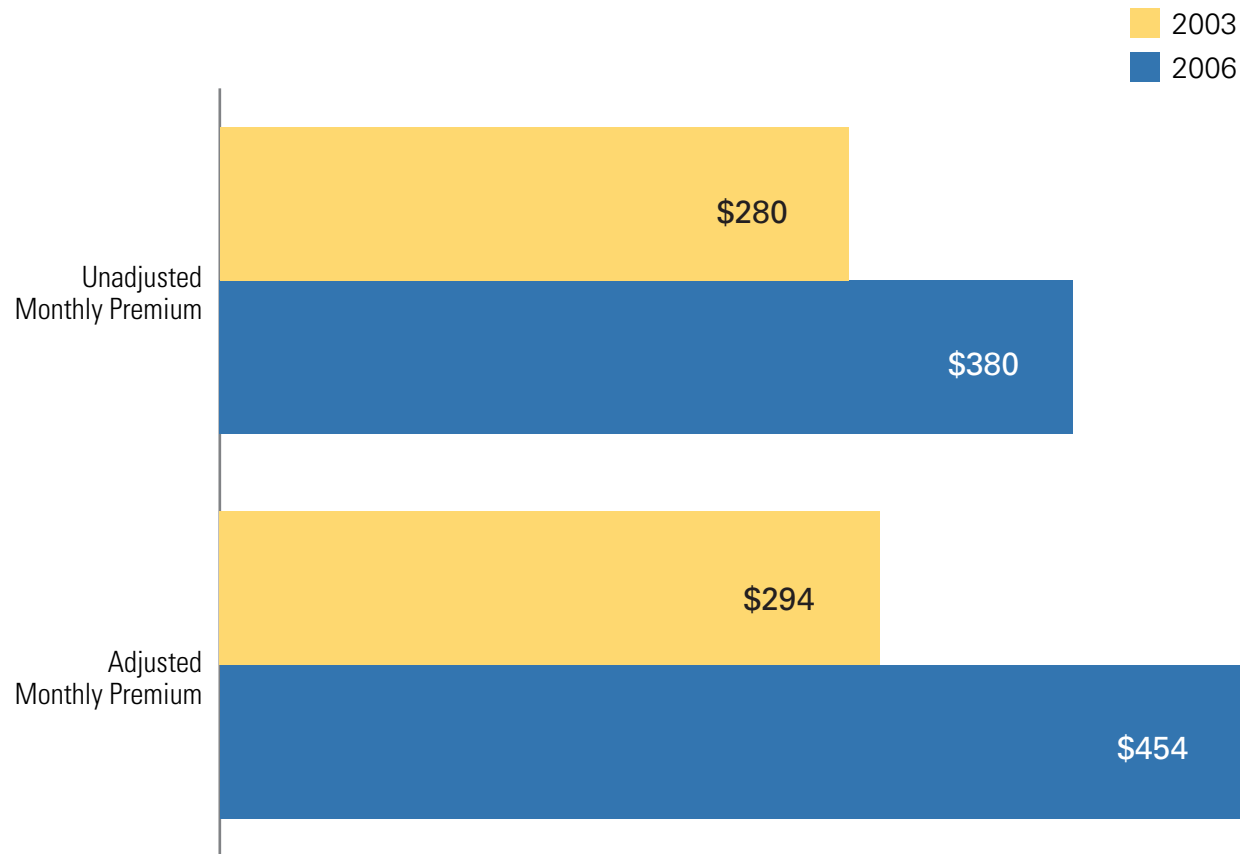
Affordability Small Group¹

For HMO coverage, monthly premiums for single coverage among California's small employers increased 75 percent from 2003 to 2006.

Source: California HealthCare Foundation 2006 Market Tracking Study.

1. Small group refers to employers with 3 to 50 workers.

Unadjusted and Adjusted Monthly Premiums for PPO Single Coverage, 2003 and 2006



Source: California HealthCare Foundation 2006 Market Tracking Study.

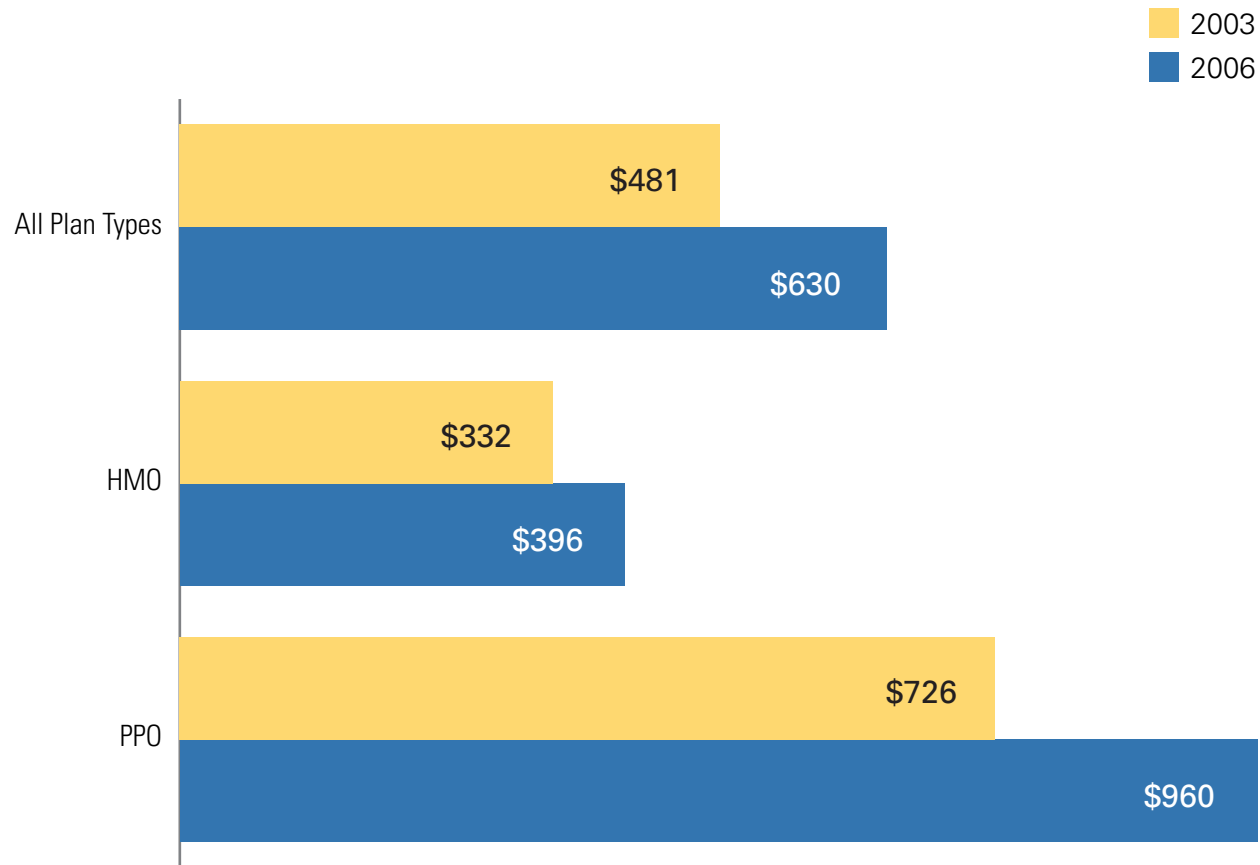
Affordability Small Group¹

Monthly premiums for PPO single coverage among California's small¹ employers increased approximately 35 percent from 2003 to 2006.

When adjusted for benefit design, the price of PPO coverage increased by over 50 percent.

1. Small group refers to employers with 3 to 50 workers.

Annual Out-of-Pocket Expenses,* by Plan Type, 2003 and 2006



*Out-of-pocket expenses include medical expenses not covered by the plan, but exclude premiums.

Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

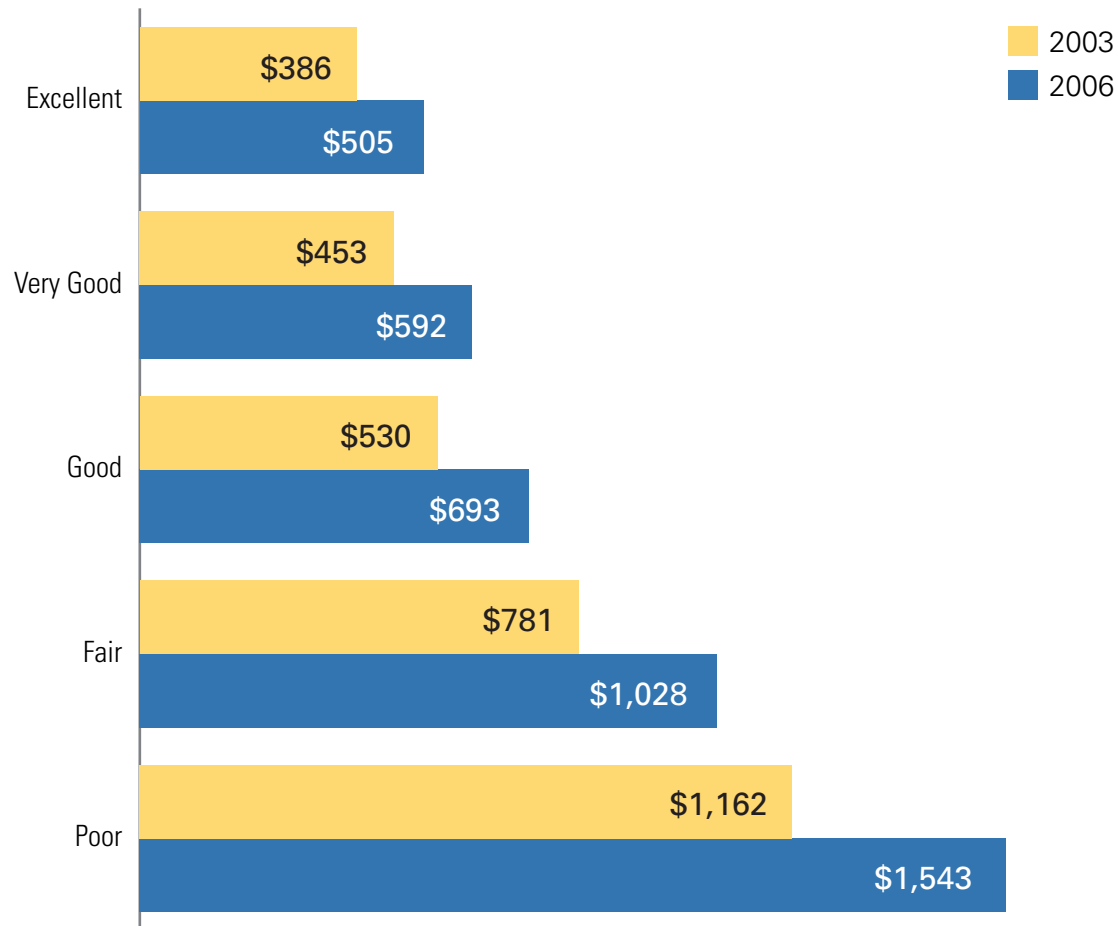
Small Group¹

Estimated out-of-pocket costs for a person working in a small firm increased by 31 percent from 2003 to 2006.

