

Background Data and Models for Expanding Health Insurance Coverage to Uninsured Children in Santa Clara County

Executive Summary

Children's access to health insurance and health care are important determinants of better health outcomes and readiness to learn. A regular source of care is particularly important for children in assuring that appropriate preventive services are provided, acute and chronic conditions are diagnosed and treated in a timely manner, and that children's development is adequately monitored. Furthermore, children's regular access to preventive services can decrease their need for emergency and specialized services.

New estimates, based on data from 1997 and 1998 (the most recent data available), indicate that there are approximately 71,000 uninsured children in Santa Clara County, with a range between 48,000 and 87,000. Of the total number of uninsured children in the county, 72% are eligible for Medi-Cal or Healthy Families but are not enrolled. There are also approximately 20,000 children who are not eligible for Medi-Cal or Healthy Families due to family incomes that are too high or their immigration status. Of these 20,000 children, 50% or nearly 10,000 are undocumented and therefore ineligible for public health insurance programs.

Efforts to enroll these children in health insurance programs have been hindered by several factors. Even though they remain eligible for Medi-Cal, many children lose Medi-Cal coverage when their parents are discontinued from TANF (Temporary Assistance for Needy Families, formerly AFDC). Low-income families have also been deterred from enrolling their children in a system that is complex and confusing. For families with an immigrant member, fear that a family member might jeopardize his or her immigration status (even when their child is a U.S. citizen) discourages them from applying for public benefits, even though in most cases this fear is unfounded. Immigrant families may also be fearful of government programs in general or unfamiliar with the concept of insurance.

Policymakers and community leaders in Santa Clara County and the City of San Jose have become increasingly concerned about the long-term economic and health consequences associated with a significant population of uninsured children. In recent months, a grassroots campaign led by Working Partnerships USA (WPUSA) and People Acting in Community Together (PACT), developed a Children's Health Initiative to achieve 100% coverage for low-income children in Santa Clara County. This proposal involves pooling city and county tobacco settlement funds and Proposition 10 monies within a non-profit organization, expanding efforts to enroll children in existing programs, and creating a new health insurance source for children ineligible for public and private programs. To date, provisional funding has been committed by the County Board of Supervisors (\$3 million per year, subject to renewal); the Children and Families First Commission of Santa Clara County (\$2 million per year for three years), contingent on matching funds; and the Santa Clara Family Health Foundation (\$1 million for development in year 1). The City of San Jose has instituted a grants process for use of the city's tobacco settlement funds that requires a formal application be submitted and approved to access the city's funds for health insurance for children. City funding decisions will be announced in December 2000. Other partners, including several local, state, and national foundations, have expressed interest in supporting a broader children's health insurance initiative.

As efforts move forward to develop a program to reach the county's uninsured children, this report offers information on a range of approaches with potential to reach the maximum

number of children in the county. These models reflect innovative efforts to expand health insurance coverage for children, though in some cases it is still too early to tell if the programs presented will achieve their enrollment goals. The models discussed include:

- **Partnering City and County Collaborative Efforts with Programs for Children Not Eligible for Healthy Families or Medi-Cal.** This model is currently underway in the City of Los Angeles and involves the establishment of a partnership between the Mayor's Commission for Healthy Kids and the California Kids program to provide subsidized insurance for preventive services, prescription drugs, and dental and vision care to children of families with incomes up to 300% of the federal poverty level. Regardless of the program used to insure children ineligible for public programs, the California Kids / Los Angeles model is a source of proven outreach and enrollment strategies for reaching children who are ineligible for public programs, particularly undocumented children. To date, the program has provided health insurance coverage to over 5,000 children in Los Angeles.
- **Targeting Outreach and Enrollment to Children Already Eligible for Free/Reduced Lunch, WIC, and Food Stamp Programs.** This model, also called Express Lane Eligibility or ELE, accelerates enrollment of uninsured children who are already enrolled in other publicly funded programs such as Women, Infants and Children (WIC) or Free and Reduced Price School Lunch (FRPL). In California, Consumer's Union and the Department of Health Services have successfully assisted school districts throughout California in making referrals to Medi-Cal and Healthy Families through the Free and Reduced Price School Lunch program. As of September 30, this effort, which focused on the fall 2000 return to school, is responsible for over 22,000 referrals. ELE's early success in generating referrals and its linkage with natural entry points for low-income children have highlighted its potential to reach large numbers of children. Several options are under development at the Department of Health Services for how an ELE program would be implemented on a statewide basis.
- **Developing Subsidized Employment-Based Strategies for Coordinated Enrollment in Health Care Coverage.** A subsidized work-based approach provides a way for parents and children to be enrolled in the same health plan (which should make it more likely that children will actually access services because their parents will be more familiar with how their health plan works), and also offers a potentially less expensive alternative to covering children directly through a public program because it leverages available employer contributions. This approach is under implementation in California, Massachusetts, and Oregon.

In San Diego, Sharp Health Plan and the Alliance Health Care Foundation formed the FOCUS program, a demonstration project to reach low-wage families working for small employers. The FOCUS program subsidizes premiums for small employers and their employees with family incomes below 300% of the federal poverty level. Current enrollment in the program stands at nearly 1,800. In Massachusetts the MassHealth program provides health insurance to low-income families and children using both Medicaid and SCHIP funds. When a family has access to employment-based health insurance that meets certain conditions, the "Family Assistance" portion of MassHealth will pay the premium necessary to enroll the family in the employment-based coverage. The state also operates the Insurance Partnership Program to encourage small employers to provide health insurance to their low-income workers and pay at least half of the cost. Finally, Oregon created the Family Health Insurance Assistance Program (FHIAP), a state-funded voluntary effort that provides a subsidy to help families with incomes under 170% FPL purchase employer-based or individual insurance policies. Due to its reliance on state resources only, its enrollment has been frozen at about 6,500 people, 2,000 of whom are children. The program has a waiting list of 20,000 people.

- **Consolidating Children’s Health Insurance Funding and Developing Seamless Intake Systems.** Although the Kids Get Care proposal for the City of Seattle and King County, Washington is still in the planning and development stage, its vision to eliminate financing as a barrier for children and emphasize a seamless intake system and timely use of preventive services are worthy of serious consideration. The proposed program is structured so that all children are eligible to receive primary and preventive care services, with an eventual phase-in of coverage for inpatient care. It includes creation of a single fund to pay for health care services for children who are not eligible for any public or private health insurance; the ability for parents to choose from a designated group of providers to establish a “medical home” for their child; and the development of Web-based systems to simplify intake and eligibility determination.

The innovative models that provide outreach to and coverage for children eligible for public programs, or promote linkages between programs (such as targeting enrollment through WIC and FRPL) and strategically leverage new and existing resources (such as subsidized employment-based strategies), provide experience that may be useful for Santa Clara County in the near term. In the longer term, other models such as King County’s Kids Get Care proposal may be viable. The Kids Get Care model ensures that financing is no longer a barrier for families and that resources are dedicated to creating integrated management information systems, seamless operational structures, and outreach strategies necessary to ensure that all children receive timely and appropriate services. In addition, energy and resources could be focused on partnerships that support and encourage employers by helping them to coordinate and provide affordable insurance options for their employees. Finally, based on the experience of each of these models, it is clear that to achieve 100% coverage of children, public/private partnerships should be forged and sustained to fully support the Children’s Health Initiative.