

Report on the Status of Uninsured Children in Orange County

Orange County Health Care Agency as requested by the Orange County Board of Supervisors

October 2005

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EXECUTIVE SUMMARY

Health insurance coverage improves the health of children and provides significant benefits to the community.

It is estimated that at least 40,000 children in Orange County lack health coverage. About 19,000 of these children are currently eligible for coverage under the state's Medi-Cal or Healthy Families programs.

Statewide, a model known as the Children's Health Initiative (CHI) has been developed to enhance enrollment in Medi-Cal and Healthy Families and to provide coverage options for children who do not qualify for existing programs. There are 26 counties with CHIs active or in the planning stages.

A CHI is being established in Orange County. A possible plan for county participation in this CHI could involve:

- 1. Fielding two teams of workers to help enroll children in the state Medi-Cal and Healthy Families programs.
- 2. Expanding the Healthy Families program to include children who have legal residency status and are in families with incomes between 250% to 300% of federal poverty guidelines. This would require a ¹/₃ local match.
- 3. Funding a public awareness program to support enrollment activities.
- 4. Funding an evaluation of the effectiveness of the enrollment effort.

The net cost to the county for the next three fiscal years (FY '05-06, FY '06-07 and FY '07-08) is estimated at \$2.1 million.

ACCESS TO CARE

Health Coverage for Children

Children who have health insurance coverage are usually healthier because they have access to essential prevention services such as lead screening, immunizations and treatment for acute and chronic illnesses. In contrast, one in three uninsured children with recurring ear infections, and the majority of uninsured children with asthma, never see a doctor for these conditions.¹

The adverse effects of not having health insurance spread far beyond the individual child. Without insurance, families must incur major expenses for treating their child's unmanaged chronic disease. In addition, caring for their child often results in lost income due to a parent's reduced employment and lower productivity.²

Children without insurance are also more likely to miss school, with a corresponding loss of revenue for school districts. The total loss of revenue to Orange County school districts due to absences each year is estimated at \$100 million. The portion of this loss that relates to uninsured children's lack of health insurance has not been quantified, but is likely significant.

Children with untreated health conditions also create threats to overall public health. Children without immunizations or proper disease management put all children at risk of exposure to contagious diseases. Uninsured children are also forced to rely on public health services, hospital emergency rooms and community clinics. For example, one in four uninsured children uses the hospital emergency room as a regular source of care.³ The resulting burden on these safety net providers compromises their ability to serve all members of the community and reduces overall quality of care.⁴

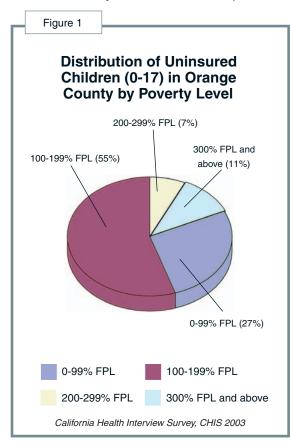
The cost-effectiveness of routine childhood immunizations has been well documented, with one estimate suggesting that for each dollar spent now on immunization, \$10-\$14 will be saved by preventing diseases in the future.⁵ As another measure of cost-effectiveness, the State of Florida experienced an almost 70% drop in emergency room use when parents were helped to obtain insurance coverage for their children, saving taxpayers \$13 million in 1996.⁶

Orange County's Children: Are They Covered?

There are currently just over 800,000 children (ages 0-17) living in Orange County.⁷ Although Orange County's Medi-Cal enrollment for children has increased 51% between January 2000 and January 2005 and Healthy Families enrollment has increased 167% from April 2000 to January 2005, there continue to be uninsured children in

Orange County.⁸ The 2004 Orange County Health Needs Assessment (OCHNA) found that 38,000 of Orange County's children were uninsured. Other surveys, such as the California Health Interview Survey, have estimated as many as 75,000 children are without health coverage in Orange County.⁹ These variances stem from different sample sizes and survey focus.

Local community stakeholders and providers



have reviewed available data and agree that there are at least 40,000 uninsured children in Orange County—about 5% of the child population.

Not surprisingly, families with low incomes are the least likely to have health coverage, primarily due to the high cost of health insurance. The average health insurance premium for a family of four is now almost \$10,000 per year. It is very difficult for a family with an annual household income at or below 200% of Federal Poverty Level (FPL)—currently \$37,700 for a family of four—to afford health coverage. See Figure 3 on page 6 for 2004 Federal Poverty Guidelines.

As shown in Figure 1, 82% of uninsured children in Orange County live in families with incomes at or below 200% FPL.