These increases were considerably higher in PPOs (32 percent) than in HMOs (19 percent).

1. Small group refers to employers with 3 to 50 workers.

Annual Out-of-Pocket Expenses,* by Health Status, 2003 and 2006



*Out-of-pocket expenses include medical expenses not covered by the plan, but exclude premiums.

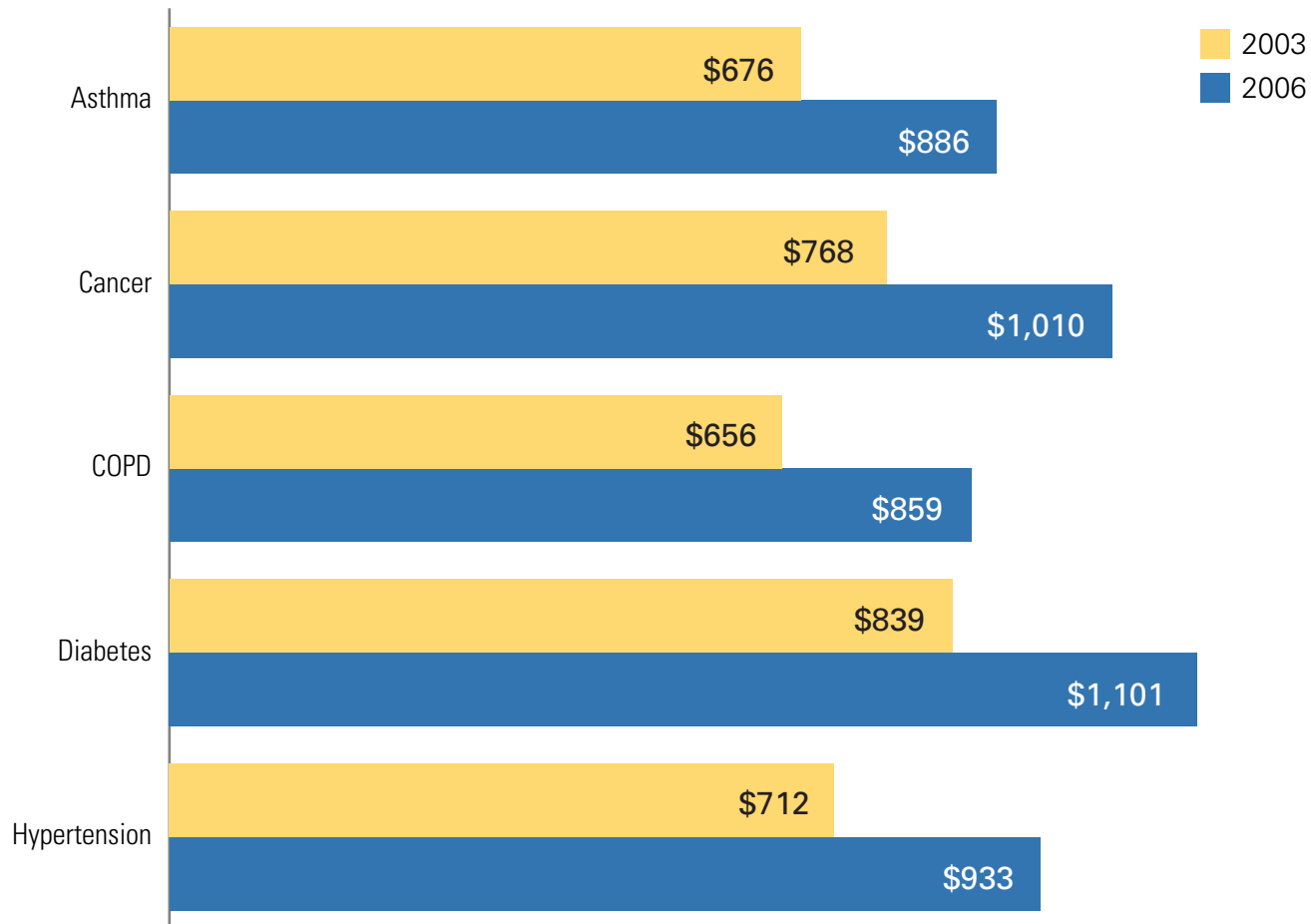
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability Small Group¹

Those in poor health paid three times more in out-of-pocket expenses than those in excellent health.

1. Small group refers to employers with 3 to 50 workers.

Annual Out-of-Pocket Expenses,* by Selected Chronic Condition, 2003 and 2006



*Out-of-pocket expenses include medical expenses not covered by the plan, but exclude premiums.

Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability Small Group¹

Estimated out-of-pocket expenses grew significantly from 2003 to 2006 for those with chronic conditions. A person with diabetes could expect to pay \$1,101 in 2006.

1. Small group refers to employers with 3 to 50 workers.

Unadjusted and Adjusted Monthly Premiums for Single Coverage, 2006



Affordability

Individual vs. Small Group

Unadjusted premiums were almost 50 percent higher in the California small group market than in the individual market; however, when adjusted for differences in benefit design, premiums were similar in the two markets.

*Small group refers to employers with 3 to 50 employees.

†Because people in the individual market face medical underwriting, premiums are for a healthy 32 and 52 year old. See methods for more detail.

Source: California HealthCare Foundation 2006 Market Tracking Study.

Annual Out-of-Pocket Expenses* for Single Coverage, 2006



*Out-of-pocket expenses include medical expenses not covered by the plan, but exclude premiums.

†Small group refers to employers with 3 to 50 employees.

‡Because people in the individual market face medical underwriting, premiums are for a healthy 32 and 52 year old. See methods for more detail.

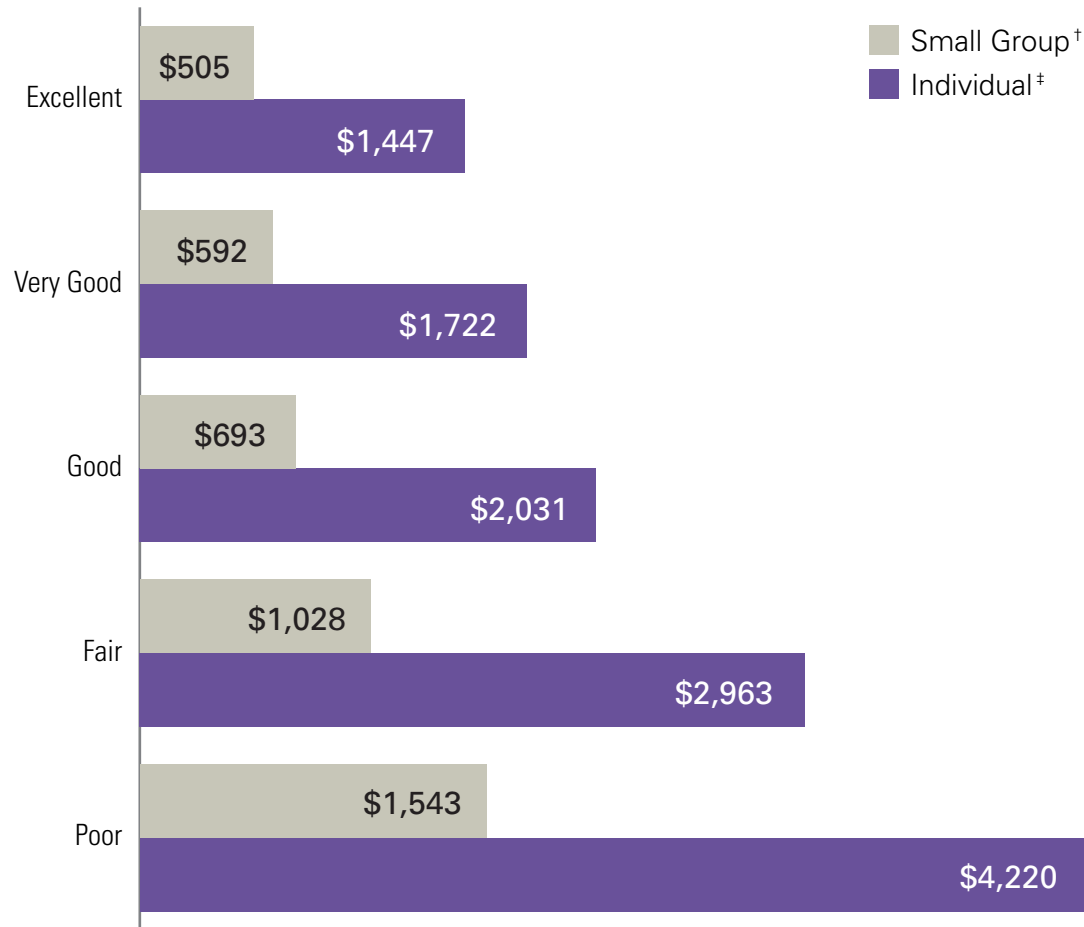
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Individual vs. Small Group

A person with individual coverage pays almost three times more in estimated out-of-pocket expenses than a person with small group coverage.

Annual Out-of-Pocket Expenses,* by Health Status, 2006



*Out-of-pocket expenses include medical expenses not covered by the plan, but exclude premiums.

†Small group refers to employers with 3 to 50 employees.

‡Because people in the individual market face medical underwriting, premiums are for a healthy 32 and 52 year old. See methods for more detail.

