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COVERING CALIFORNIA'S KIDS
EVALUATION

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FUNCTIONING AT THE BRINK: THE CHILDREN'S HEALTH INITIATIVES HAVE GROWN BUT MAY NOT SURVIVE

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In the midst of health care reform debate at the state and national levels, the Children's Health Initiatives (CHIs) continue to provide coverage to otherwise uninsured children in California primarily via Healthy Kids.[1] Healthy Kids is still the only affordable source of comprehensive coverage for these children, but anticipated funding deficits threaten to close these programs and disenroll thousands of children in the absence of state funding. This report highlights the experiences of the CHIs as they aim to remain viable while waiting for legislative action.

➢Healthy Kids programs are operating in 25 of California's most populated, highest need counties.

Figure 1. Status of Children's Health Initiatives Statewide by Implementation Phase

- Healthy Kids programs currently operate in counties that account for about 80 percent of the State's total uninsured children *(see Figure 1)*.
- Enrollment in Healthy Kids statewide is currently 83,940 based on the latest data from each county (66,930 children ages 6-18 and 17,010 ages 0-5). This represents a 1 percent increase from the prior year. About 8,800 children were waitlisted for Healthy Kids statewide.
- The CHI in Placer County is currently in a planning phase, and will become the 26th county to operate a Healthy Kids program. The CHI is expected to launch by end of summer 2007 and cover up to 850 children.

➢Many of the CHIs are unable to meet the estimated demand for child health insurance coverage.

- Reports from CHI directors or from state representative survey data suggest there were about 201,000 Healthy Kids eligible children in CHI counties at the initiation of these programs. Overall, CHIs are meeting about 39 percent of the total need for coverage in CHI counties *(see Table 1)*.
- Despite some recent decreases in Healthy Kids enrollment, Los Angeles continues to maintain both the largest enrollment and waitlist of children. Still the program reaches only about half (53 percent) of the estimated number of eligible children for Healthy Kids. Only seven other CHIs are meeting half or more of the estimated need for coverage.

Table 1. Reported Children Enrolled, Waitlisted, and Eligible for Operational CHIs as of April-July 2007

	Enrolled Children			Waitlisted Children			Estimated Total Eligible	Enrolled as a Proportion of Total Eligible
	0-5 y	6-18 y	Total	0-5 y	6-18 y	Total	0-18 y	0-18 y
Alameda	135	906	1,041	550	2,000	2,550	11,000	9%
Colusa	20	20	40	0	18	18	--	--
El Dorado	39	53	92	0	0	0	1,000	9%
Fresno	310	904	1,214	0	455	455	8,550	14%
Kern	539	944	1,483	0	817	817	2,000	74%
Kings	11	0	11	--	--	--	--	--
Los Angeles	6,610	30,647	37,257	0	1,724	1,724	70,000	53%
Merced	76	103	179	--	--	--	3,000	6%
Napa	105	640	745	0	0	0	--	--
Orange	34	234	268	0	0	0	17,000	2%
Riverside	1,956	4,385	6,341	0	0	0	8,000	79%
Sacramento	205	695	900	0	30	30	22,000	4%
San Bernardino	1,470	750	2,220	0	0	0	5,000	44%
San Francisco	698	3,331	4,029	--	--	--	--	--
San Joaquin	495	2,044	2,539	0	335	335	3,000	85%
San Luis Obispo	188	396	584	38	568	606	2,200	27%
San Mateo	870	5,545	6,415	0	0	0	7,150	90%
Santa Barbara	159	340	499	100	500	600	4,000	12%
Santa Clara	1,953	10,794	12,747	0	935	935	18,000	71%
Santa Cruz	319	1,685	2,004	0	200	200	2,300	87%
Solano	149	1,056	1,205	20	68	88	2,000	60%
Sonoma	257	755	1,012	0	350	350	2,700	37%
Tulare	309	383	692	--	--	--	3,000	23%
Yolo	68	245	313	0	23	23	6,800	5%
Yuba	44	69	113	0	50	50	2,350	5%
TOTAL	**17,019**	**66,924**	**83,943**	**708**	**8,073**	**8,781**	**201,050**	**39%**

