California Regional Markets: Sacramento Area

Race/Ethnicity
Region vs. State Average, 2018

**CALIFORNIA**
- Medi-Cal: 28.7%
- Medicare: 15.9%
- Private: 47.7%
- Uninsured: 7.7%

**SACRAMENTO**
- Medi-Cal: 25.5%
- Medicare: 17.8%
- Private: 51.4%
- Uninsured: 5.3%

Population Statistics, 2018

- Total population (in millions): Sacramento 2.345, California 39.557
- Five-year population growth: Sacramento 5.8%, California 3.2%

Economic Indicators, 2018

- Below 100% FPL: Sacramento 13.3%, California 12.8%
- 100% to 199% FPL: Sacramento 15.7%, California 17.1%
- Unemployment rate: Sacramento 3.7%, California 4.2%
- Able to afford median-priced home: Sacramento 44.2%, California 31.0%

Health Insurance
Region vs. State Average, 2019

**CALIFORNIA**
- Medi-Cal: 28.7%
- Medicare: 15.9%
- Private: 47.7%
- Uninsured: 7.7%

**SACRAMENTO**
- Medi-Cal: 25.5%
- Medicare: 17.8%
- Private: 51.4%
- Uninsured: 5.3%

Age of Population
Region vs. State Average, 2018

**CALIFORNIA**
- Under 18: 22.7%
- 18 to 64: 61.7%
- 65 and older: 14.3%

**SACRAMENTO**
- Under 18: 22.8%
- 18 to 64: 62.9%
- 65 and older: 15.5%

Notes: Private includes any other insurance coverage (excluding Medicare and Medi-Cal). Medicare includes dual-eligible enrollees. Asian, Black, White, and Other categories are non-Latinx. Charts may not total 100% due to rounding.

Sources:
- “Employment by Industry Data: Historical Annual Average Data” (as of August 2020), Employment Development Dept., n.d.
- “Housing Affordability Index - Traditional,” California Association of Realtors.
- “Medi-Cal Certified Eligibles Tables, by County from 2010 to Most Recent Reportable Month,” CHHS Open Data Portal.
The Sacramento area — a region spanning El Dorado, Placer, Sacramento, and Yolo Counties — stands out among other inland California localities in boasting relatively high household incomes and a stable economy. Yet the region also experiences higher health costs and more people experiencing homelessness. Four large health systems — Dignity Health, Kaiser Permanente, Sutter Health, and UC Davis Health — dominate the area’s hospital market, which likely contributes to the region’s high private health insurance premiums. The region’s hospitals post the highest average operating margins of the seven regional markets studied and negotiate among the highest commercial payment rates in the state. All four systems continue to expand their footprints, building new office and hospital space while affiliating with a growing number of medical groups.

KEY FACTORS AFFECTING THE LOCAL HEALTH CARE MARKET INCLUDE:

► The market for Medi-Cal managed care plans in Sacramento County is crowded and chaotic. In 2017, the state Department of Health Care Services added two health plans to the Sacramento County market, which had four existing plans. One new entrant, UnitedHealthcare Community Plan, ended its contract prematurely and exited the market in 2018. The state plans to recontract with health plans serving the county starting in 2021, so the field of participating plans in Sacramento may change yet again.

► The market experienced increased consolidation between hospitals and medical groups, with hospitals’ operating margins increasing substantially. By 2019, 70% of primary care physicians and 80% of specialists belonged to practices controlled by a hospital or health system. Increases in the health systems’ commercial payment rates and operating margins have coincided with this consolidation.

► Health systems and Federally Qualified Health Centers (FQHCs) expanded capacity. Hospitals and FQHCs alike added new facilities and expanded existing ones. Kaiser, Sutter Health, and Dignity Health all plan to replace hospitals to comply with the state’s 2030 seismic requirements. FQHCs also expanded their scope of services, particularly for behavioral health care.

► FQHCs are caring for more Medi-Cal patients as other providers decline to contract with Medi-Cal managed care plans. FQHCs increasingly serve as primary care homes for Medi-Cal enrollees, as small medical clinics close and large medical groups shift patients to FQHCs.

► A complex behavioral health services system for Medi-Cal enrollees is making strides to meet service needs amid insufficient inpatient capacity and workforce shortages. To bring care to populations in need, counties’ mental health providers collaborate with criminal justice agencies and organizations providing services to people who are unsheltered.

► Health information exchange is siloed and limited. Health systems typically exchange data internally through electronic health record systems, with limited data sharing with FQHCs and health plans. Health systems and clinics are not prioritizing broader data exchange given other demands on time, resources, and leadership.

### Hospitals (acute care), 2018

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<thead>
<tr>
<th></th>
<th>Sacramento</th>
<th>California</th>
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</thead>
<tbody>
<tr>
<td>Beds per 100,000</td>
<td>157</td>
<td>178</td>
</tr>
<tr>
<td>Operating margin</td>
<td>10.5%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Total operating expenses per adjusted patient day</td>
<td>$4,425</td>
<td>$4,488</td>
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### Health Professionals

<table>
<thead>
<tr>
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<th>Per 100,000 Population, 2020</th>
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<tbody>
<tr>
<td>Physicians</td>
<td>210.1</td>
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<tr>
<td>Primary care</td>
<td>66.1</td>
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<tr>
<td>Specialists</td>
<td>143.7</td>
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<tr>
<td>Psychiatrists</td>
<td>12.3</td>
</tr>
<tr>
<td>% of population in HPSA</td>
<td>10.4%</td>
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Note: HPSA is health professional shortage area.