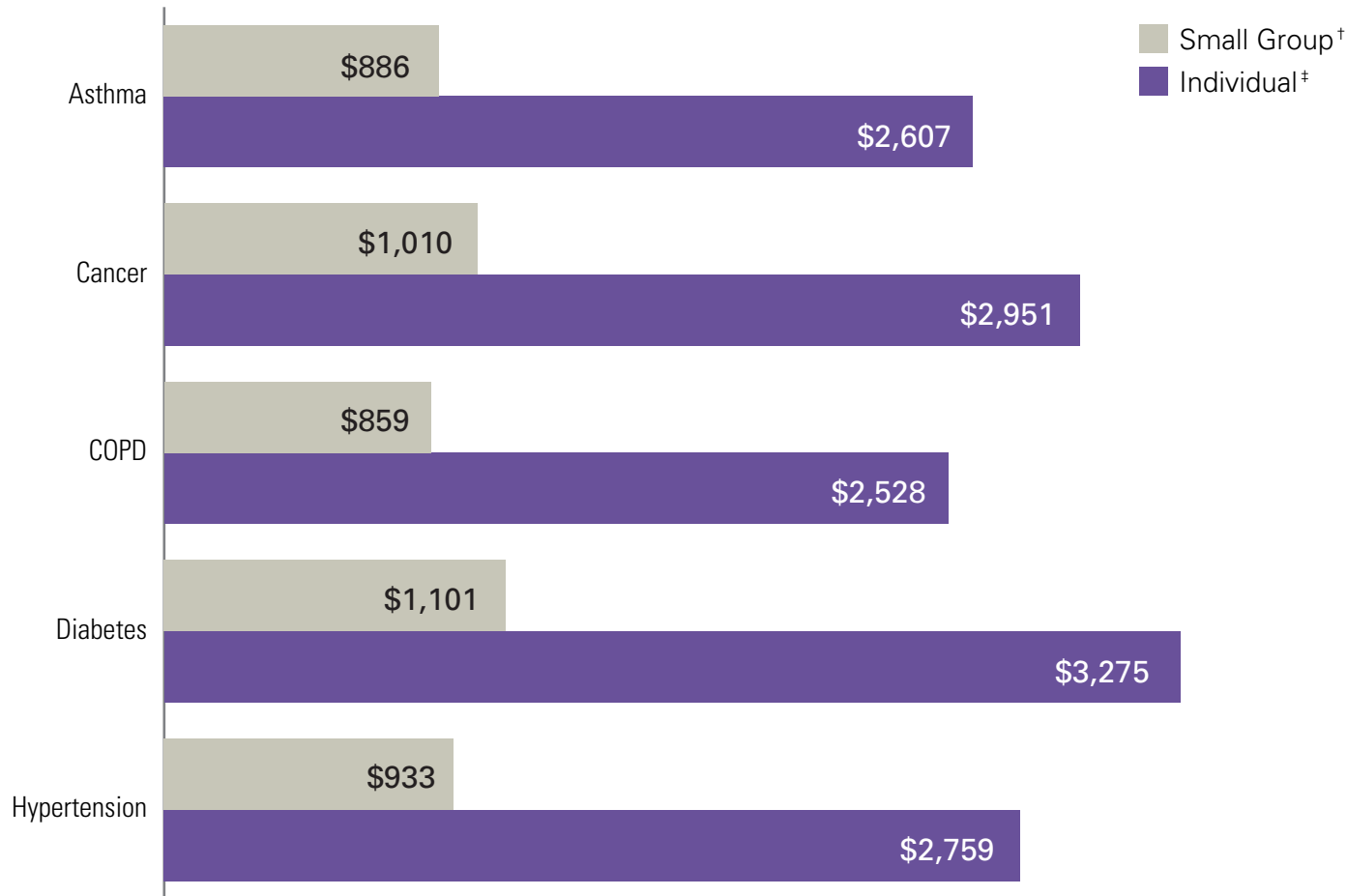
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Individual vs. Small Group

Across health status, people with individual plans pay significantly higher estimated out-of-pocket costs.

Annual Out-of-Pocket Expenses,* by Selected Chronic Condition, 2006



Affordability

Individual vs. Small Group

For Californians with selected chronic conditions, estimated out-of-pocket expenses among those with individual coverage were significantly higher than for the small group market. A person with diabetes paid \$3,275 if covered in the individual market, compared to \$1,101 if covered through a small group.

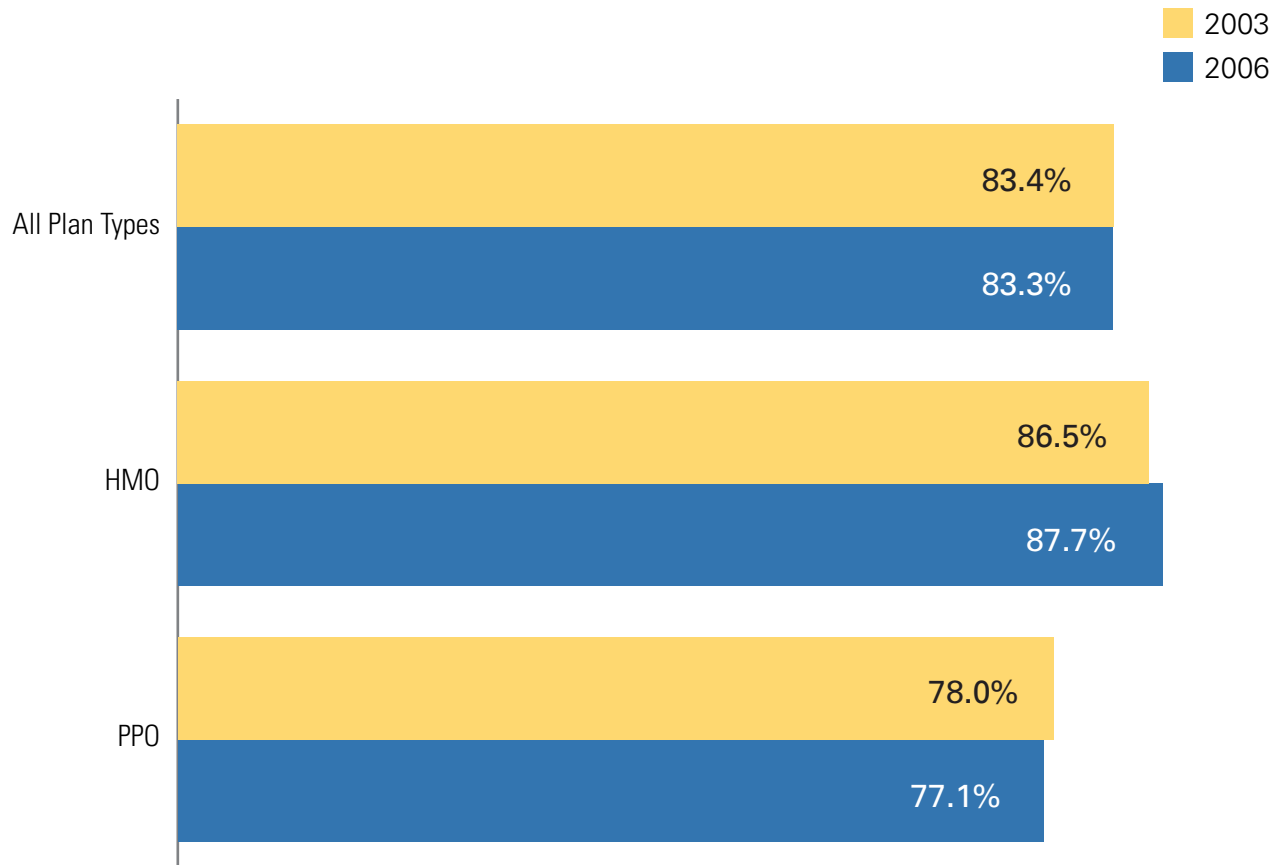
*Out-of-pocket expenses include medical expenses not covered by the plan, but exclude premiums.

†Small group refers to employers with 3 to 50 employees.

‡Because people in the individual market face medical underwriting, premiums are for a healthy 32 and 52 year old. See methods for more detail.

Source: California HealthCare Foundation 2006 Market Tracking Study.

Share of Medical Costs Covered, by Plan Type, Small Group Market,* 2003 and 2006



*Small group refers to employers with 3 to 50 employees.

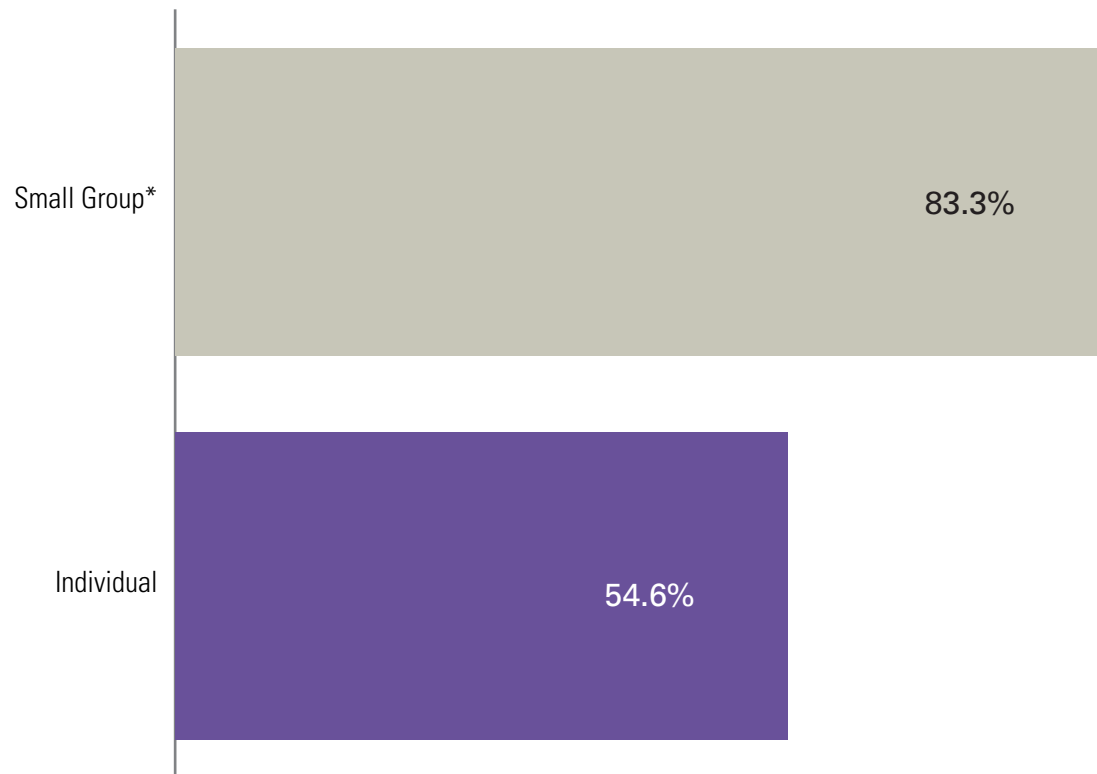
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Level of Coverage

The share of medical costs paid by insurance in the small group market remained steady from 2003 to 2006. On average, insurance paid for 83 percent of medical bills, and the employee paid the remainder.

Share of Medical Costs Covered, Small Group* vs. Individual Market, 2006



*Small group refers to employers with 3 to 50 employees.