Recent surveys estimate that 67-75% of Orange County's children without health coverage are Latino. Latinos, a growing population, disproportionately fall into the low-income brackets (200% FPL or below) and are more likely to lack health coverage than children from other ethnic groups. Roughly half of the remaining uninsured children are white and the other half is Asian.¹¹

Those with the greatest barrier to health care access are persons without legal residency status in the United States. The 2004

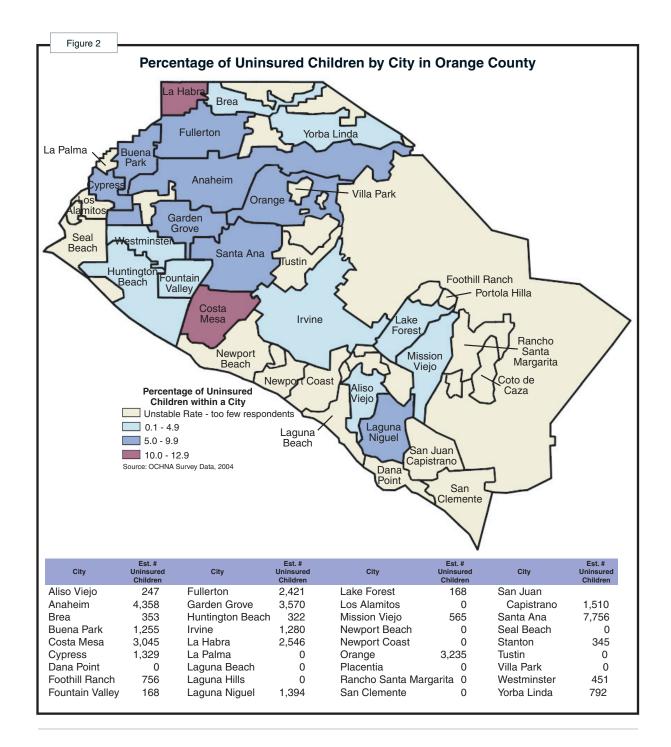


Figure 3

2004 HHS Federal Poverty Guidelines

| Size of family unit | 48 Contiguous States and D.C. |
|----------------------------------|-------------------------------|
| 1 | \$ 9,310 |
| 2 | \$12,490 |
| 3 | \$15,670 |
| 4 | \$18,850 |
| 5 | \$22,030 |
| 6 | \$25,210 |
| 7 | \$28,390 |
| 8 | \$31,570 |
| For each additional person, add: | \$ 3,180 |

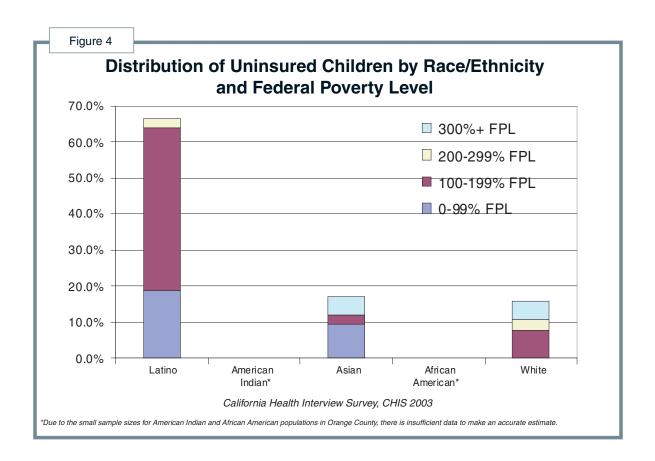
SOURCE: Federal Register, Vol. 69, No. 30, February 13, 2004, pp. 7336-7338

The Federal Poverty Level (FPL) variable was created using the reported annual household income of survey respondents, accounting for the number of people in the household. Please note that the variable follows the 2004 FPL guidelines, which describe a family of four living below the FPL (100% below) as having an annual household income of \$18,850. According to the 2000 U.S. Census, approximately 34% of children in Orange County live below 200% of the Federal Poverty Level (FPL).

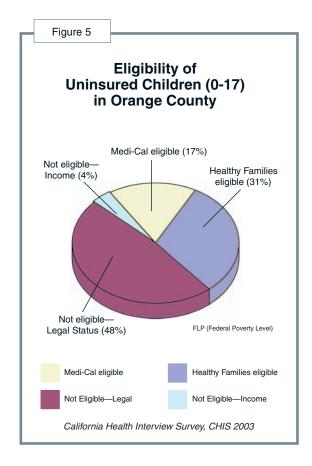
Orange County Health Needs Assessment (OCHNA) survey found that 92% of foreignborn residents without legal status lacked health coverage.

