

Insure the Uninsured 9th Annual
Conference
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Healthy Kids and Healthy Families:
LA Today, California Tomorrow

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On behalf of the 100% Campaign (Joint Effort of Children
Now, Children's Defense Fund, and
The Children's Partnership)

What I Will Cover

- What we aim to accomplish for California's children
- Why are we mounting this effort now
- Who is behind this initiative
- The elements in our policy proposal
- How the plan will be paid for
- Legislative picture
- Moving forward--how you can become involved

Our Simple Goal

- Complete a very important job that is within our reach:
Provide affordable insurance to the children not insured today
- This is less than 10% of California's kids--780,000
- More than half (55%) are already eligible for Medi-Cal or Healthy Families
- We intend to do this legislatively
- We plan to phase in a program that is fully operational by July 2007

Why We Are Mounting This Push Now

- Health care reform will be a priority this year in California. Our effort offers an achievable and modest first step
- The goal is very much within reach--based on uninsured numbers & costs
- New CHI numbers show how successful we can be
- Local CHIs cannot survive without sustainable funding
- Governor Schwarzenegger says he wants to cover all kids
- There is serious interest among legislators
- The public strongly supports this
- It is the right thing to do

Who is Behind this Effort

- Founding Organizations
 - 100% Campaign (a joint effort of Children Now, Children's Defense Fund California, and The Children's Partnership)
 - Pico California Project and its regional organizations across California
- Over 130 supporters of the goals of Californians for Healthy Kids

**Californians for Healthy Kids:
To our Knowledge, Broadest Range of Supporters Ever
Behind
Kids' Health in California or Nationally**

- Over 130 diverse organizations across California
- Small Business California, Los Angeles Chamber, California Small Business Association, San Francisco Small Business Advocates
- United Way's Covering California's Children, and more than a dozen local United Ways
- Insure the Uninsured Project, Community Health Councils, Maternal Child Health Access, National Health Foundation
- California Teachers Association, California State Parent Teacher Association
- American Academy of Pediatrics/California District, California Primary Care Association, California Children's Hospitals Association, California School Nurses Association
- Local Health Plans of California, local CHIs, and California Association of Health Plans
- Blue Cross, Blue Shield, Health Net, Kaiser Permanente
- First Fives
- Many more

The Goals Californians for Healthy Kids Joined Around

1. Create a strong private/public initiative in which **all children** living in California from birth to age 21 will have access to affordable health insurance coverage.
2. **Build upon what works in California's publicly-funded state insurance programs** and reform what does not, including modernizing and simplifying how children get enrolled and stay enrolled in coverage.
3. Create a statewide insurance system that **leverages the lessons and successes of local children's health initiatives.**
4. Promote **voluntary opportunities** to strengthen **employer participation** in covering dependents.
5. **Develop sustainable financing that supports the system over the long term, including maximizing federal funding.**
6. Promote opportunities for children to **access** services under their health insurance coverage.
7. Ensure a **strong safety net** as a vital component of access to care.
8. **Do no harm** as these reforms are put in place.

Where Does This Advocacy Effort Stand Today?

- We are a newborn baby—but a robust one
- Launched December 14th in Sacramento
- Invite everyone in at this early stage
- We have a policy framework
- We want to work with all interested groups to refine the specifics of the policy
- Legislation is being introduced this week

Policy Proposal's Approach

- Build on what's in place and working
- Fix what is broken
- Shared responsibility for sustainable financing
- Encourage employer participation
- Address cost containment
- Phase the program in so it is “well built” and affordable

Key Policy Reforms

- Simple message is “any uninsured child is eligible”
- Existing child health insurance programs continue, but are coordinated under a single name and application
- Parents, including higher-income parents, can pay premiums based on ability to pay
- Parents can apply for health insurance for their baby before they leave the hospital, when they visit the doctor, and at school entry
- Families can sign up for healthy coverage through a greatly streamlined process using paperless application and other technology advances that expedite enrollment and retention
- Small businesses which currently cannot afford to provide family coverage to their workers can opt into the new lower-cost program for workers’ children