- Financial limitations are the main barriers to expanding coverage further to meet a greater share of need for child coverage. Outreach and enrollment strategies have remained unchanged across CHIs, with community clinics and schools the primary sources of reaching families of eligible children. Many of the CHIs have now been operational for more than a year and many have refocused much of their efforts on retaining children in the program. The most commonly reported strategy to assure continuous enrollment is to pre-populate application forms with family information in order to reduce the burden associated with completing necessary paperwork.

➢CHIs face sustainability problems, not only for premiums, but for core administration activities.

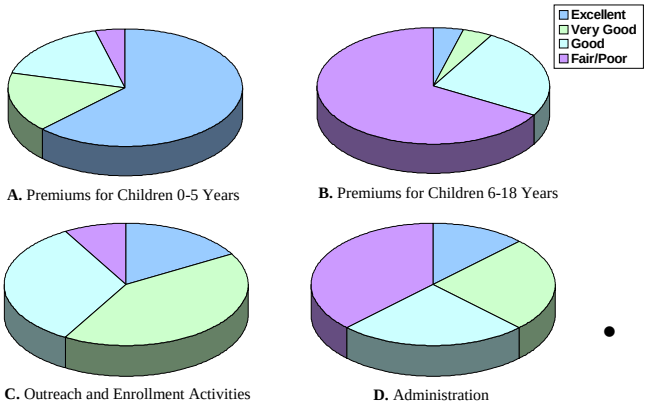

Figure 2. Reported Financial Sustainability of CHI Operational Activities

- Because of the support from First 5 commissions both locally and statewide, CHIs report few problems maintaining funding for children ages 0-5 years, but two-thirds said sustainability of premiums for older children was *fair* or *poor (see Figure 2)*. This is substantiated by analyses that predict premium funding deficits of $175 million for children 6-18 years over the next three years.[2]
- Perhaps the most important, but frequently overlooked problem faced by CHIs, is funding for administration. Only one-third of CHIs reported *excellent* or *very good* sustainability of administration activities and more than one-third (37 percent) said it was *fair* or *poor*. Donors to the CHIs understandably want funding to be directed to purchasing coverage since this is a measurable and reportable outcome. This has left CHIs without sufficient specific funds for administration.

➢Philanthropies have helped leverage funding for Healthy Kids premiums from other donors.

- When asked how helpful funding from The California Endowment (TCE) and First 5 was in leveraging funds from others, the response was overwhelmingly positive *(see Figure 3)*.
- CHIs reported that TCE and First 5 funding was *somewhat* or *very* helpful in leveraging funds from other philanthropies (average of 2.4 and 2.5--out of 3 points), county supervisors and county agencies.
- First 5 funds were reported to be *somewhat* helpful (average 1.8) in leveraging support from businesses. Funding, however, was not often obtained from city councils or federal grants regardless of TCE and First 5 support.

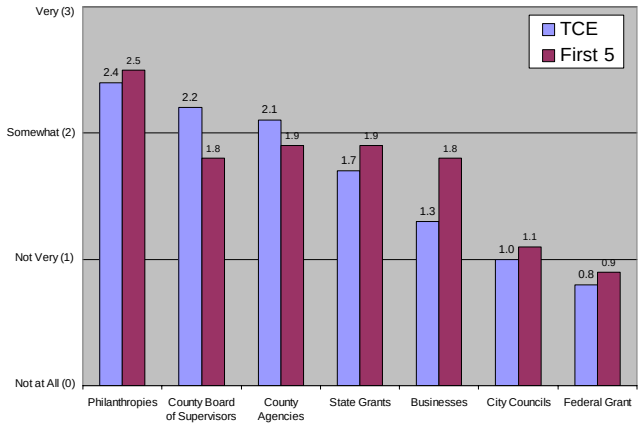

Figure 3. Helpfulness of California Endowment and First 5 Funding in Leveraging Funds

➢CHIs continue to view philanthropies, health departments, and advocacy groups as key partners.