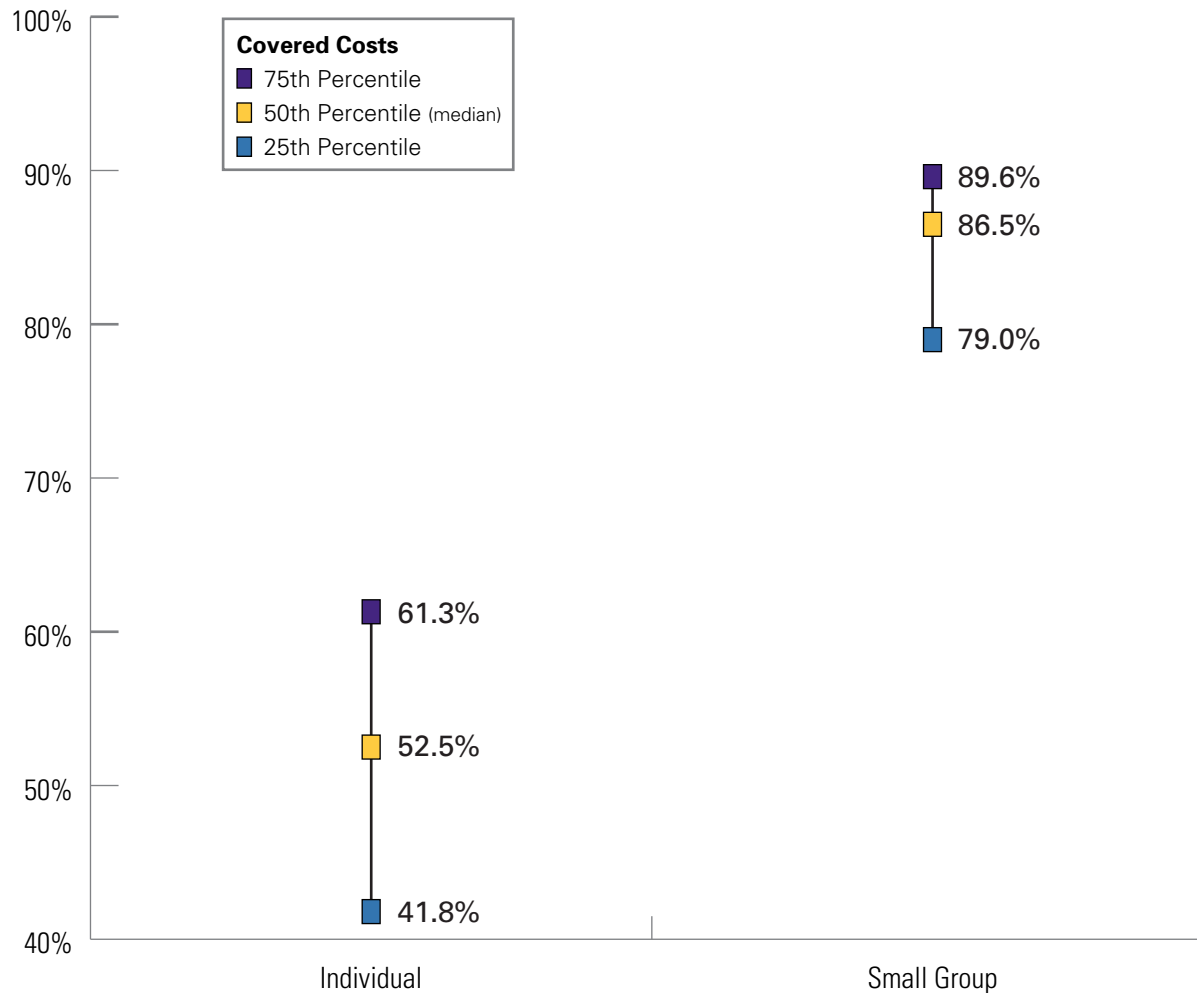
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Level of Coverage

In 2006, insurance paid for just over half of medical costs for people with individual plans, significantly lower than the 83.3 percent covered through the small group market.

Range of Medical Costs Covered, Small Group* vs. Individual Market, 2006



*Small group refers to employers with 3 to 50 employees.

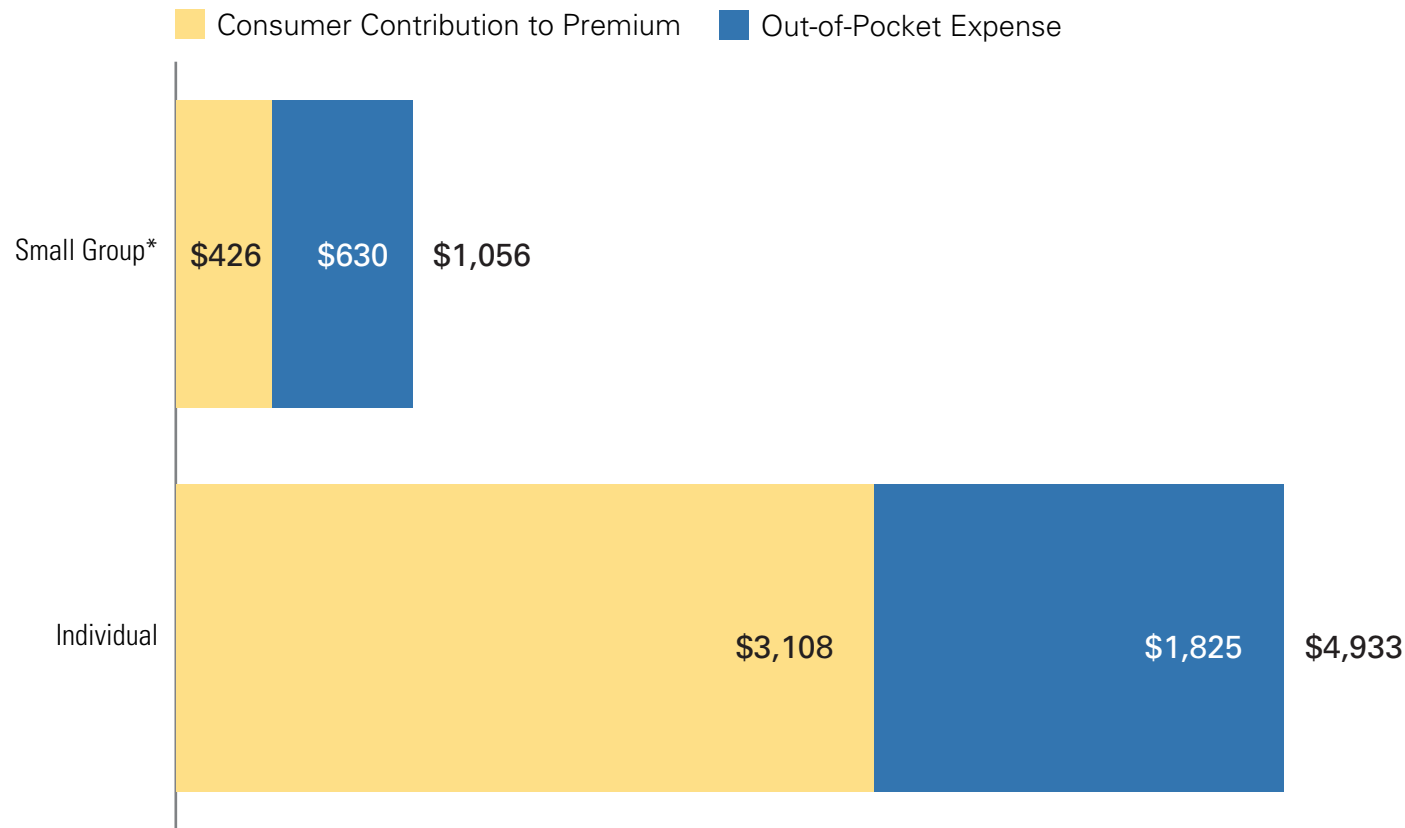
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Level of Coverage

The individual market in 2006 offered products with a wider range of financial protection than the small group market. The low end may reflect pressure to keep premiums as low as possible by covering a smaller share of medical expenses.

Estimated Total Annual Health Care Premium and Out-of-Pocket Expenses, All Plans, Single Coverage, 2006



*Small group refers to employers with 3 to 50 employees.

Notes: Total Annual Health Care Expenses are composed of premium (worker's contribution to premium in the small group market and total premium in the individual market) plus average expected out-of-pocket costs (health expenses not covered by insurance). Figures reflect average (mean) premiums and contributions.

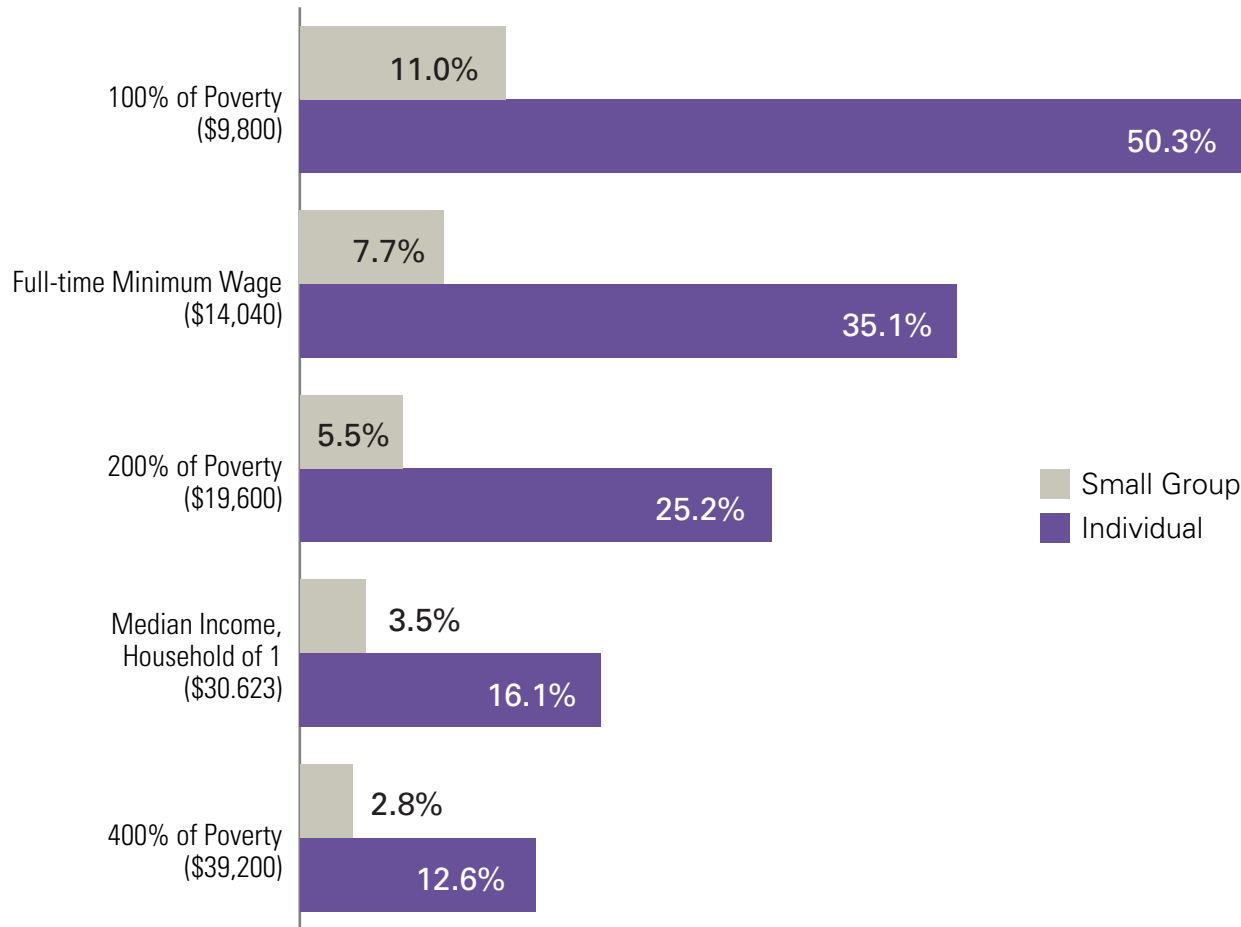
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Cost to Consumers

Californians in the individual market pay much more for health care than those in the small group market. The typical consumer in the small group market benefits from the contribution the employer makes to premiums and from the richer benefits of most employer-based plans.