Eligibility & Program Structure

- All uninsured children enter a unified statewide Healthy Kids program
- Uses today's delivery systems
- Family income determines the child's benefits and financing
- Kids above age 1 with family incomes of less than 133% of FPL and infants with family incomes less than 200% of FPL qualify for Medi-Cal benefits
- Kids above age 1 with family incomes above 133% of FPL qualify for Healthy Families benefits
- Families with incomes over 300% of FPL can buy into Healthy Families at full cost
- Family cost sharing builds on current Medi-Cal and Healthy Families arrangements

Enrollment & Retention

- Children get immediate coverage through an “express” enrollment process, based on an initial screen of eligibility information while follow up and final determination are processed
- Eligibility continues to be confirmed on the back end to assure strong program integrity
- Electronic enrollment offers families access to coverage through many “doors” in the community including county offices, schools, doctors’ offices, WIC centers, child care settings, and hospitals
- Families themselves can also enroll online
- Application paperwork, such as income documentation, is minimized
- California Healthy Kids partners with and supports local Children’s Health Initiatives and community-based organizations in localized enrollment strategies
- Families annually renew their children’s coverage by submitting a short check-off form to ensure that their child still qualifies
- Children whose family income changes shift seamlessly between Medi-Cal and Healthy Families coverage

Cost-saving Measures

- Kids are in affordable managed care arrangements
- Case management results in more effective care for kids with chronic conditions
- There are administrative efficiencies in enrollment, and costly re-enrollment is avoided
- Earlier identification & treatment of pediatric problems results in more cost-effective care

Employer Participation

- Program aims to stem employers dropping coverage and encourage more to cover kids
- Voluntary approach
- Specific offerings designed to be simple for employers and families to use and more affordable
- Policies being developed that enable certain employers to buy into more affordable purchasing pools

Some of the Toughest Issues

- How best to build upon the strengths of local CHIs in the transition to statewide Healthy Kids
- How to make participation attractive so employers will want to participate
- How to handle young adults ages 19 and 20

How the Plan Will be Paid For

- Shared approach—families, government, employers
- Phased in over three years
- No new money required for the first year—modest in out years

Financing Caveats

- Working with DHS and an independent management consulting firm to refine these projections
- Estimates represent most expensive scenario
- Based on CHIS data which may overstate number of children who have no coverage
- Assume full enrollment which is unlikely
- Still useful so we can plan most conservatively

Financing Elements in Broad Strokes

\$716 million annually

-\$238 million--federal match for Medi-Cal and Healthy Families

-\$147 million---family premium contribution

\$331 million (46% of full cost)

California now spends an estimated \$212 million on health care for these uninsured children. California can use these funds to help reduce the need for new dollars to cover the \$331 million gap.

Possible ways to cover the remainder:

- Voluntary employer contributions
- Savings from administrative efficiencies
- Federal matching for currently unmatched investments
- Voluntary contributions from non-governmental sources
- Other new revenue sources

Some Dollars Now Spent on California's Uninsured Children: Estimates

- Emergency Medi-Cal--\$29 million
 - Share of Cost Medi-Cal--\$30 million
 - AIM for kids--\$46 million
 - CHDP--\$6 million
 - CHDP Gateway--\$101 million
- TOTAL=\$212 million

Phased Implementation

Year 1 – Design HK

- Enact statewide Healthy Kids
- Advisory & accountability structures put in place
- Design streamlined enrollment system
- Design transition from local CHIs to statewide Healthy Kids
- Develop protocols for employer participation
- Design financing, including using existing state funding for uninsured kids in statewide Healthy Kids

Phased Implementation

Year 2—Roll Out California Healthy Kids

- Gateways to enrollment open
- All uninsured kids become eligible for coverage
- Employers begin participation

Phased Implementation

Year 3—Californians for Healthy Kids Moves Toward Full Implementation

- All children born in California are connected to coverage before leaving the hospital when they visit the doctor, and at school entry
- Cost containment features fully implemented
- Increasing portion of uninsured children now enrolled

Legislative Picture

- Legislative Leadership
- Authors
- Spot bill
- Details will be developed in concert with key stakeholders

Moving Forward--How You Can Become Involved

- Lend your organization's support to
Californians for Healthy Kids

Sign on at www.100percentcampaign.org

Moving Forward--How You Can Become Involved

- Work with us to make sure the policy proposal is sound and will work
- Become part of electronic action network
- Support the bill and work for its passage
- Help make sure we all succeed together