California Regional Markets: San Diego

Race/Ethnicity
Region vs. State Average, 2018

SAN DIEGO
White 45.2%
Latinx 34.0%
Other 14.7%
Black 4.2%
Other 4.7%

CALIFORNIA
White 36.8%
Latinx 39.3%
Other 3.6%
Black 5.6%
Asian 14.7%

Health Insurance
Region vs. State Average, 2019

SAN DIEGO
Private 53.9%
Medi-Cal 22.2%
Medicare 15.9%
Uninsured 8.0%

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

Population Statistics, 2018
San Diego California
Total population (in millions) 3.343 39.557
Five-year population growth 4.1% 3.2%

Economic Indicators, 2018
Below 100% FPL 11.4% 12.8%
100% to 199% FPL 15.9% 17.1%
Unemployment rate 3.3% 4.2%
Able to afford median-priced home 28.0% 31.0%

Age of Population
Region vs. State Average, 2018

Under 18
San Diego 21.6%
California 22.7%

18 to 64
San Diego 64.4%
California 62.9%

65 and older
San Diego 14.0%
California 14.3%

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:
California Regional Markets: San Diego, continued

The San Diego health care market has long been dominated by four health systems: Kaiser Permanente; Sharp HealthCare; Scripps Health; and University of California, San Diego (UCSD) Health. Both Kaiser and Sharp historically have embraced capitated (fixed per-member, per-month) payments where they assume financial risk for patient care, a trend now taking hold at Scripps and UCSD. While they compete for patients and market share, providers in the region also collaborate on community-wide issues, including access to care and more recently the COVID-19 pandemic. Despite significant gains in health coverage, access to care for lower-income people, especially for behavioral health services, remains a challenge.

KEY FACTORS AFFECTING THE LOCAL HEALTH CARE MARKET INCLUDE:

▶ Health care coverage expansion continues. The 2014 Medi-Cal expansion under the federal Affordable Care Act and the strong (pre-pandemic) economy helped increase the share of San Diegans with health insurance. More than half of residents have private insurance coverage, and Medi-Cal now covers almost a quarter of the population. Kaiser remains the dominant insurer in the region, reportedly covering 20% of the population.

▶ Hospital sector remains stable and consolidated. Overall, the region’s hospital sector remains stable, with no changes in ownership in recent years. Both UCSD Health and Kaiser opened new hospitals in 2016 and 2017, respectively, and Kaiser announced plans in early 2020 to build a third hospital in the northern part of the county.

▶ Medical groups focus on growth. As health systems expand population health strategies, they have increased affiliations with medical groups and independent practice associations. Medical groups also have grown as new physicians and independent physicians nearing retirement opt for employment instead of running their own practices.

▶ Federally Qualified Health Centers (FQHCs) thrive. San Diego's 14 FQHCs provide critical access to safety-net services across more than 100 sites in the region. Following the 2014 Medi-Cal eligibility expansion, patient visits per capita increased 40%. Looking to the future, two FQHCs have developed Programs of All-Inclusive Care for the Elderly to serve their patients with complex needs as they become eligible for Medicare.

▶ County moves to improve access to mental health and substance use disorder services. Access to behavioral health care is a critical need in the region. The county has launched an initiative to create a behavioral health “hub-and-network” system to connect individuals with community-based care and care coordinators following hospital discharge to reduce readmissions.

▶ Regional health information exchange (HIE) is at a crossroads. San Diego’s regional HIE serves providers in both San Diego and Imperial Counties. While the region has invested significant resources in the HIE, and it enjoys strong support, the system does not have the functionality many participants would like and remains underused.

### Hospitals (acute care), 2018

<table>
<thead>
<tr>
<th></th>
<th>San Diego</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beds per 100,000</td>
<td>180</td>
<td>178</td>
</tr>
<tr>
<td>Operating margin</td>
<td>10.2%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Total operating expenses per adjusted patient day</td>
<td>$3,667</td>
<td>$4,488</td>
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### Health Professionals

<table>
<thead>
<tr>
<th></th>
<th>Per 100,000 Population, 2020</th>
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<tbody>
<tr>
<td>Physicians</td>
<td>211.2</td>
</tr>
<tr>
<td>Primary care</td>
<td>62.4</td>
</tr>
<tr>
<td>Specialists</td>
<td>148.4</td>
</tr>
<tr>
<td>Psychiatrists</td>
<td>13.6</td>
</tr>
<tr>
<td>% of population in HPSA</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

Note: HPSA is health professional shortage area.

Sources: “Hospital Annual Financial Data - Selected Data & Pivot Tables,” California Office of Statewide Health Planning and Development, accessed June 1, 2020; Healthforce Center at UCSF analysis of Survey of Licensees (private tabulation), Medical Board of California, January 2020; and Health Professional Shortage Area (HPSA) data from Shortchanged: Health Workforce Gaps in California, California Health Care Foundation, July 15, 2020.

**ABOUT THE REGIONAL MARKETS SERIES**

This quick reference guide is based on the full report San Diego: Competing, Collaborating, and Forging Ahead with Population Health by Caroline Davis of Davis Health Strategies LLC and Katrina Connolly of Blue Sky Consulting Group.