Annual Health Care Expenses as a Share of Income for Single Coverage, Small Group* vs. Individual Market, 2006



*Small group refers to employers with 3 to 50 employees.

Notes: Health care expenses are the sum of the expected out-of-pocket expense and the worker's share of premium (in the individual market, the worker pays the entire premium). Figures reflect average (mean) premiums and contributions.

Source: California HealthCare Foundation 2006 Market Tracking Study. U.S. Department of Health and Human Services Poverty Guidelines, 2006. U.S. Census Bureau, American Community Survey, 2005.

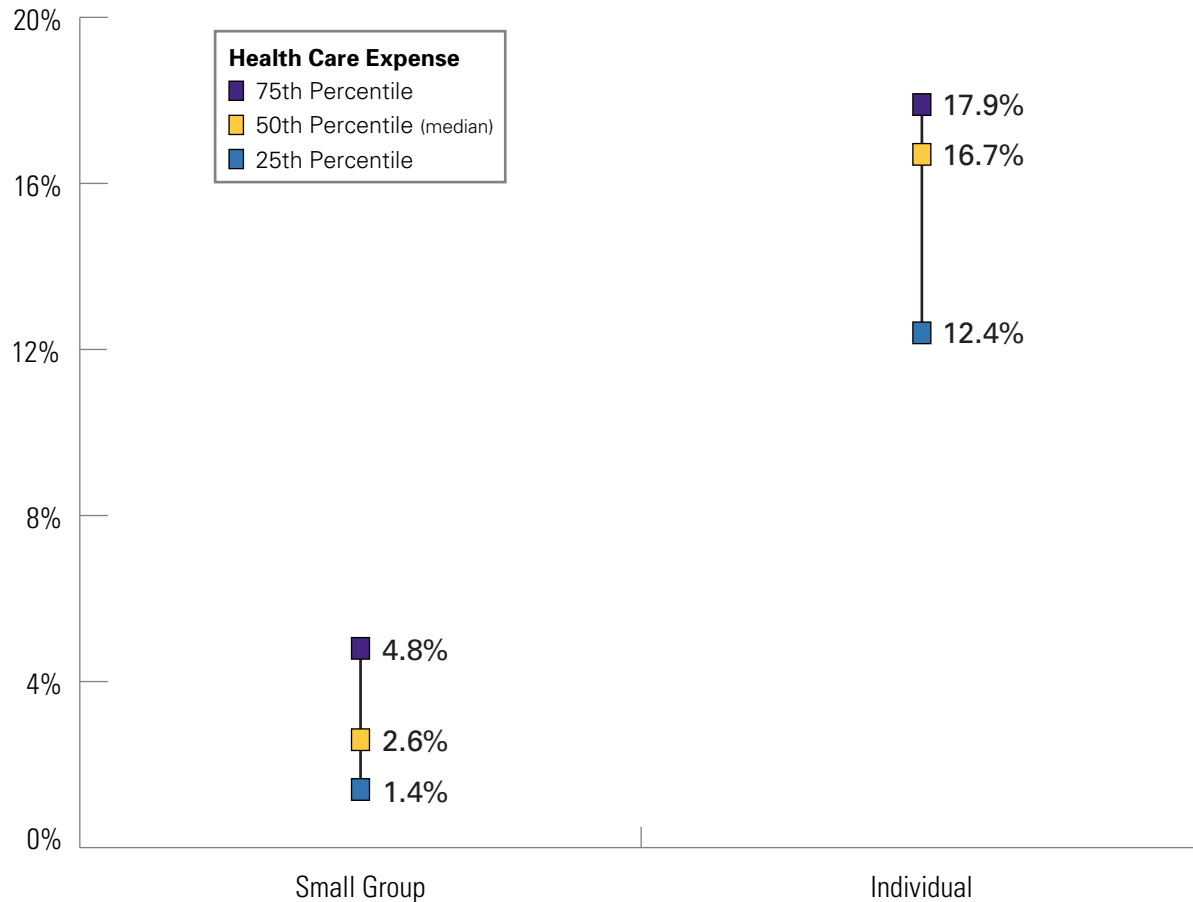
Affordability

Cost to Consumers

In the individual market, a person earning the median income would have spent 16 percent of income on health insurance and expenses, while a full-time minimum wage¹ worker would have spent 35 percent of income. In the small group market, health care costs represent a smaller share of income.

1. California minimum wage in 2006 was \$6.75 per hour.

Range of Annual Health Care Expenses as a Share of Median Single Income, Small Group* vs. Individual Market, 2006



*Small group refers to employers with 3 to 50 employees.

Notes: Health care expenses are the sum of the expected out-of-pocket expense and the worker's share of premium (in the individual market, the worker pays the entire premium). Median annual income (\$30,623) is for a household with one person.

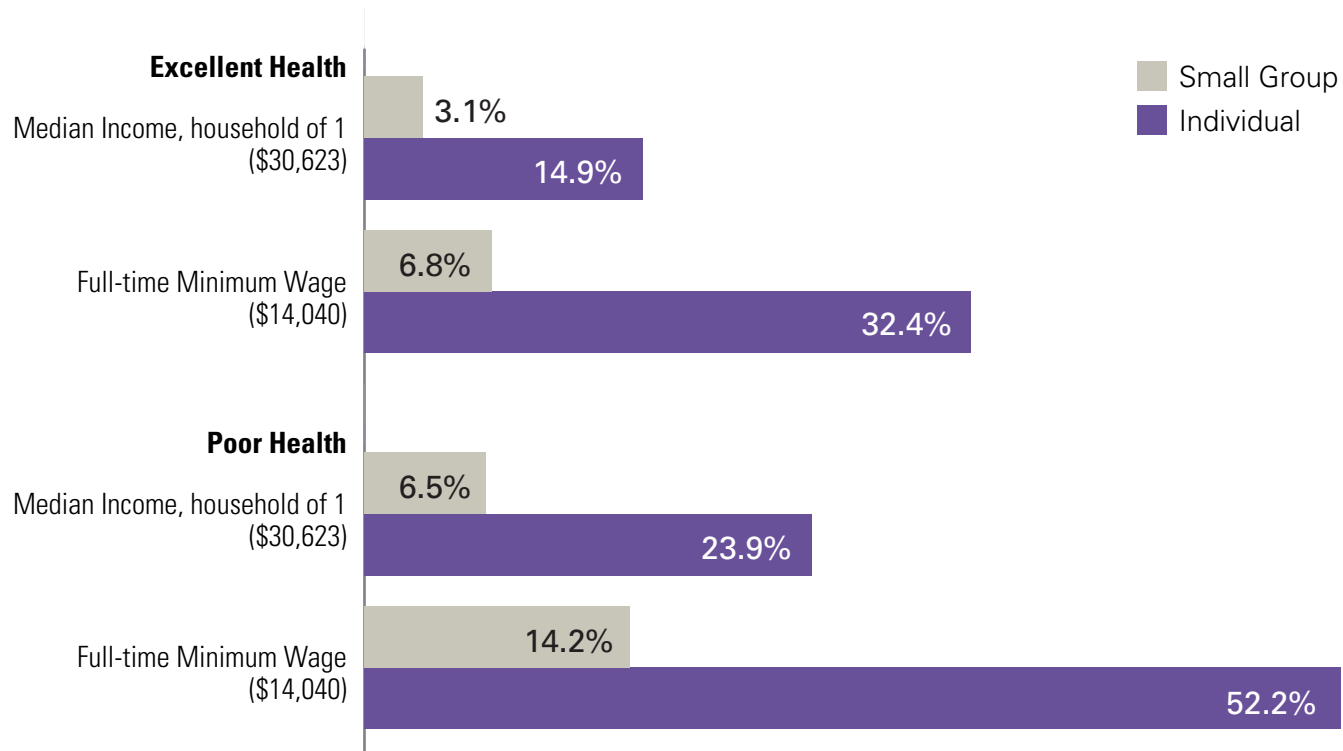
Source: California HealthCare Foundation 2006 Market Tracking Study. U.S. Census Bureau, American Community Survey, 2005.

Affordability

Cost to Consumers

The range of health care expenses as a share of median income for those purchasing single coverage varied more in the individual market than in the small group market. Expenses represented a much larger percent of income for those with individual coverage than for small group coverage.

Annual Health Care Expenses as Share of Income, by Health Status, Small Group* vs. Individual Market, 2006



Affordability Cost to Consumers

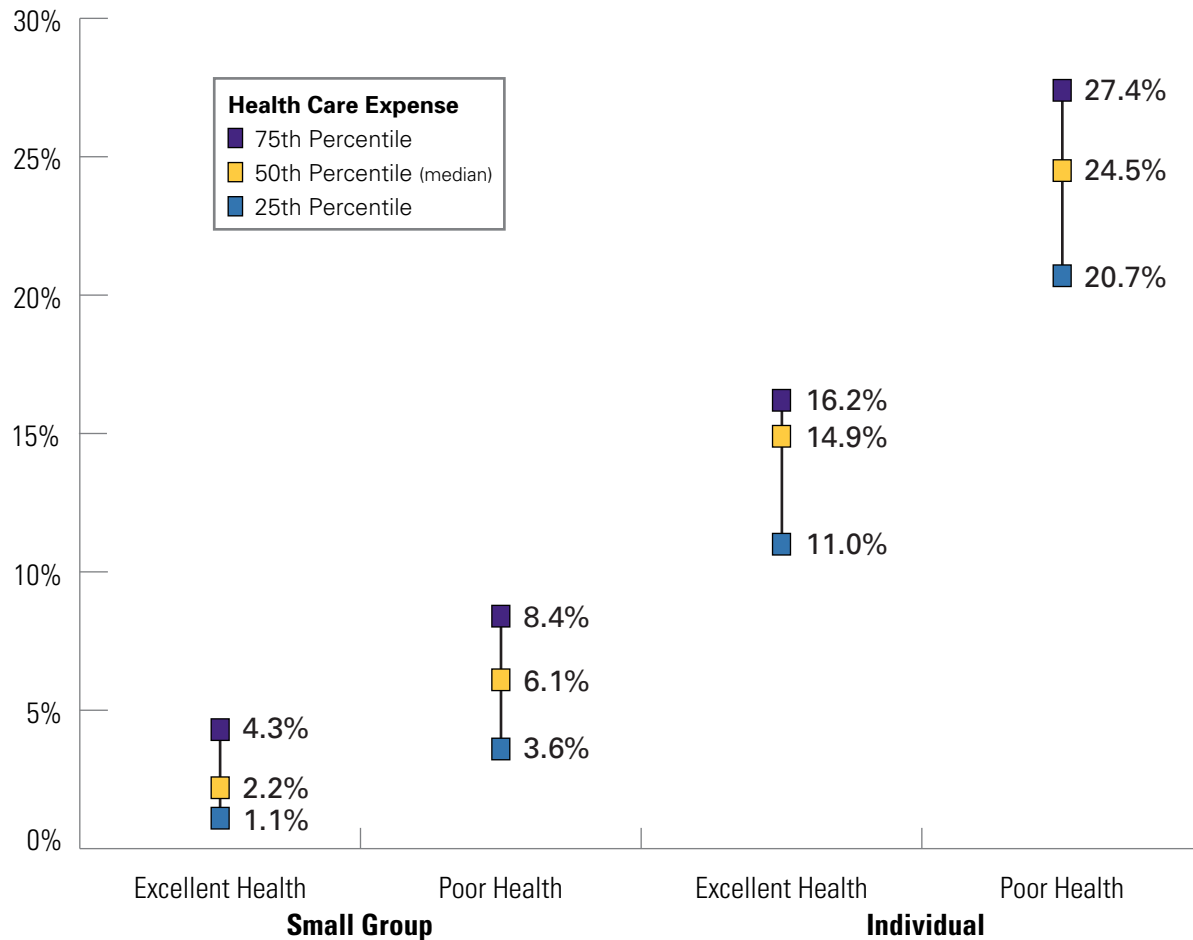
A person in poor health could expect to pay a considerably larger share of annual income for coverage in either the small group or individual market than a person in excellent health.