- When asked how helpful organizations were in meeting CHIs' goals of health insurance for all children, local First 5 offices and TCE were ranked near the top (average of 2.8 and 2.5--out of 3 points). The statewide coalition of CHIs (known as the Coalition of Children's Health Initiatives) also ranked highly (average of 2.5). Legislators' offices and the local United Way were ranked lowest. United Way is specifically funded to help generate support for the CHIs from businesses; thus, this score may, in part, reflect the near universal difficulty faced by CHIs in engaging business in their activities.

➢CHI coalitions communicate and respond to changes well, but also appear to improve with time.

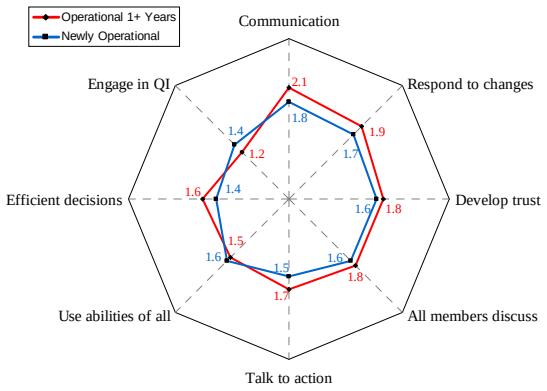

Figure 4. CHI Coalition Functioning Across Eight Domains of Group Dynamics
Note: The closer the line to the outside edge of the octagon, the better the performance

- CHIs report effective communication, involving members in discussion and developing trust. Weak areas are efficient decision making and engaging in quality assessment and improvement *(see Figure 5)*.
- Not surprisingly, CHIs that have been operational for one year or longer report higher functioning than those implemented less than one year. For example, long-term CHIs averaged 2.1 vs. 1.8 for newer CHIs (out of 3 points) for communication.
- Compared to long-term operational CHIs, newly operational CHIs reported a higher average level of capacity to engage in quality improvement activities.

➢Health plans serving CHIs are implementing efforts to increase preventive care utilization.

- Nine (9) CHIs reported that their health plan has an initiative to encourage children under the age of five to obtain dental care services and to encourage local dentists to accept public insurance clients.
- Six (6) CHIs reported that their health plan promotes services to screen and treat overweight children. These health plans provide resources to providers, such as distributing BMI wheels and calculators, and offer physician training on effective counseling and treatment for overweight children.
- Three (3) CHIs are focusing on member education to encourage preventive visits. One produced a "Utilization Promotion DVD" for new members, and another offers incentives to members for obtaining their well-child and well-adolescent check-ups.

➢Policy implications

- The success of Healthy Kids programs has stemmed from the sustained and collaborative efforts of CHIs, their cohesive and effective coalitions, and their partnerships with First 5 organizations, advocacy groups and many other organizations. Many philanthropies have helped to sustain these programs and leverage other support; but they too have their programmatic and financial limits and are considering end dates for Healthy Kids premium support, leading most CHIs to reach their financial brink.
- Despite the recent line-item veto by the governor of California of funding for outreach and enrollment, and ongoing presidential opposition to the expansion of the SCHIP program, there are opportunities for the California legislature to assure that children who are currently covered by Healthy Kids do not return to the pool of uninsured by expanding public coverage to all children regardless of immigration status.
- The value of coverage for these children should not be overlooked. Data suggest that coverage for these children statewide would increase preventive health care utilization, reduce hospitalizations for conditions that can be managed in primary care (e.g., asthma), and improve health.[2-5]

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