There are a number of reasons why children do not have health insurance coverage:

- Health insurance is not offered by their parent's employer
- Their parents are unable to afford private health insurance premium costs, deductibles and co-payments
- Children are ineligible for public programs due to program income limits or a child's residency status
- The enrollment processes appear too complex
- Their parents lack knowledge about available public health coverage programs
- Children are eligible for public programs but the parents are unable or unwilling to pay the monthly share of cost.
- Families have children who fall into different eligibility categories.



- Parents are uninsured themselves
 —studies show a strong correlation
 between uninsured parents and uninsured children¹²
- Parents do not understand the value of health insurance.
- There is stigma associated with some health coverage programs
- Their parents have fears related to immigration issues



Current Coverage Options for Uninsured Children

The Medi-Cal and Healthy Families programs provide most of the available health coverage for low-income children. Both are state and federally funded. Medi-Cal provides no-cost coverage to children from birth to age 21. Healthy Families provides low-cost coverage for legal residents from birth

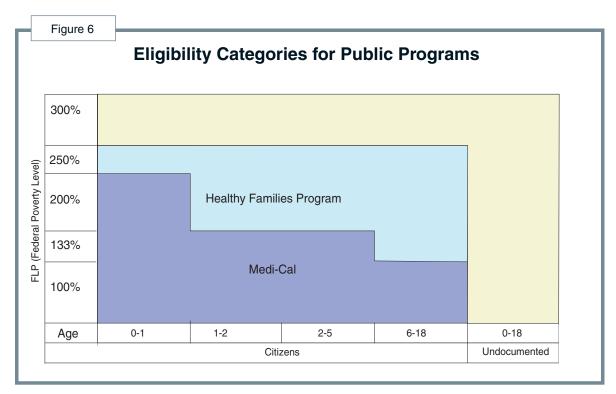
to age 19 who don't qualify for Medi-Cal.

As shown in Figure 5, about half of Orange County's uninsured children would be eligible for either Medi-Cal or Healthy Families if they were to apply for coverage. The remaining half is ineligible for these existing programs, other than restricted Medi-Cal services for medical emergencies, due to legal status.

One Barrier to Enrollment

Due to funding reductions in recent years, the number of Certified Application Assistors (CAAs)—individuals trained and certified to help people enroll in available programs—has been significantly reduced. CAAs were once found in many Community Clinics, Community Based Organizations (CBOs) and at County clinics, often working full time to identify and enroll eligible children into Medi-Cal and Healthy Families. About 320 CAAs were active in Orange County in 2002.

Due to the withdrawal of state funding support, there are now only 70-80 CAAs available for enrollment assistance in the county. These few remaining CAAs frequently have additional responsibilities and are not able to focus on enrollment as they once did. In addition, many of these workers have not been trained to educate parents about the benefits of enrolling their children, keeping them



enrolled, and finding a consistent medical provider (referred to as a medical home).

Past Efforts to Address Children's Health Care Coverage

In 2000, the Orange County Health Care Agency established the Children's Health-care Access Initiative (CHAI) to address the County's high number of uninsured children. CHAI's mission was to ensure that all children have access to health care and to a medical home. Community organizations,

public agencies and the local business community came together to improve the health of Orange County children through collaborative planning, evaluation and advocacy.

In 2001, CHAI conducted community input sessions and decided to focus their efforts on three key areas:

- Addressing the issue of children ineligible for public programs.
- Successfully implementing the Child

Health and Disability Prevention (CHDP) Gateway program, which identifies children potentially eligible for Medi-Cal and Healthy Families and provides time-limited enrollment pending confirmation of eligibility.

Enhancing community outreach efforts.

In pursuing its mission, CHAI developed many partnerships, including the Healthy Families Task Force, United Way Success by Six Program, Certified Applicant Assistants (CAA) Task Force, and the Health Funders Partnership. This involvement included community planning, preparing budgets, developing marketing plans, coordinating community-wide events, and monitoring the progress of health initiatives in other counties.

CHAI successfully established a foundation for later efforts to provide health coverage for children. However, it was not able to fully meet its goals due to lack of funding support.

Current Efforts in Orange County to Increase Coverage

Several efforts are currently underway to provide health insurance coverage for Orange County children. These include:

CHDP Gateway Program

The State CHDP program, administered by the Health Care Agency, provides well child screenings, immunizations and other health assessments for low-income children. The program uses basic guidelines for minimum standards of care. Under a "Gateway" provision, children are presumed to be eligible for Medi-Cal or Healthy Families while their application is being processed. This program provides very limited coverage and is not a substitute for health insurance.

• Enrollment Efforts

Some hospitals, health plans, and community-based organizations assist families with enrollment for public insurance programs.

The St. Joseph Hospital System has received a grant for a pilot program to enroll children into existing health insurance programs. This pilot program provides (1) education on the value of insurance benefits, (2) application assistance, and (3) help for children in obtaining services and finding a medical home.