*Small group refers to employers with 3 to 50 employees.

Notes: Health care expenses are the sum of the expected out-of-pocket expense and the worker's share of premium (in the individual market, the worker pays the entire premium). Median annual income (\$30,623) is for a household with one person.

Source: California HealthCare Foundation 2006 Market Tracking Study.

Range of Annual Health Care Expenses as Share of Income, by Health Status, Small Group* vs. Individual, 2006



*Small group refers to employers with 3 to 50 employees.

Notes: Health care expenses are the sum of the expected out-of-pocket expense and the worker's share of premium (in the individual market, the worker pays the entire premium). Median annual income (\$30,623) is for a household with one person.

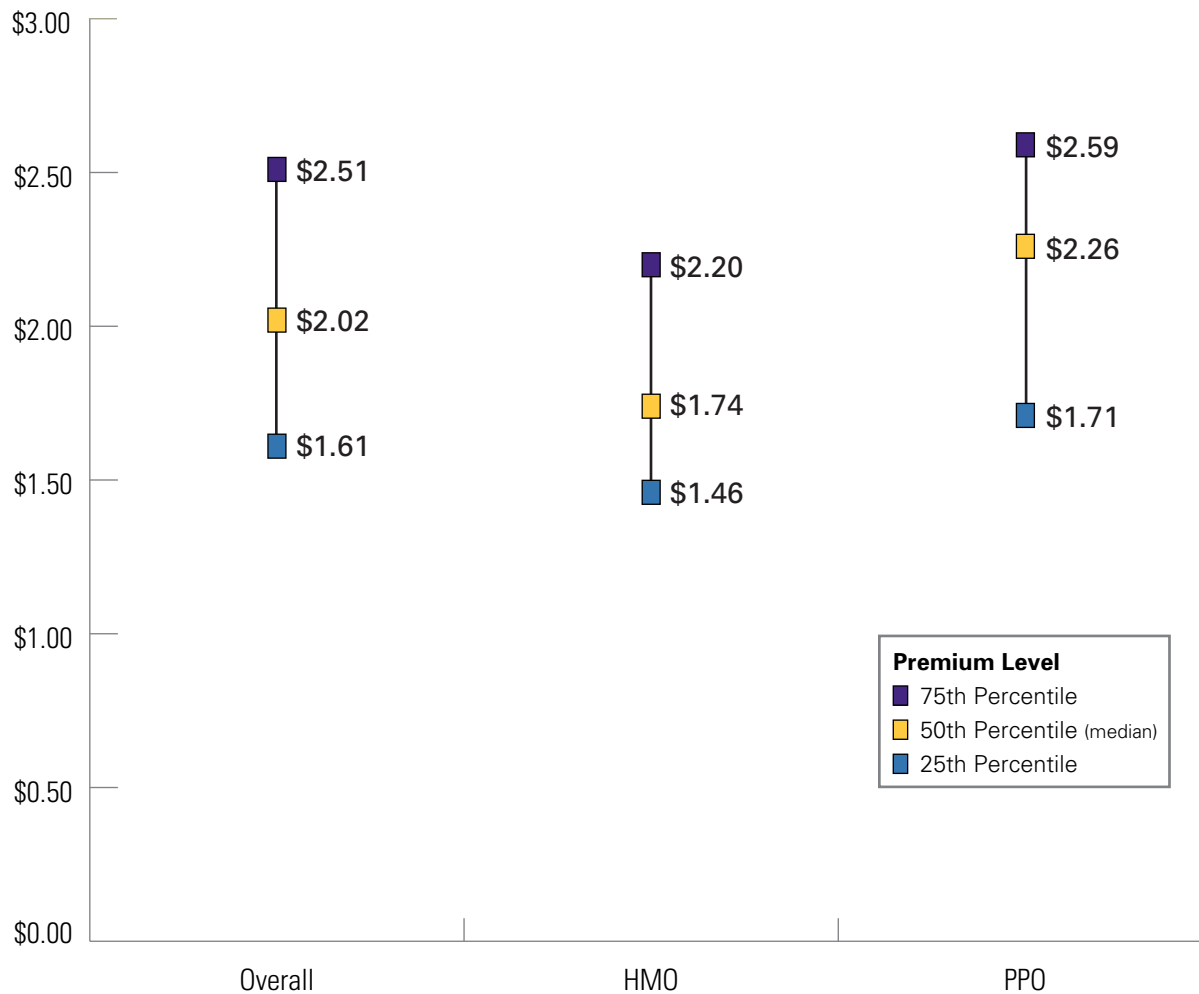
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Cost to Consumers

Compared to those covered through the small group market, individual purchasers paid a much greater share of income for health expenses.

Range of Premiums per Employee as Dollars per Hour Worked, Small Group* Single Coverage, 2006



*Small group refers to employers with 3 to 50 employees.

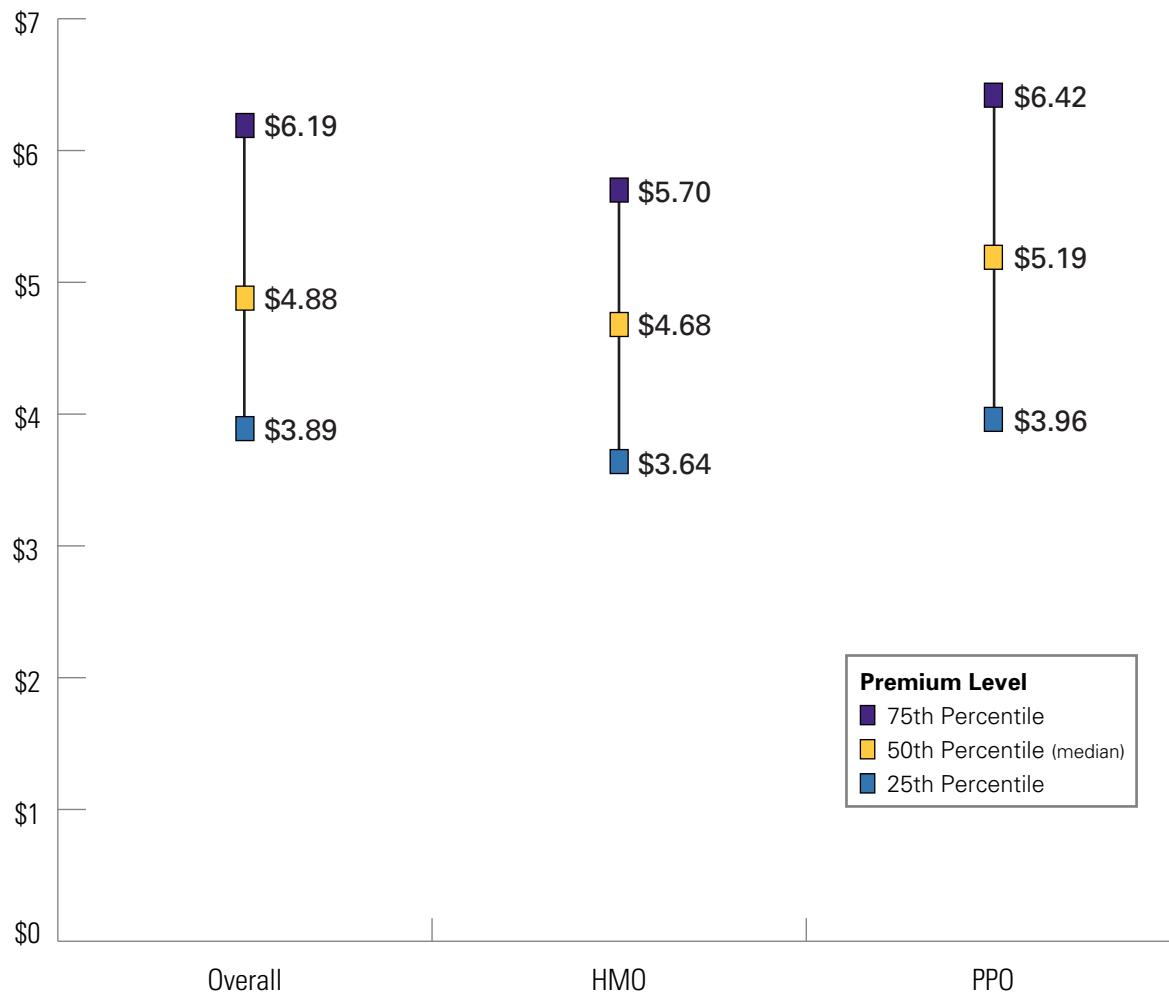
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Cost to Employers

The median premium in the small group market in California represented \$2.02 for each hour worked. This includes both the employer and employee contribution.

Range of Premiums per Employee as Dollars per Hour Worked, Small Group* Family Coverage, 2006



*Small group refers to employers with 3 to 50 employees.

