



*Health Insurance for  
Every California Child*

*A collaborative effort of Children Now,  
Children's Defense Fund, and The Children's Partnership*

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## **POLICY RECOMMENDATIONS ON HEALTH CARE: COVERAGE FOR ALL CALIFORNIA CHILDREN**

**CALIFORNIA WORKING FAMILIES POLICY SUMMIT  
JANUARY 7, 2005**

### **INTRODUCTION**

Investment in comprehensive health insurance for children is cost-effective, promoting access to early, less costly preventive care and treatment.<sup>1</sup> Health insurance helps children reach their potential in school. Children with insurance experienced a 25% improvement in health and a 68% improvement in “paying attention in class” and “keeping up with school activities.”<sup>2</sup> Health insurance is also an important predictor of access to care.<sup>3</sup>

Nearly nine million of California's 10 million children have health insurance, according to 2003 California Health Interview Survey (CHIS) data recently released by the UCLA Center for Health Policy Research. This represents a significant increase in insurance levels from the first CHIS survey in 2001. According to the report, “[t]his increase in insured children resulted from increased enrollments in Medi-Cal, Healthy Families, and other public health care programs. These gains reduced children's uninsured rate—despite falling rates of employment-based health insurance for children and adults, a result of the slack labor market and rapidly rising costs of health insurance.”<sup>4</sup>

Still, at the time of the CHIS survey, nearly 800,000 children remained uninsured.<sup>5</sup> Of those uninsured children, more than half are eligible for Medi-Cal and Healthy Families and need a simpler way to “get in the door” and to stay in those programs once enrolled. Many families of eligible children are put off by complex eligibility rules, confusing forms, and burdensome documentation requirements. Retention—staying enrolled in the program—is a problem in both Medi-Cal and Healthy Families.

Almost 300,000 uninsured children are ineligible for the Medi-Cal and Healthy Families programs because of their immigration status or because their incomes are too high.<sup>6</sup> Some children now lack coverage because of the 4% drop in employer-sponsored health coverage since 2001.<sup>7</sup>

## **POLICY OBJECTIVE #1**

**California should finish the job of insuring all its children by enacting a Californians for Healthy Kids program.**

### ***Background***

Californians for Healthy Kids is an unprecedented campaign backed by business leaders, educators, faith leaders, parents, health care providers, and children's advocates, all united behind the simple goal that every child in California can and should have access to affordable health insurance. Organized by the 100% Campaign (a collaborative effort of Children Now, Children's Defense Fund, and The Children's Partnership) and the PICO California Project, this effort has growing support among statewide organizations and in cities and counties across California.

The goal is achievable. Employer-based insurance, which now covers 50% of California's children, and the public programs, which now cover 30%, serve as strong building blocks on which to insure all children.

In addition, local children's health initiatives across the state are testament to the commitment to insuring children. Local coalitions in 10 counties have implemented public/private initiatives to ensure affordable coverage for all children in their communities, and 17 other counties are in the planning stages. All told, 75% of uninsured children live in a county now at work to cover all children. But the public and private funding that these communities have cobbled together for these efforts is not enough to sustain these efforts in the long-term. Statewide policy and resources are needed.

Programs that offer coverage to *all* children are proven successes. Santa Clara County, which launched the first Children's Health Initiative (CHI) in 2001, has had impressive results—not only did its Healthy Kids program cover children who did not previously qualify for coverage, but their initiative increased Medi-Cal and Healthy Families enrollment by 28%.<sup>8</sup>

### ***Recommended Actions***

- A. The Legislature and Governor should enact legislation that includes the following components:
  - 1) The Californians for Healthy Kids program is available to any uninsured child in California. The message that “any child can qualify” will help overcome the challenges California has faced in enrolling children into today's confusing and complex maze of children's health programs.
  - 2) Parents help pay for the cost of insurance based on their income/ability to pay.

- 3) Insurance is provided through a public-private partnership that integrates safety net providers and through which existing publicly-funded insurance programs (Medi-Cal and Healthy Families) are strengthened and greatly streamlined, employers are given the opportunity to voluntarily participate in these insurance options, and county CHIs are integrated into the statewide initiative.
- 4) Vigorous efforts are made to find, enroll and keep uninsured children connected to health care at several key places: before they leave the hospital at birth, when they enter school, and through emergency rooms, doctors' offices, and programs like child care, where large numbers of children are seen. Antiquated, inefficient eligibility determination and enrollment systems are replaced by "smart" new approaches using innovative technology.
- 5) Cost-containment features are built into the proposal, including greater use of cost-effective purchasing pools, earlier identification and treatment of pediatric health problems, and targeted case management for chronic conditions such as asthma and diabetes.
- 6) Financing taps and leverages a) all available federal matching funds; b) state, county, and private funds now spent for health care for uninsured children; c) savings from administrative simplifications; and d) parent and employer contributions.

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#### ENDNOTES

<sup>1</sup> Lave JR et al. "Impact of a Children's Health Insurance Program on Newly Enrolled Children." *JAMA* 1998 Vol. 279, Issue 22, pp. 1820-1825.

<sup>2</sup> Managed Risk Medical Insurance Board. Health Status Assessment Final Report. April, 2004.

<sup>3</sup> Haley J, Zuckerman S. "Health Insurance, Access and Use: United States." 1997 National Survey of America's Families. Washington DC: Urban Institute, 2000.

<sup>4</sup> Brown ER, Lavarreda SA. "Children's Insurance Coverage Increases as Result of Public Program Expansion." UCLA Center for Health Policy Research. December 2004.

<sup>5</sup> Ibid. 782,000 children were uninsured at the time of the survey; 1.1 million children were uninsured at some point in the year.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Trenholm C. *Expanding Coverage for Children: Santa Clara County's Children's Health Initiative*. Mathematica Policy Research, Inc. Issue Brief No. 4. June 2004.