The St Joseph Hospital System has also developed a training program for

Certified Application Assistors. They indicate that within the next year 16 CAAs will be trained.

The Social Services Agency (SSA) does outreach Medi-Cal enrollment by stationing bilingual staff at hospitals and Family Resource Centers. In addition, SSA provides Medi-Cal applications through mail and the Office of Aging mobile outreach van.

Bridges for Newborns program

The Bridges for Newborns program, funded by the Children and Families Commission of Orange County, aims to increase the proportion of Orange County newborns who are linked with healthcare coverage, receive their first well-baby checkup and receive upto-date immunizations within 90 days of birth. The program is built around three initiatives: early detection (at the hospital), health access, and parent education through in-home support services. The program served 27,720 children in 2004-05.

Coverage for Ineligible Children

There is limited healthcare coverage available for children who don't qualify for public insurance programs.

The California Kids Program, administered by St. Joseph Hospital, serves families who meet financial guidelines. This program has reached an enrollment of approximately 5,800 children but, unfortunately, is currently closed to new applicants due to lack of additional funding. Further, funding is currently being sought to support 1,100 of the children presently enrolled.

The Kaiser Permanente Child Health Plan is another private health insurance program open to families not eligible for other programs. As of June 2005, a total of 2,133 children were enrolled in this plan. The program is still enrolling children, but there is a premium requirement of \$35 per month, which may discourage some low-income families from enrolling their children.

STATEWIDE EFFORTS

Health Coverage for California Kids

Statewide Efforts to Provide Health Care Coverage for Children

Beginning in 2001, a new statewide structure for addressing the health needs of children has resulted in innovative county programs and legislative action. The Children's Health Initiative (CHI) model was first launched in Santa Clara County with the intent of assuring health care coverage for all their county's children.

Counties throughout the state have CHIs in various stages of start-up and operations, as shown by the table and map in Figures 7 and 8.

Through a mix of public financing and private foundation support, CHIs have been able to maximize enrollment in Healthy Families and Medi-Cal, while also offering coverage options for children whose income or legal status makes them ineligible for those programs. There are currently 10 counties with active CHIs, including Orange County neighbors Riverside, San Bernardino and Los Angeles. There are 16 additional counties in the planning stages of implementing a CHI.

CHI coverage is typically offered to children with family incomes up to 300% FPL. The scope of coverage usually mirrors that of Healthy Families and the programs typically

include low premiums determined by family income, and co-payments for certain services. Coverage varies slightly from county to county, but most benefit packages include comprehensive medical, dental, vision, prescription and mental health services.

Funding for CHIs varies from county to county, but certain key groups are frequently credited with supporting the success of initiatives. Local First 5 Coalitions (Children and Families Commissions) often commit the initial funds and help motivate County Organized Health Systems (comparable to CalOptima in Orange County) to commit start-up and operating funds. Funding has also come from foundations, counties, cities, local hospitals, insurance plans and local Tobacco Settlement Revenue.

Operating budgets for CHIs vary greatly depending on the size of the County. Most are able to finance 2-3 years of operation at a time.

The established CHIs are making significant strides towards covering all children. In Santa Clara, the oldest and most established CHI, a recent evaluation shows:

 A 28% increase in Medi-Cal and Healthy Families enrollment, resulting in \$24.4 million of additional revenue being received by the county in the first two years of operation.

- A 50% increase in previously uninsured children receiving preventive care and establishing medical and dental homes.
- 75% of the enrolled children are from two working parent families, and 45% had never had health insurance of any kind prior to their enrollment in the CHI.¹³

The CHI model has been developed with the expectation of greater state participation in the coverage of uninsured children in the future. While CHIs have established local coalitions, raised start up and initial operating funds and begun the enrollment process, the hope is that the state will eventually support the CHI model by providing long term funding and administrative support to make the programs sustainable.

State Legislation

The legislature recently passed two companion bills that would complement the CHI effort by increasing state involvement in enrollment and coverage options. These two bills are currently on the Governor's desk: AB 772 (Chan) and AB 1199 (Frommer and Chan).

These bills would establish the California Healthy Kids Program (CHKIP) that would expand children's eligibility for Medi-Cal and Healthy Families. All children who meet state residency requirements for the Medi-Cal or Healthy Families programs, are under 19 years of age, and are in families with incomes up to 300% FPL would be covered. In addition, a Healthy Families 'buy-in' program would allow counties or community based organizations to purchase insurance premium coverage for children in families with incomes above 300%.

The State Department of Health Services (DHS) and the Managed Risk Medical Insurance Board (MRMIB) would jointly administer the CHKIP program, which would use the existing framework of CHIs (both established and in development) in operations. Funding would be needed from the state general fund at an estimated annual cost of \$300 to \$400 million. Both bills provide that implementation would occur only to the extent that state appropriations are provided (none are available in 2005-06).