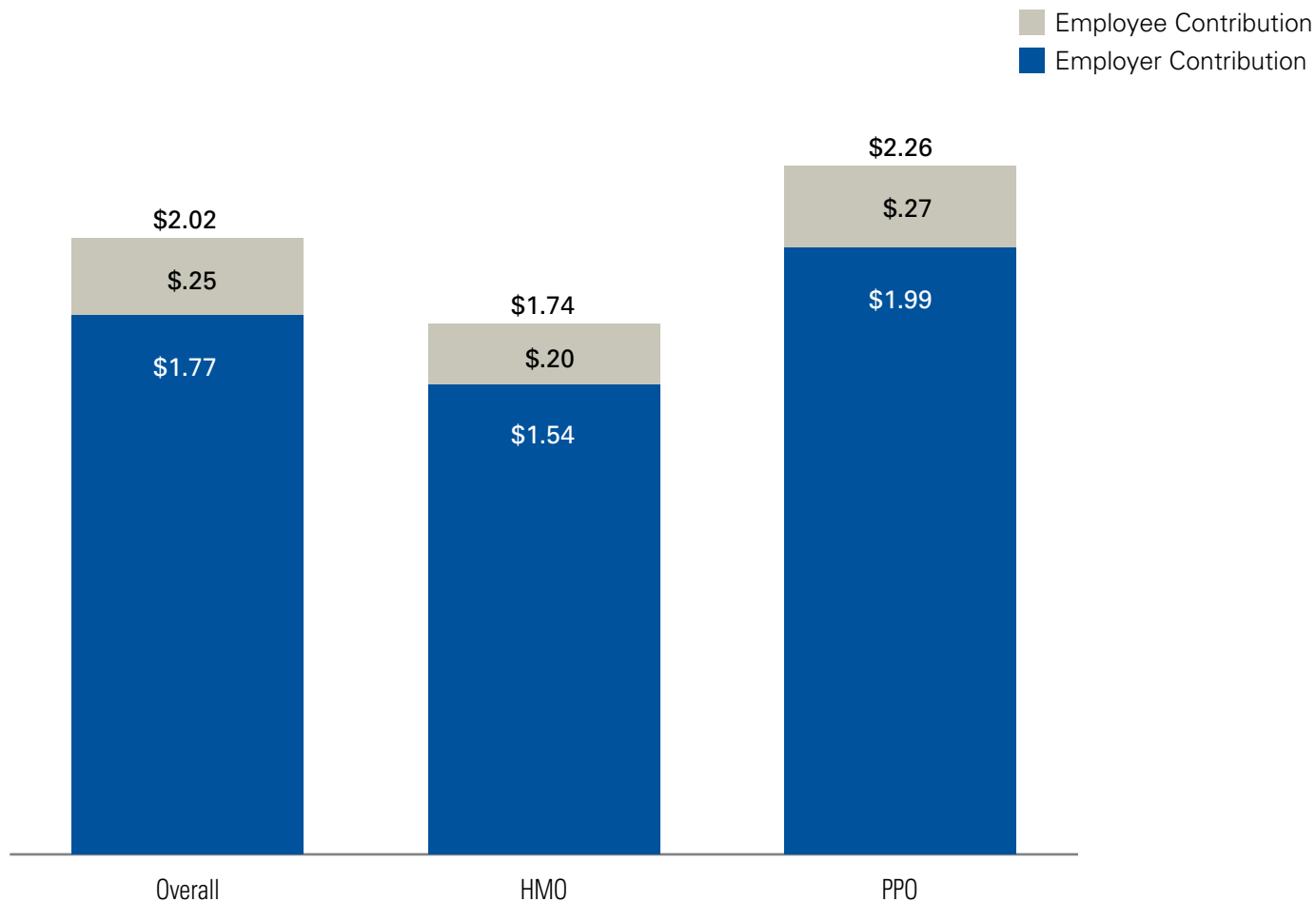
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Cost to Employers

For family coverage, the median premium in the small group market represents \$4.88 per hour worked. This includes both the employer and employee contribution.

Employer Contribution Towards Health Benefits as Dollars per Hour Worked, Small Group* Single Coverage, 2006



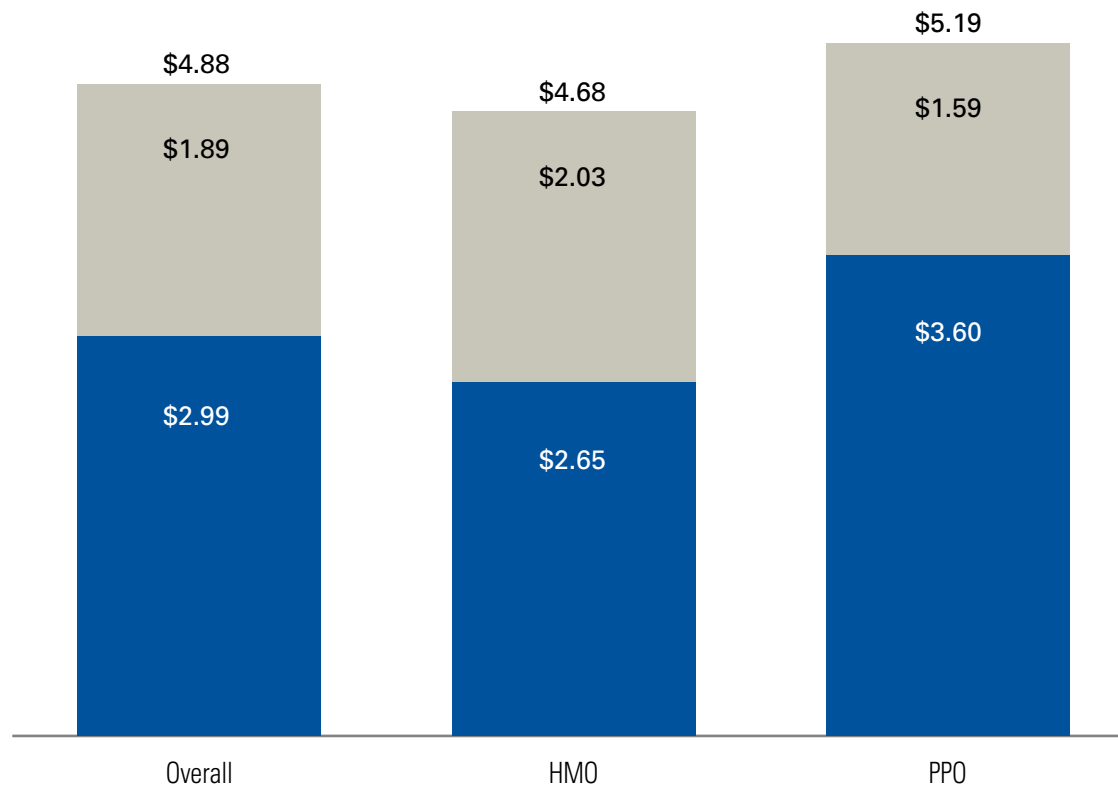
*Small group refers to employers with 3 to 50 employees.
 Note: Figures reflect average (mean) premiums and contributions.
 Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability Cost to Employers

The cost of coverage is shared between employers and employees. Small employers contributed \$1.77 per employee towards single coverage for each hour worked.

Employer Contribution Towards Health Benefits as Dollars per Hour Worked, Small Group* Family Coverage, 2006

■ Employee Contribution
■ Employer Contribution



*Small group refers to employers with 3 to 50 employees.

Note: Figures reflect average (mean) premiums and contributions.

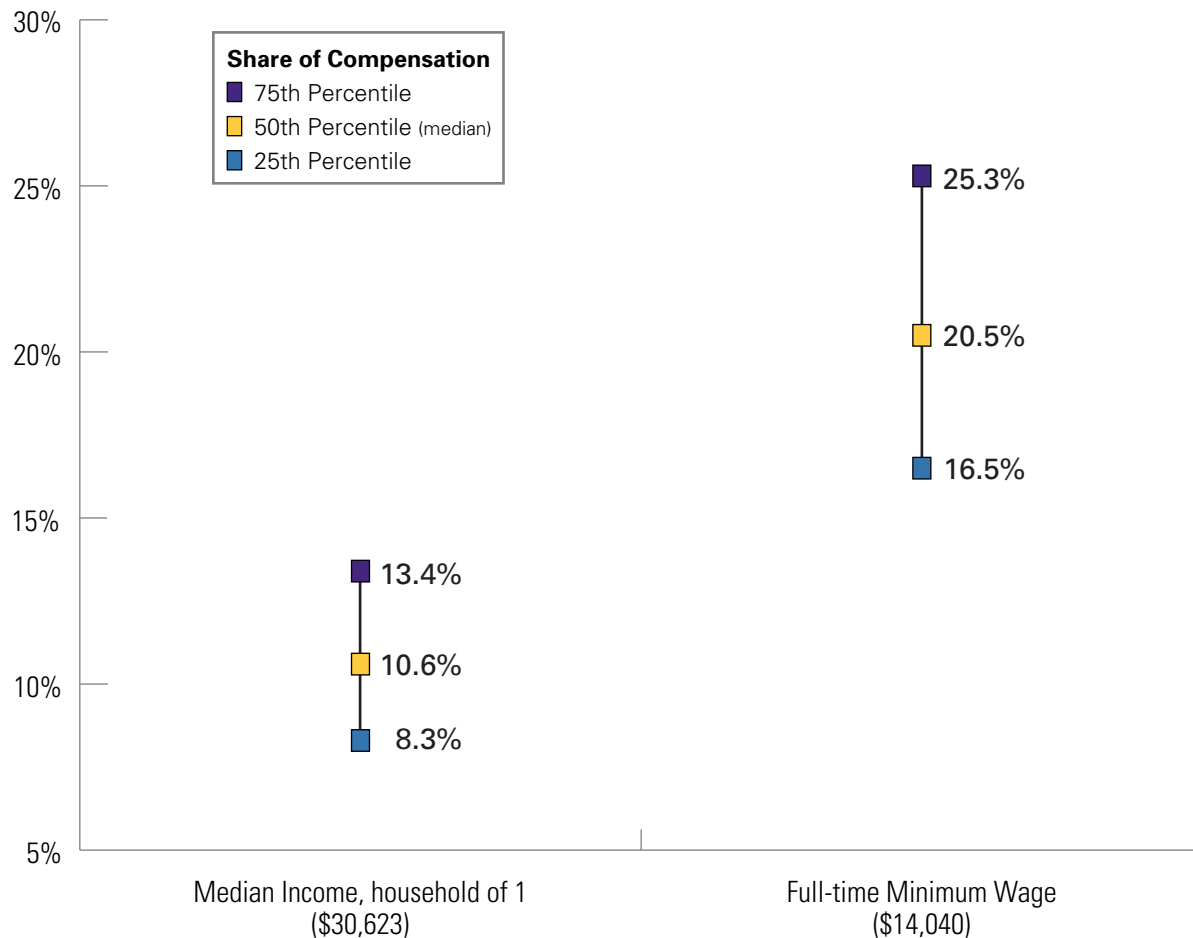
Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Cost to Employers

For family coverage, small California employers paid \$2.99 per employee for each hour worked.

Range of Employer Health Care Expenses as a Share of Employee Compensation,* Small Group[†] Single Coverage, 2006



*Compensation is defined as wages plus health benefits. Health insurance as a share of compensation would be lower, but still sizeable, if other benefits were included as part of compensation.

†Small group refers to employers with 3 to 50 employees.

Source: California HealthCare Foundation 2006 Market Tracking Study.

Affordability

Cost to Employers

Employers' health care expenses for singles represented 8 to 13 percent of median employee compensation; health care represented more of compensation at minimum wage levels. The range at each income level reflects the diversity of premiums and benefits in the market.

