Why Are New Strategies Needed?

The number of uninsured children in California increased to more than two million in 1998, despite a strong economy and low unemployment rates. A greater proportion of children were uninsured in California (21%) than in the rest of the country (15%). Children’s Medi-Cal coverage fell from 25% in 1995 to 20% in 1998, while the proportion of children that obtained health insurance through their parents’ employment remained flat during this period (at 54% in 1998). The result has been an overall increase in uninsured children in California.

The State Children’s Health Insurance Program (SCHIP) was established by federal law in 1997 to address the growing problem of lack of insurance coverage among children whose family incomes were too high to qualify for Medicaid but too low to afford private insurance. States had the option of expanding their existing Medicaid eligibility requirements, creating a new insurance program for children, or some combination of both strategies. California implemented a combined approach of expanding eligibility for Medi-Cal (the state’s Medicaid program) and creating a new program, known as Healthy Families. Healthy Families provides low-cost health, dental, and vision coverage to children in families with incomes above the level eligible for Medi-Cal, up to 250% of the Federal Poverty Level ($34,704 for a family of three in 1999).

Currently, almost two million children are enrolled in Medi-Cal and over 200,000 children are enrolled in Healthy Families. However, approximately 1.48 million uninsured children in California are eligible for coverage but not enrolled, including 639,000 who are eligible for Healthy Families and 838,000 eligible for Medi-Cal.

The availability of health insurance coverage alone is not sufficient to ensure that all eligible children enroll. Given the large number of children in California that remains uninsured but eligible for coverage through these programs, a critical issue for the state is how to design and implement successful outreach efforts as well as simple and accessible enrollment procedures.

What Outreach Activities Are Currently Being Implemented in the US and in California?

The federal legislation creating SCHIP required a public outreach and education campaign to educate families about the expanded availability of children’s health insurance coverage. Federal law limited spending for ad-
What Are the Barriers to Increasing Enrollment in California?

Certain barriers to enrollment of uninsured children arose during the first year of Healthy Families’ operations. There was a lengthy application form as well as confusion over whether enrollment in public health programs constitutes a “public charge” for immigration purposes. These barriers have now been mitigated: in April 1999, the Healthy Families/Medi-Cal Programs released a joint simplified four-page application; and in May 1999, the federal Immigration and Naturalization Service (INS) issued guidelines stating that receipt of health coverage through these programs would not constitute a public charge.

Enrollment barriers remain, however. Because California has two separate children’s insurance programs with different age and income eligibility levels, it is possible that some children who are eligible for one program have siblings who are eligible for the other. Accordingly, families may experience fragmented service and possibly discontinuity in coverage as the children’s eligibility can change from year to year. Moreover, while the public charge is

What New Strategies Could be Implemented?

Every state is now engaged in some kind of outreach effort for its Medicaid and SCHIP programs, involving community-based organizations, schools, and health care providers in these outreach campaigns. A major aspect of California’s outreach strategy is a greater reliance on community-based organizations. California’s 1999-2000 state budget allocates $6 million of the state’s total Healthy Families/Medi-Cal outreach budget of $21 million for grants to community-based organizations to help families learn about and enroll in health insurance programs, a model that should increase enrollment in under-served communities.

Additional measures that have been proposed to increase enrollment in California’s children’s health insurance programs include: implementing presumptive eligibility; allowing children to be enrolled in Medi-Cal for one continuous year (as is now the case in Healthy Families); eliminating the Medi-Cal assets test for parents; eliminating all Healthy Families/Medi-Cal documentation not required by federal law; and implementing “express lane” eligibility for children, which would link the Medi-Cal and Healthy Families Programs to other public assistance programs with income-comparable eligibility requirements. Such programs include Food Stamps, the National School Lunch Program, Head Start, and the Supplemental Nutrition Program for Women, Infants, and Children.

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