



PIONEERS FOR COVERAGE: Local Solutions for Insuring All Children in California

EXECUTIVE SUMMARY

To achieve a healthier California, policymakers and the public must start by improving the health of the state's youngest and most vulnerable residents. Access to comprehensive and affordable health insurance coverage is an important precursor in determining the health of children, their families and the broader community. Uninsured children are half as likely as privately insured children to have well-child visits, office visits or hospitalizations. Children and youth require a protective and preventive system of health coverage—one that helps families anticipate and address needs on a preventive basis and coordinates services when problems arise.

Even with important recent gains in expanding public health coverage to the state's uninsured children, there are an estimated one million uninsured children under the age of 19. Approximately 55% of these children are eligible for the state's Medi-Cal or Healthy Families programs, and 45% are ineligible due to their immigration status or because their family's income is too high to qualify for public programs. Many of the state's uninsured children are in mixed status families that include both citizen and noncitizen members. With some children eligible and others ineligible for coverage within the same family, parents must choose between insuring only some of their children and leaving all of their children uninsured.

In addition, although employer-based coverage remains the predominant form of coverage for California's children, structural economic changes and four years of annual double-digit health care premium increases have eroded the affordability of employer-sponsored coverage, particularly for dependents. A recent study by the Health Research Educational Trust and the Henry J. Kaiser Family Foundation found that employee contributions towards family coverage had increased by 49 percent. These factors combined likely explain why about one in ten children still do not have access to health coverage.

California counties—which for more than two decades have had the primary responsibility for providing health care to uninsured residents—have responded by creating a nationally recognized model for expanding health coverage and creating systems change called the Children's Health Initia-

tive (CHI). Santa Clara County launched the first CHI in 2001 with a diverse mix of public financing and private foundation support. CHIs have established a vision of health coverage for all children that are county residents.

Children’s Health Initiatives are innovative programs designed to:

- Cultivate new public-private partnerships for children’s coverage;
- Reform and streamline existing systems in the creation of a single “One Open Door” enrollment pathway;
- Create an affordable and comprehensive Healthy Kids gap coverage product; and
- Maximize and coordinate with existing public health coverage programs including the Medi-Cal and Healthy Families programs.

**Status of Children’s Health Initiatives in California
February 2006**



Through a broad and complex coalition-based effort, eighteen counties have operational CHIs and at least another fourteen localities are attempting to follow suit as of February 2006.

Why Have CHIs Taken Flight in Such Rough Conditions?

CHIs have taken flight in the face of seemingly insurmountable odds. Like other states, budget shortfalls in California have prompted a close re-examination of Medi-Cal in order to reduce future program costs. In 2004, thirty-four states dropped at least 500,000 children from Medicaid and/or SCHIP through restricted eligibility. Shortfalls at the state level have created similar fiscal constraints at the county level, with a number of counties cutting health, public safety, and a number of other programs to close budget gaps.

Yet interest in replicating the CHI vision and strategies has accelerated since 2001. There are a number of reasons for this unexpected trend. First, it is clear from the results and the testimony of those involved with CHIs that these programs are beneficial to families, local government agencies, providers, health plans, community-based organizations, and local policymakers. Second, CHIs are helping existing public programs work better and maximizing the return of the public's investment in them. Much like SCHIP's important spillover effects for Medicaid programs nationally, the new Healthy Kids coverage programs appear to have had positive enrollment effects on Medi-Cal and Healthy Families locally. Finally, the local and state commissions funded through Proposition 10—the California Children and Families First Act of 1998—and several California-based foundations have committed significant transitional funding to the CHIs to keep the momentum going and allow time for statewide policy change to occur.

To date, CHIs have enrolled more than 82,000 children in their Healthy Kids programs and covered tens of thousands more children under the Medi-Cal and Healthy Families programs. The next generation of CHI innovators is cultivating new approaches that will reflect local conditions while also navigating the challenges encountered by the first generation of CHIs. Emerging approaches include the expansion of local public plans outside their service areas, partnership development with one or more commercial health plans, and coordination of multi-county Children's Health Initiatives.

Policy and Practice Considerations

Together, the Children's Health Initiatives are reshaping social policy and expectations that **all children are eligible for health insurance** – and shifting the burden of navigating many different programs from families to the “behind the scenes” eligibility systems created to support them. CHIs have demonstrated that localities can be creative and work to precipitate broad scale changes that benefit children, families and communities.

Yet each CHI faces financing and sustainability challenges that will only be resolved with state and federal policy change. Achieving affordable and sustainable health coverage for all California children will require specific changes driven by high level leadership, diverse financing, and joint state and local cooperation, including:

- **State and local simplification of eligibility standards and enrollment systems such as those pioneered through One Open Door and Express Lane Eligibility (ELE);**
- **Redirection of current spending on health care services and administrative savings from system simplifications to finance expanded children's coverage statewide;**
- **Identifying and securing a mix of financing contributions from government, families, employers and providers to expand children's coverage statewide;**
- **Developing approaches to coordinate with private employer coverage and ensure such approaches are well coordinated with public programs; and**
- **Forging long-term public-private partnerships across all areas of the health care system that serve children and families, with the shared goal of ensuring that all California children have affordable health insurance coverage and a medical home.**

California's Children's Health Initiatives exemplify the power of local communities in creating health policy change. Through their vision and action, the CHI pioneers will continue to inspire and innovate to create solutions for the state's uninsured children and families.

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