



# Healthy Families FACTS AND FIGURES

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## Coverage for Low-Income Children in California

# Introduction

The Healthy Families program is California's version of the federal State Children's Health Insurance Program (S-CHIP). Healthy Families provides low-cost health insurance to children of families whose incomes are too high to qualify for Medi-Cal, but are below 250 percent of the Federal Poverty Level (about \$40,200 for a family for three). Healthy Families covers a range of health care services including physician visits, hospital care, prescription drugs, home health, dental, and mental health services through managed care plans. As of September 2005, 744,653 children were enrolled in Healthy Families at a cost of more than \$950 million in fiscal year 2005–06.

Healthy Families was created in July 1998 as part of the State Children's Health Insurance Program (S-CHIP). Approved for a ten-year period, S-CHIP is jointly funded by federal and state governments and administered by the Managed Risk Medical Insurance Board (MRMIB).

Source: Managed Risk Medical Insurance Board (MRMIB) and Legislative Analyst's Office.

## Healthy Families

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Healthy Families provides health care coverage to about 750,000 children in California.

# Description

## Healthy Families:

- Covers 744,653 low-income children as of September 2005.
- Pays for acute care services.
- Costs between \$4 and \$15 per child per month depending on family income and health plan.
- Uses federal (67 percent) and state (33 percent) revenues.
- Is administered by California's Managed Risk Medical Insurance Board (MRMIB).
- Is overseen by the federal Centers for Medicare and Medicaid Services (CMS).

## Healthy Families

### Overview

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The federal government contributes two-thirds of every dollar California spends on Healthy Families.

# Legislative History

## FEDERAL

- S-CHIP was created by the federal Balanced Budget Act of 1997. It:
  - Gave grants to states to expand public coverage for uninsured children in low- and moderate-income families not eligible for Medicaid.
  - Set minimum standards for benefits and cost sharing.
  - Allows states to expand coverage to parents, if sufficient funds are available.

## CALIFORNIA

- Healthy Families was created by the California state legislature in 1997.
- In 1999, the legislature increased the eligibility threshold to 250 percent of the Federal Poverty Level.
- California's application for a federal waiver to cover parents of children enrolled in Healthy Families and Medi-Cal was approved by the federal government in January 2002. Implementation has been delayed due to a lack of funding.

## Healthy Families

### Overview

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Healthy Families is an evolving program.

# Eligibility Requirements

- Family income must be less than 250 percent of the Federal Poverty Level (about \$40,200 for a family of three through March 2006).
- Children must be:
  - Under age 19.
  - Uninsured during the previous three months (with some exceptions).
  - U.S. citizens, non-citizen nationals, or qualified immigrants.
- Children are first screened for Medi-Cal eligibility and enrolled in Medi-Cal if eligible.