Additionally, legislation now in effect (AB 495) offers established CHIs the possibility of drawing down federal matching funds for children who are legal residents but fall in the 250-300% FPL bracket, thereby disqualifying them from Healthy Families. Counties

who enroll these children in their local CHI can seek a ²/₃ federal match for the cost of premiums to cover these children.

Orange County's Neighboring CHIs

All of Orange County's surrounding counties have established CHIs except San Diego, which is in the planning stage.

Los Angeles' CHI was created by a public/ private group of healthcare providers, private employers, business leaders, advocacy groups, foundations, public health officials and labor unions. Key financial supporters of their Initiative include First 5 LA, L.A. Care Health Plan, The California Endowment, Blue Shield of California Foundation, and the California Community Foundation. The plan began operation on July 1, 2003. The program targets all children under age 19 who are in families with incomes up to 300% of FPL and are ineligible for Medi-Cal or Healthy Families, regardless of immigration status. The number of enrolled children was 44,624 as of July 2005. As of May 2005, the CHI had raised \$92 million to support its operation.

Riverside County's CHI had a similar mix of supporters. Its target population is the same as Los Angeles'. It started operation in September 2002, and as of May 2005, had enrolled 7,149 children.

San Bernardino also had a similar group of supporters and the same target population as Los Angeles and Riverside Counties. It started operation on July 23, 2003 and had 2,657 children enrolled as of May 2005

Lessons from Established CHIs

Many counties have conducted surveys throughout their communities to identify areas of need and to ensure public support before launching their CHIs.

Counties with established CHIs report they have received widespread community support for their efforts to achieve 100% coverage of all their children. Additionally, many rely on community organizations and partnerships to help spread the word about program options and to build the relationships and support that are key to maximizing enrollment.

The CHI programs in Santa Clara and San Mateo counties provide insight into best practices for CHIs statewide.

They recommend initially hiring a coordinator to focus solely on fundraising. They also indicate that outreach efforts have been crucial to informing families with children of new opportunities for coverage, helping them understand how to obtain care, and building public support to establish successful CHIs.

