Abstract: STUDY OBJECTIVE: To estimate the relative health effects of the income and health insurance provisions of the Los Angeles City living wage ordinance.

SETTING AND PARTICIPANTS: About 10,000 employees of city contractors are subject to the Los Angeles City living wage ordinance, which establishes an annually adjusted minimum wage (7.99 US dollars per hour in July 2002) and requires employers to contribute 1.25 US dollars per hour worked towards employees’ health insurance, or, if health insurance is not provided, to add this amount to wages. DESIGN: As part of a comprehensive health impact assessment (HIA), we used estimates of the effects of health insurance and income on mortality from the published literature to construct a model to estimate and compare potential reductions in mortality attributable to the increases in wage and changes in health insurance status among workers covered by the Los Angeles City living wage ordinance. RESULTS: The model predicts that the ordinance currently reduces mortality by 1.4 deaths per year per 10,000 workers at a cost of 27.5 million US dollars per death prevented. If the ordinance were modified so that all uninsured workers received health insurance, mortality would be reduced by eight deaths per year per 10,000 workers at a cost of 3.4 million US dollars per death prevented.

CONCLUSIONS: The health insurance provisions of the ordinance have the potential to benefit the health of covered workers far more cost effectively than the wage provisions of the ordinance. This analytical model can be adapted and used in other health impact assessments of related policy actions that might affect either income or access to health insurance in the affected population.