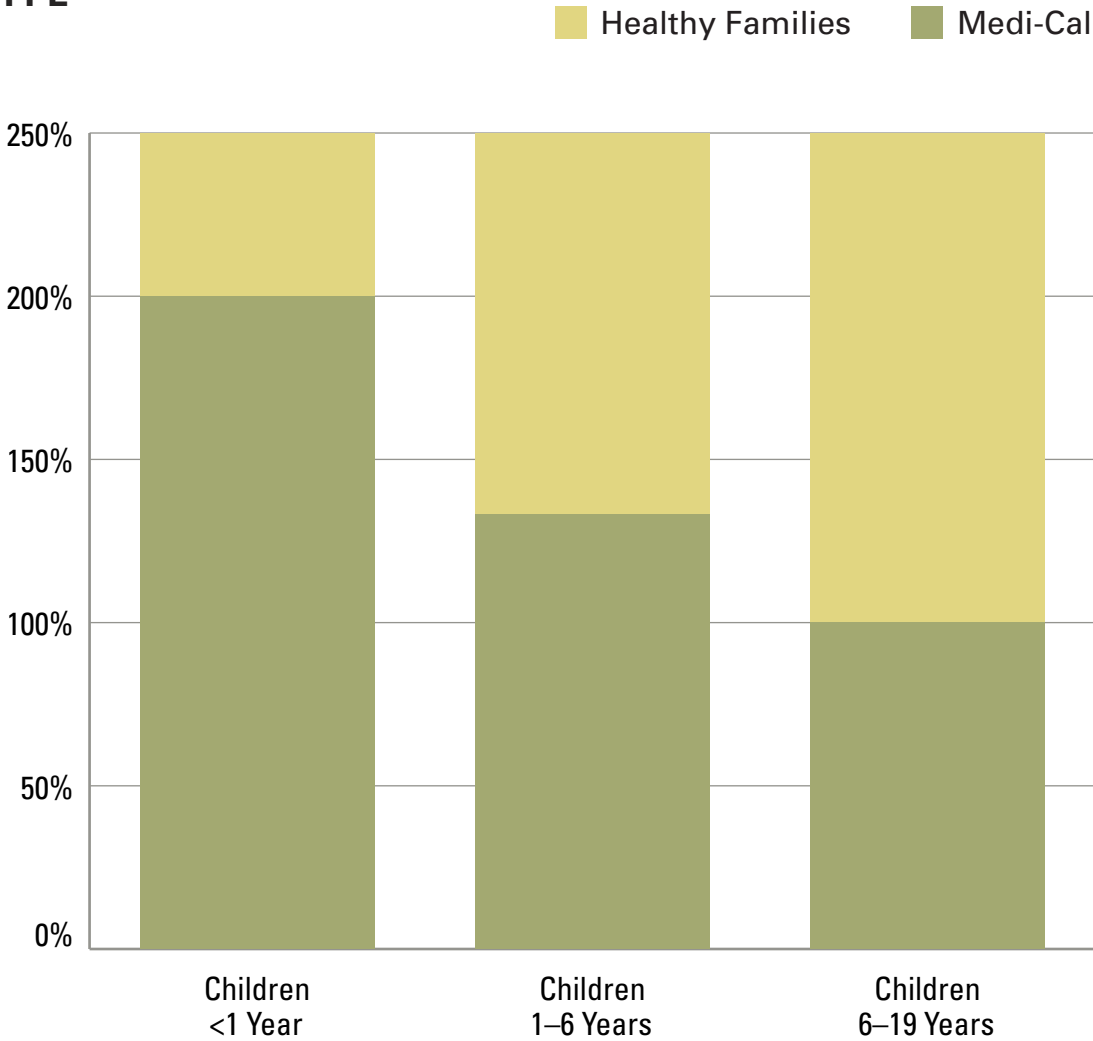
## Healthy Families Eligibility

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Healthy Families is open to children in families with incomes of less than 250 percent of the poverty level who are not eligible for Medi-Cal.

# Income Limits

## FPL



## Healthy Families Eligibility

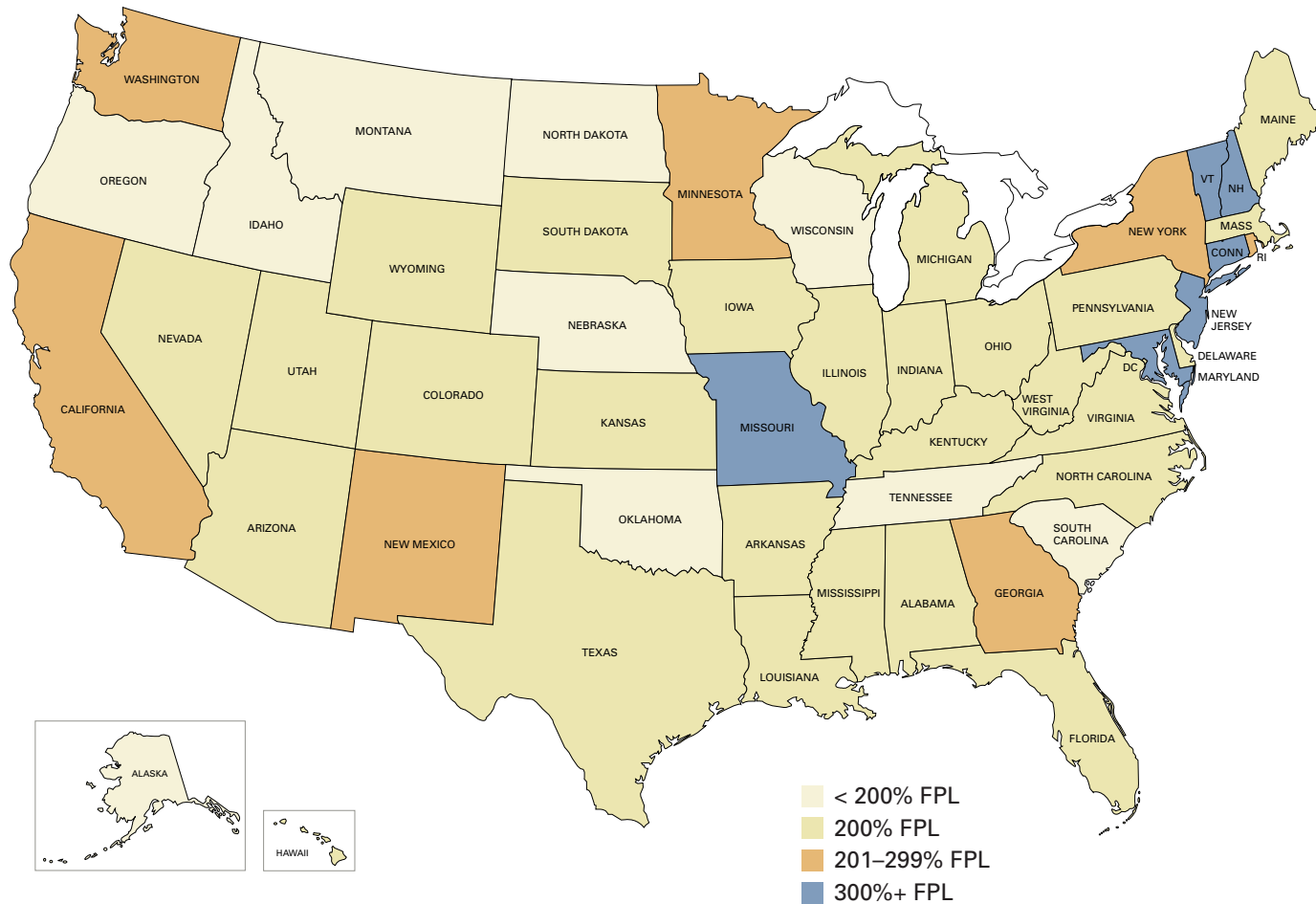
As children with family income between 100 and 200 percent of poverty age, they may lose eligibility for Medi-Cal but gain eligibility for Healthy Families.