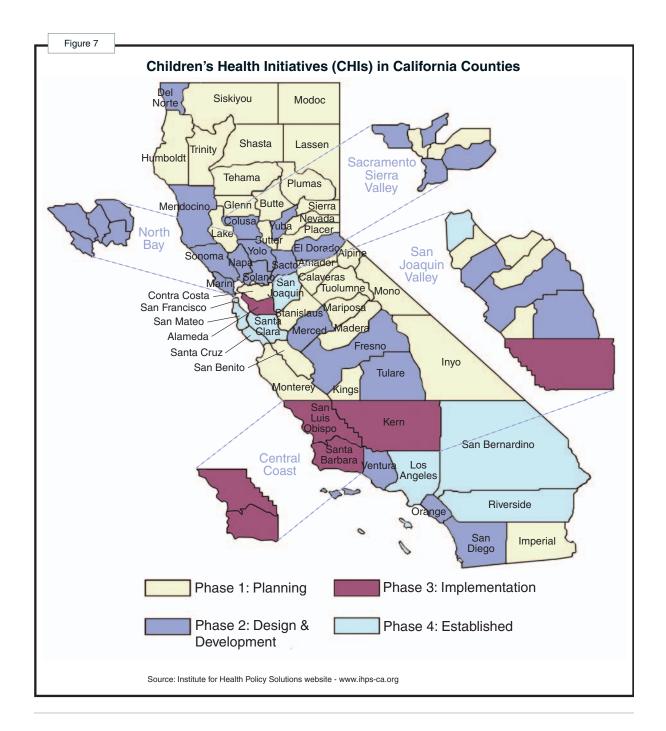


Figure 8

County CHIs Eligibility and Benefit Details

| County & Program | Eligibility and Target Population | Program Financing | Benefits | Cost-Sharing | Provider Network | Start Date and Current Enroll- ment |
|---|---|--|---|---|---|---|
| Los Angeles: Healthy Kids www.chigla. org Plan Administrator: LA Care | Children < 19 with family income up to 300% FPL who are ineligible for MC or HF regardless of immigration status | First 5 LA (\$22-27m) LA Care (\$25m) Blue Shield of California Foundation TCE (\$10m) UniHealth Parson's Foundation California Community Foundation Kaiser Permanente First 5 California CHCF | HF Benefits (Comprehensive medical, dental, vision, prescriptions and mental health benefits) | Monthly premiums based on family income, \$0-12/month per family Copays—\$0-5 maximum of \$250/year | LA Care Network Subcontract with CBO's for outreach to community | • Start Date: July 1, 2003 Children enrolled as of July 2005: 44,624 (Children 6-18: 36,605) |
| • Riverside: Healthy Kids Plan Administrator: Inland Empire Health Plan (IEHP) | 14,000 uninsured children < 19 with family income up to 300% FPL who are ineligible for Medi-Cal or Healthy Families, regardless of immigration status. | Riverside County (\$2.5m) First 5 Riverside (\$2m) IEHP (\$1m) Riverside Community Health Foundation (\$500k) First 5 California The California Endowment California HealthCare Foundation | HF Benefits | No premiums. Enrollment processing fee of \$5 or \$20/year Copays—\$5 | IEHP Network: 600 PCPs, 1400 SCPs, 24 hospitals Delta Dental Riverside County Behavioral Health | Start Date: September 2002. Children enrolled as of May 2005: 7,149 (Children 6-18:5,450) Enrollment cap for 0-5 is 2,060 and 5,500 for 6-18. Current wait list of 1,103 for children 6-18 |

County CHIs Eligibility and Benefit Details, continued

| San Bernardino: Inland Empire Health Plan (IEHP) | 12,000 uninsured children < 19 with family income up to 300% FPL who are ineligible for MC or HF regardless of immigration status | First 5 San Bernardino County IEHP CHCF | • HF Benefits | No premiums Enrollment processing fee of \$5 or \$20/year Copays—\$5 | • IEHP Network | • Start Date: July 23, 2003 Children enrolled as of May 2005: 2,657 (999 are 0-5; 1,658 are 6- 18)Enrollment cap is 1,850 (0-5) and 1,700 (6-18). Current waitlist of 1,013 for children 6-18. |
|--|--|--|------------------|---|---|---|
| Santa Clara: Healthy Kids www.chikids. org/ Plan Administrator: Santa Clara Family Health Plan (SCFHP) | 18,000 uninsured children < 19 with family income up to 300% FPL who are ineligible for Healthy Families, regardless of immigration status | Santa Clara Co. (TSR Funds) City of San Jose (TSR Funds) First 5 Santa Clara First 5 California TCE CHCF SCFHP Private foundations Local hospitals | HF Benefits | Monthly premiums range from \$4-\$6/child max \$12-18/family Copays—\$5 for some services | SCFHP network: 400 PCPs, 12 hospitals, and over 1,000 SCPs. Delta Dental VSP | • Start Date: January 2001 Children enrolled as of February 2005: 12,659 (2,611 are 0-5; 10,048 are 6-18) Enrollment capped for children ages 6-18 with a waiting list of 1,579 |
| San Mateo: Healthy Kids www.smcchi. org/index.html Plan Administrator: Health Plan of San Mateo (HPSM) | Estimated 5,350 children under age 19 with family income up to 400% FPL who are ineligible for MC or HF regardless of immigration status | First 5 San Mateo San Mateo County First 5 California CHCF Private foundations Local Hospitals Local insurance providers | • HF Benefits | Quarterly premiums based on family income Copays—\$5 for some services | HPSM network Delta Dental San Mateo Health Services, Division of Mental Health's Managed Care network | • Start Date: February 14, 2003 Children enrolled as of May 2005: 5,675 (923 are 0-5; 4,752 are 6-18) |

Further, both Santa Clara and San Mateo focused on local schools as points of entry for children needing coverage, and have committed Certified Application Assistors (CAAs) to help coordinate efforts countywide. They also recommend the collection of data to measure the impact of their local programs.

Orange County's Children's Health Initiative

In 2004, the local community launched a Children's Health Initiative (CHI) in Orange County. This effort includes the Children and Families Commission, the Health Care Agency, CalOptima, the Coalition of Community Clinics, St. Joseph Hospital, CHOC, the Irvine Health Foundation, PHFE Management Solutions, the United Way, and

other providers and foundations. Organizers of the CHI have been meeting under the auspices of the Health Funders Partnership of Orange County. An interim governing board has been set up to provide leadership and coordination to the effort as well as to pursue marketing and fundraising. Current commitments by the Children and Families Commission (\$75k), Kaiser (\$100k), the Irvine Health Foundation (\$50k), St. Joseph Hospital (\$154k) and the United Way (\$25k) will support an Executive Director; recruitment is currently underway for this position. The CHI will focus on engaging the business community, generating new grant dollars and tapping into additional resources to firmly establish the initiative in Orange County.

OPPORTUNITIES

County Options for Involvement

In developing a plan for possible county involvement in Orange County's CHI, the Health Care Agency employed several criteria:

- The plan should cover a three-year period, consistent with the approach in other counties, in anticipation that the state will enlarge its role within that timeframe.
- The plan should take advantage of state and federal revenue sources to obtain maximum program impact using minimum county resources.
- The plan should focus county participation only on children with legal residency status.
- The plan should be consistent with, and also integrated into, Orange County's CHI.
- The plan should represent a substantial county commitment to improving the health status of Orange County children.