Acknowledgments

This snapshot was authored by Jon Gabel, Jeremy Pickreign, and Heidi Whitmore (formerly at the Center for Studying Health System Change and now at the National Opinion Research Center) with assistance from Katherine B. Wilson, independent consultant, and actuarial analysis by Watson-Wyatt Worldwide. The current analysis builds on work conducted under two previous CHCF-funded projects: the 2005 Small Group and Individual Insurance Market Tracking Study conducted by Milliman, Inc., and a previous study of California's Individual Health Insurance Market conducted by RAND.

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SUPPLEMENTAL INFORMATION

[Methodology](#)

[Distribution of Select Characteristics](#)

Appendix A | Methodology

Since 2002 CHCF has been tracking products and premiums offered in California’s small group and individual insurance markets through its “Small Group and Individual Market Health Insurance Tracking Study.” From 2002 to 2005, the study was conducted by Milliman, Inc., which analyzed the products offered in the respective markets. In 2006, the study was conducted by the Center for Studying Health System Change (HSC) and researchers at the National Opinion Research Center. Unlike previous years, the 2006 study analyzes the products actually purchased by consumers in the small group market, as opposed to what plans were selling.

HSC simulated health plan and patient payments for a standardized population for different small group and individual health plans. For each individual and small group health plan, HSC calculated for a large standardized population the percentage of medical expenses that would be paid by the plan and by the patient. HSC calculated these benefit rates for an overall population as well as persons in different states of health and persons with selected chronic diseases. The standardized population analyzed is covered by large and

small group insurance. Persons purchasing individual insurance are subjected to initial medical underwriting in California and in most other states. Hence, estimated out-of-pocket expenses for persons with individual insurance are likely greater than the actual expenses for person currently enrolled in individual insurance.

Adjusted premiums were computed to eliminate the effect of benefit differences in premium comparisons. The adjusted premium is calculated by dividing the unadjusted premium by the quotient of the benefit rate for the plan and an average reference benefit rate. For all analyses, the reference benefit rate is the average overall benefit rate for 2006 small firms. (The benefit rate is the share of medical expenses paid by insurance, also referred to as the actuarial value.)

Note that the overall adjusted premium in the individual market would be somewhat higher if one were to use the actual individual insurance population, since this population is in better overall health than the persons with group insurance.

The **2003 and 2006 California Employer Health Benefits Surveys** are a random sample of private firms with three or more workers. The

analysis here only considers firms with three to fifty workers. Firms are stratified by size and industry and systematically sorted by zip code. These surveys collect data on the benefits and cost-sharing of the largest HMO, PPO, POS, and HDHP (High Deductible Consumer Driven Health Plan – 2006 only). There are 240 firms in the 2006 sample, and 222 firms in the 2003 sample.

Similar to the California Employer Health Benefits Surveys, the **2006 California Market Tracking Survey** is a random sample of private firms with 3 to 50 workers. The sample of 248 firms is selected from six counties — Fresno, Los Angeles, Sacramento, Shasta, San Diego, and San Francisco. These counties are the central counties for the six major Economic Areas defined by the Department of Labor Bureau of Economic Analysis. The 2006 California Tracking Survey and the 2006 California Employer Health Benefits Survey were merged together with weights being recalculated for the combined samples.

Individual Insurance Plan Summaries for 2006 were obtained using the eHealthInsurance site (www.ehealthinsurance.com). Plan summaries were collected for six insurance products from the

Source: California HealthCare Foundation 2006 Market Tracking Study.

Appendix A | Methodology, cont.

six largest carriers (representing roughly 90% of the enrollment in the individual insurance market) for the same six counties listed above. Product types collected include two high deductible plans with savings accounts, a low-cost and a high-cost sharing PPO plan, and a low-cost and a high-cost HMO plan. Individual rates were for a healthy 32 year-old and a healthy 52 year-old. Rates were validated by comparing the figures obtained with those found on broker sites.

The benefits consulting firm **Watson Wyatt** maintains a proprietary claims database built from the medical claims of multiple employers. This claims database serves as the basis for the simulated bill-paying experience for a standardized population. Key assumptions made in the micro-simulation include:

- **Balance Billing:** 2.2 percent (PPO), 1.9 percent (POS), 1.2 percent (HMO) — based on medical charges.
- **In-Network Usages:** 86.8 percent (PPO), 90.2 percent (POS), 100 percent (HMO).

- **Out-of-Network Adjustment:** 15 percent differential in generosity for In-Network vs. Out-of-Network charges.
- **Variables Used:** Annual Deductible; Out-of-Pocket (OOP) Maximum; Lifetime Maximum; Copayment / Coinsurance for Office Visits, ER Visits, Hospital Stays, and Drug Copayments.

Using these assumptions, Watson Wyatt calculated the following:

- Actuarial Value for each charge decile of the standard population used to value each of the health plans.
- Used MEPS to identify each subpopulation of interest and estimate the percentage of each subpopulation that fell into each decile of the overall MEPS charge distribution.
- Used the MEPS percentages to reweight the actuarial values that had been calculated for each population decile, such that the weighted average actuarial value for each subpopulation reflected their distribution in the MEPS charge distribution.

The analysis uses insured-person based weights, which shows what the insured worker faces as opposed to what a typical small firm or carrier faces. For plans offered in the small group market, the weight is the product of the inverse of the probability of selection and the number of persons enrolled in the employer's plan. For plans offered in the individual insurance market, the weight reflects the proportion of persons covered by the carrier times the estimated percentage of people enrolled in the plan type and deductible level for that carrier.

SUDAAN is used to calculate standard errors in order to control for sampling design effects. Because there are no complex sampling issues with the individual insurance data, we calculate standard errors using a simple random sample assumption. All tests are conducted at the $p < 0.05$ level.

Appendix B | Distribution of Selected Characteristics

	AVERAGE (MEAN) VALUES		
	Small Group, 2003	Small Group, 2006	Individual, 2006
Single Monthly Premium	\$250 [†]	\$382	\$259 [‡]
Family Monthly Premium	\$660 [†]	\$854	\$677 [‡]
Percent with Annual Deductible – Single	49% [‡]	33%	85% [‡]
Average Annual Deductible – Single	\$655 [†]	\$1,053	\$2,499 [‡]
Percent with Office Visit Copay	96%	93%	48% [‡]
Average Office Visit Copay	\$14 [†]	\$20	\$28 [‡]
Percent with Office Visit Coinsurance	11% [‡]	2%	33% [‡]
Average Office Visit Coinsurance	NA	23%	37% [‡]
Maximum Annual OOP Limit – Single	NA	\$2,195	\$3,998 [‡]
Percent with Prescription Drug Coverage	97%	99%	98%
Copay – Generic Drugs	\$10.31 [†]	\$12.81	\$9.94 [‡]
Copay – Preferred Drugs	\$18.91 [†]	\$22.76	\$31.11 [‡]
Copay – Non-Preferred Drugs	\$24.04 [†]	\$28.10	\$46.07 [‡]

*Small group refers to employers with 3 to 50 employees.

†Because people in the individual market face medical underwriting, premiums are for a healthy 32 and 52 year old. See methodology on page 28 for more detail.

‡Estimates are statistically different at p<0.05 level.

Source: California HealthCare Foundation 2006 Market Tracking Study.

Appendix B | Distribution of Selected Characteristics, cont.

	Minimum	25th Percentile	Median	75th Percentile	Maximum
SMALL GROUP PLANS, SINGLE COVERAGE, 2006					
Single Monthly Premium	—	\$278	\$350	\$436	—
Single Monthly Worker Contribution	—	\$0	\$18	\$62	—
Family Monthly Premium	—	\$675	\$846	\$1,074	—
Family Monthly Worker Contribution	—	\$149	\$317	\$499	—
Annual Deductible – Single	\$100	\$375	\$827	\$1,261	\$6,000
Office Visit Copay	\$5	\$15	\$20	\$25	\$50
Office Visit Coinsurance	10%	10%	20%	40%	50%
Annual OOP Maximum – Single	\$100	\$1,500	\$2,000	\$3,000	\$5,000
Copay – Generic Drugs	\$1	\$10	\$10	\$15	\$40
Copay – Preferred Drugs	\$5	\$17	\$25	\$26	\$60
Copay – Non-Preferred Drugs	\$5	\$20	\$25	\$35	\$95
HMO SMALL GROUP PLANS, SINGLE COVERAGE, 2006					
Single Monthly Premium	—	\$252	\$302	\$381	—
Single Monthly Worker Contribution	—	\$0	\$15	\$50	—
Family Monthly Premium	—	\$631	\$812	\$988	—
Family Monthly Worker Contribution	—	\$159	\$334	\$531	—
Annual Deductible – Single	\$100	\$250	\$927	\$1,500	\$2,500
Office Visit Copay	\$5	\$15	\$20	\$25	\$40
Office Visit Coinsurance	NA	NA	NA	NA	NA
Annual OOP Maximum – Single	\$300	\$1,000	\$1,500	\$2,500	\$5,000
Copay – Generic Drugs	\$5	\$10	\$10	\$15	\$30
Copay – Preferred Drugs	\$5	\$15	\$20	\$25	\$45
Copay – Non-Preferred Drugs	\$5	\$15	\$25	\$30	\$70

Source: California HealthCare Foundation 2006 Market Tracking Study.

Appendix B | Distribution of Selected Characteristics, cont.

	Minimum	25th Percentile	Median	75th Percentile	Maximum
PPO SMALL GROUP INSURANCE PLANS, SINGLE COVERAGE, 2006					
Single Monthly Premium	—	\$297	\$392	\$449	—
Single Monthly Worker Contribution	—	\$0	\$23	\$54	—
Family Monthly Premium	—	\$686	\$900	\$1,113	—
Family Monthly Worker Contribution	—	\$0	\$63	\$113	—
Average Annual Deductible – Single	\$100	\$250	\$500	\$1,000	\$6,000
Average Office Visit Copay	\$3	\$15	\$25	\$30	\$50
Average Office Visit Coinsurance	NA	NA	NA	NA	NA
Maximum Annual OOP Benefit – Single	\$100	\$1,500	\$2,500	\$3,500	\$5,500
Copay – Generic Drugs	\$5	\$10	\$10	\$15	\$40
Copay – Preferred Drugs	\$5	\$20	\$25	\$25	\$60
Copay – Non-Preferred Drugs	\$5	\$25	\$25	\$40	\$95
INDIVIDUAL INSURANCE PLANS, SINGLE COVERAGE, 2006					
Single Monthly Premium	—	\$174	\$246	\$340	—
Family Monthly Premium	—	\$449	\$653	\$945	—
Average Annual Deductible, Single	\$500	\$1,500	\$2,400	\$3,500	\$5,000
Average Office Visit Copay	\$10	\$25	\$30	\$30	\$50
Average Office Visit Coinsurance	20%	30%	30%	50%	50%
Maximum Annual OOP Benefit, Single	\$2,000	\$3,000	\$4,000	\$5,000	\$7,500
Copay – Generic Drugs	\$7	\$10	\$10	\$10	\$20
Copay – Preferred Drugs	\$25	\$30	\$30	\$35	\$40
Copay – Non-Preferred Drugs	\$45	\$45	\$45	\$48	\$50

Source: California HealthCare Foundation 2006 Market Tracking Study.