Note: Federal Poverty Level for a family of three is \$16,090 through March 2006.

Source: Department of Health Services.

# State Comparison

## Eligibility Levels for Children



### Healthy Families Eligibility

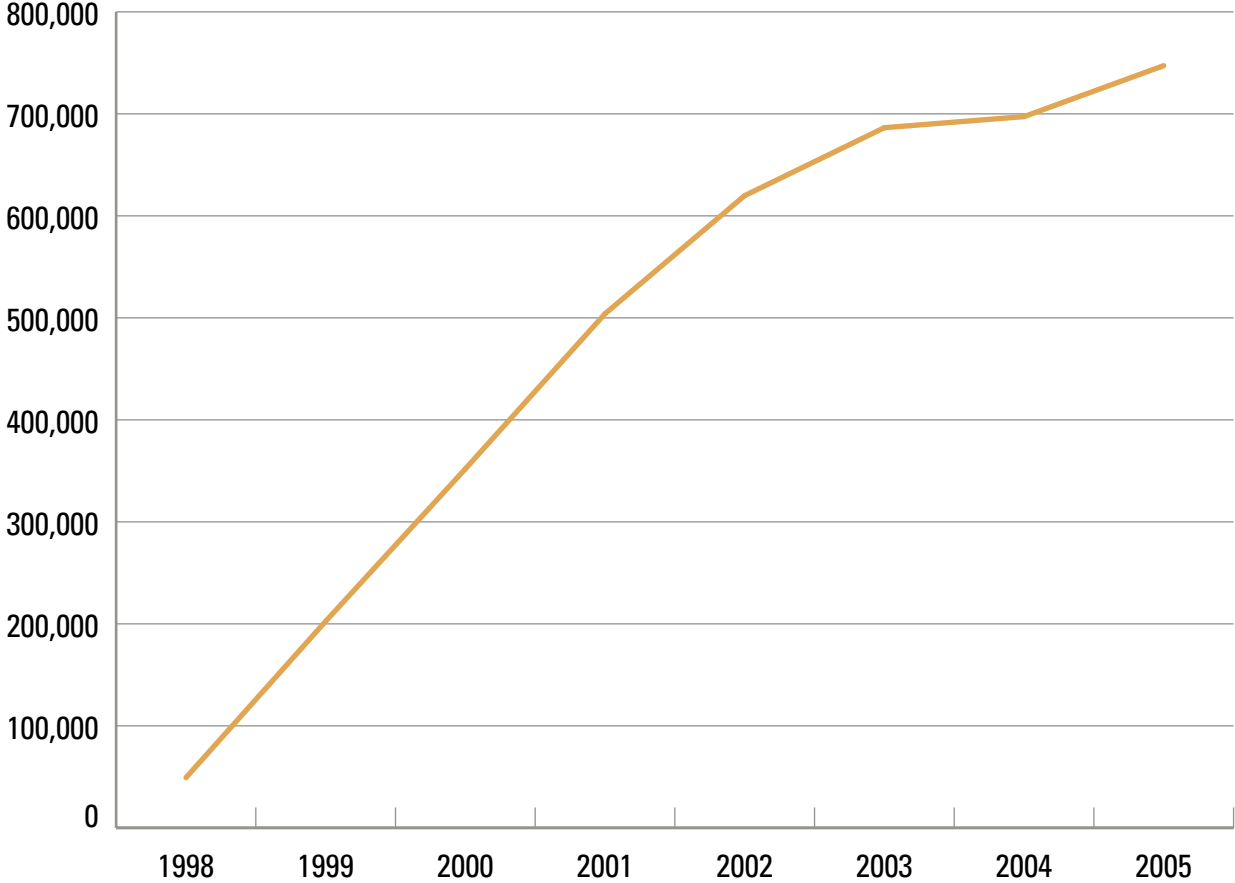
Seven states have higher income limits for their S-CHIP program than California; 39 states have lower limits.