Accordingly, the following is a plan for possible County involvement and support of the CHI.

1. Health Access Coordinators

Available data indicates that at least 19,000 currently uninsured Orange County children are potentially eligible for Medi-Cal and Healthy Families. The County could support efforts to enroll eligible children in these programs. If all of these children were enrolled, potential revenue to local health care providers of up to \$20 million per year could be achieved.

The St Joseph Health System, through a pilot project, has adopted the concept of the Health Access Coordinator (HAC). These workers have certification as Application Assistors, but are also trained to provide education to parents on the value and availability of insurance programs, help children stay covered, and promote the use of preventive services and the medical home concept. This role has been successfully used in other counties.

The role of Health Access Coordinator is different from that of eligibility workers employed by the Social Services Agency (SSA). The HACs work throughout the community to educate families about the desirability of health insurance and to facilitate application, whereas SSA staff is

mandated to determine appropriate program eligibility and ensure correct benefit issuance. The HACs' educational efforts are particularly important because when parents value health insurance coverage they are more likely to continue premium payments and utilize benefits, resulting in less reliance on emergency room treatment as the primary source of medical care. Both HCA and SSA have committed to a close working relationship between the two types of staff.

The county could fund two teams, each consisting of ten Health Access Coordinators and one Senior Health Access Coordinator as supervisor. This staff would be assigned to specific schools, to about 40 CHDP providers with the highest patient volumes, and to other community agencies. The twenty HACs could process and enroll or re-enroll an estimated 9,600 children per year into existing programs.

The cost of the HAC staff would be partially offset by federal and state funds. One revenue source is recent State funding set aside for Certified Application Assistors. The State will now provide a reimbursement of \$50

to the CAA (or their employer) upon the successful enrollment of one or more family members into Medi-Cal and/or Healthy Families, and \$25 upon successful re-enrollment. This funding source is dependent upon the continuation of a state budget appropriation.

The second source of revenue is the Medi-Cal Administrative Activities (MAA) program. MAA provides a 50% Federal match for activities that facilitate the proper and efficient administration of the Medi-Cal program, including facilitating Medi-Cal applications. This source requires a significant amount of documentation, but is an ongoing part of the Federal Medicaid program.

The total cost for these Health Access Coordinators for the three-year period of FY '05-06, FY '06-07 and FY '07-08 would be about \$2.3 million, less the estimated federal and state revenue of about \$1.1 million, for a three-year net county cost of about \$1.2 million.

2. Coverage for Children between 250-300% Poverty Level

An estimated 1,800 uninsured Orange County children are in families

with incomes between 250% and 300% FPL and have legal residency status. Healthy Families and Medi-Cal do not cover these children because their family income exceeds program limits. These are children of families whose parents lack employer-sponsored health coverage and cannot afford the expense of health insurance premiums for their children. They are also ineligible for preventive health services offered through the CHDP program because of their household incomes.

As mentioned above, AB 495/Diaz (Chapter 648, Statutes of 2001) allows counties to draw down a 2/3 Federal match to provide health coverage for children who are legal residents and are in families with incomes under 300% FPL. A county's 1/3 match might come from a variety of sources—Proposition 10 commissions, county general funds, cities, community organizations, health care foundations, and so on. The local match cannot include funds that originate with the Federal government or funds from AB 495 health plans or health care providers. The California Managed Risk Medical Insurance Board (MRMIB) administers this program.

In March 2003, the State submitted a state plan amendment (SPA) to the federal government to authorize the counties of Alameda, Santa Clara, San Francisco and San Mateo to participate in this mechanism. The federal government approved the SPA in June 2004. These four counties are finalizing contract details with MRMIB and anticipate receiving funds retroactive to January 1, 2003.

Santa Cruz and Tulare Counties have submitted proposals to MRMIB to participate in a second round of AB 495 implementation. MRMIB anticipates submitting this state plan amendment, which could include other counties, sometime this fall. State staff indicates that Orange County could participate if an application is submitted in the near future.

The implementation date for this program is uncertain because it would be contingent upon (1) submission of an application to MRMIB, (2) Federal approval of an SPA to provide the ²/₃ Federal match, and (3) completion of financial arrangements with MRMIB. For purposes of this plan, implementation on July 1, 2006 is assumed.

The total program cost to provide coverage to eligible children between 250-300% FPL for FY 2006-07 and FY 2007-08 is estimated at \$2,178,000, with a net county cost of \$726,000. This would allow the county to leverage three program dollars for every one county dollar.

3. Public Awareness

Many children remain uninsured due to their families' lack of knowledge about available coverage options and their limited perception of the value of health insurance coverage.

Public awareness campaigns in other counties have successfully highlighted the benefits of enrollment in Medi-Cal and Healthy Families. Such campaigns publicize eligibility criteria and assistance available through Health Access Coordinators. Newspaper, bus shelter, and/or radio ads in English and in Spanish, along with brochures printed in English and Spanish, could provide information to potentially eligible families.

Enrollment could also be enhanced by conducting surveys of schoolaged children and their parents at the start of the school year. Brief surveys would include questions about current insurance status and contact information. They would be sent home together with information about the benefits of insurance coverage and eligibility requirements. The survey data would allow identification of families for enrollment assistance. The Children and Families Commission has indicated a willingness to partner with the County in such efforts.

The estimated cost of a public awareness plan for FY '05-06 through FY '07-08 would be \$100,000.

4. Evaluation of Effectiveness

The county could also fund a program evaluation. The analysis would provide information on how many children have been assisted, have successfully enrolled, and have retained enrollment in State programs. The evaluation could also help identify successful strategies for future enrollment and retention of children in State insurance programs.

The estimated three-year evaluation cost would be \$75,000.

The total expenditure for all of the above actions, for fiscal years FY '05-06, FY'06-07 and FY '07-08, would amount to about \$4.6 million, less anticipated revenue of about \$2.5 million, for a total net county cost of

about \$2.1 million (see Figure 9 on page 26).

By implementing the above plan, the county would be making a substantial contribution to our community's CHI and would be taking a leadership role along with key community partners in addressing the issue of unin-

sured children in Orange County. The immediate beneficiaries would be our children and their families. The ultimate beneficiary would be the wider community, including schools, businesses, physicians, hospitals, clinics and all others who serve or support our children and families.

| Figure 9 | | | | | | | | |
|---|-----------|-------------|-------------|-------------|--|--|--|--|
| Budget | | | | | | | | |
| FY 2005-06 FY 2006-07 FY 2007-08 3-YEAR TOTAL | | | | | | | | |
| Outreach | | | | | | | | |
| Expenditures | \$587,750 | \$843,570 | \$868,877 | \$2,300,197 | | | | |
| MAA Revenue/State Match | 205,713 | 421,785 | 434,438 | 1,061,936 | | | | |
| County General Fund | 382,037 | 421,785 | 434,436 | 1,238,261 | | | | |
| Total Funding | 587,750 | 843,570 | 868,877 | 2,300,197 | | | | |
| · · | · | ŕ | ŕ | | | | | |
| 250-300% Coverage | | | | | | | | |
| Expenditures | _ | \$643,500 | \$1,534,500 | \$2,178,000 | | | | |
| · | | | | | | | | |
| Federal Match | _ | 429,000 | 1,023,000 | 1,452,000 | | | | |
| County General Fund | _ | 214,500 | 511,500 | 726,000 | | | | |
| Total Funding | _ | 643,500 | 1,534,500 | 2,178,000 | | | | |
| | | | | | | | | |
| Public Awareness | | | | | | | | |
| Expenditures (County General Fund) | \$50,000 | \$30,000 | \$20,000 | \$100,000 | | | | |
| , | | | | | | | | |
| Evaluation | | | | | | | | |
| Expenditures | \$75,000 | _ | _ | \$75,000 | | | | |
| | | | | | | | | |
| PROGRAM TOTAL | | | | | | | | |
| Expenditures | \$712,750 | \$1,517,070 | \$2,423,377 | \$4,653,197 | | | | |
| State/Federal Revenue | 205,713 | 850,785 | 1,457,438 | 2,513,936 | | | | |
| County General Fund | 507,037 | 666,285 | 965,939 | 2,139,261 | | | | |
| Total Funding | 712,750 | 1,517,070 | 2,423,377 | 4,653,197 | | | | |
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SOURCES

Footnotes

- ¹ U.S. Department of Health and Human Services—<u>www.insurekidsnow.gov</u>
- ² Cover the Uninsured Week covertheuninsuredweek.org
- ³ U.S. Department of Health and Human Services—www.insurekidsnow.gov
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- ⁶ Children's Defense Fund—<u>www.</u> <u>childrensdefense.org</u>
- ⁷ California Department of Finance, Population Projections 2000-2050 (May 19, 2004)
- State of California, Department of Health Services, Medi-Cal Beneficiaries by Age Category—www.dhs.ca.gov

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- ⁹ California Health Interview Survey, CHIS 2003
- National Coalition on Health Care website —www.nchc.org
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 Minkovitz, Cynthia, Patricia O'Campo, Yi-Hua Chen, and Holly Grason. 2002. Associations Between Maternal and Child Health Status and Patterns of Medical Care Use.
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