Note: Includes SCHIP and combined Medicaid/SCHIP programs (2005 data). Federal Poverty Level for a family of three is \$16,090 through March 2006.

Source: Kaiser Family Foundation ([www.statehealthfacts.org](http://www.statehealthfacts.org)); accessed December 19, 2005.

# Enrollment Trends

## Subscribers



Note: Enrollment figures are as of December for 1998 through 2004; October for 2005.

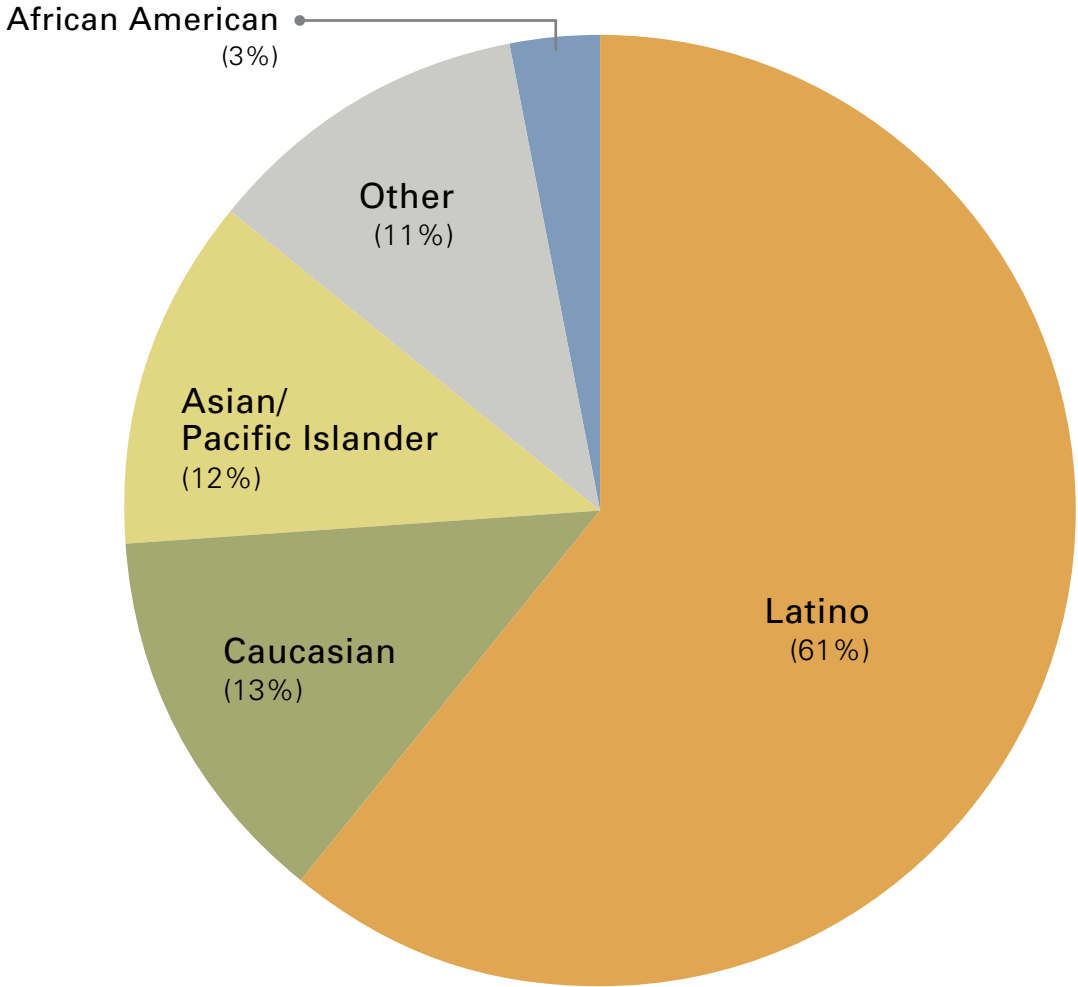
Source: Managed Risk Medical Insurance Board

## Healthy Families Enrollment

Enrollment growth has slowed in recent years following five years of double-digit increases.



# Enrollee Profile

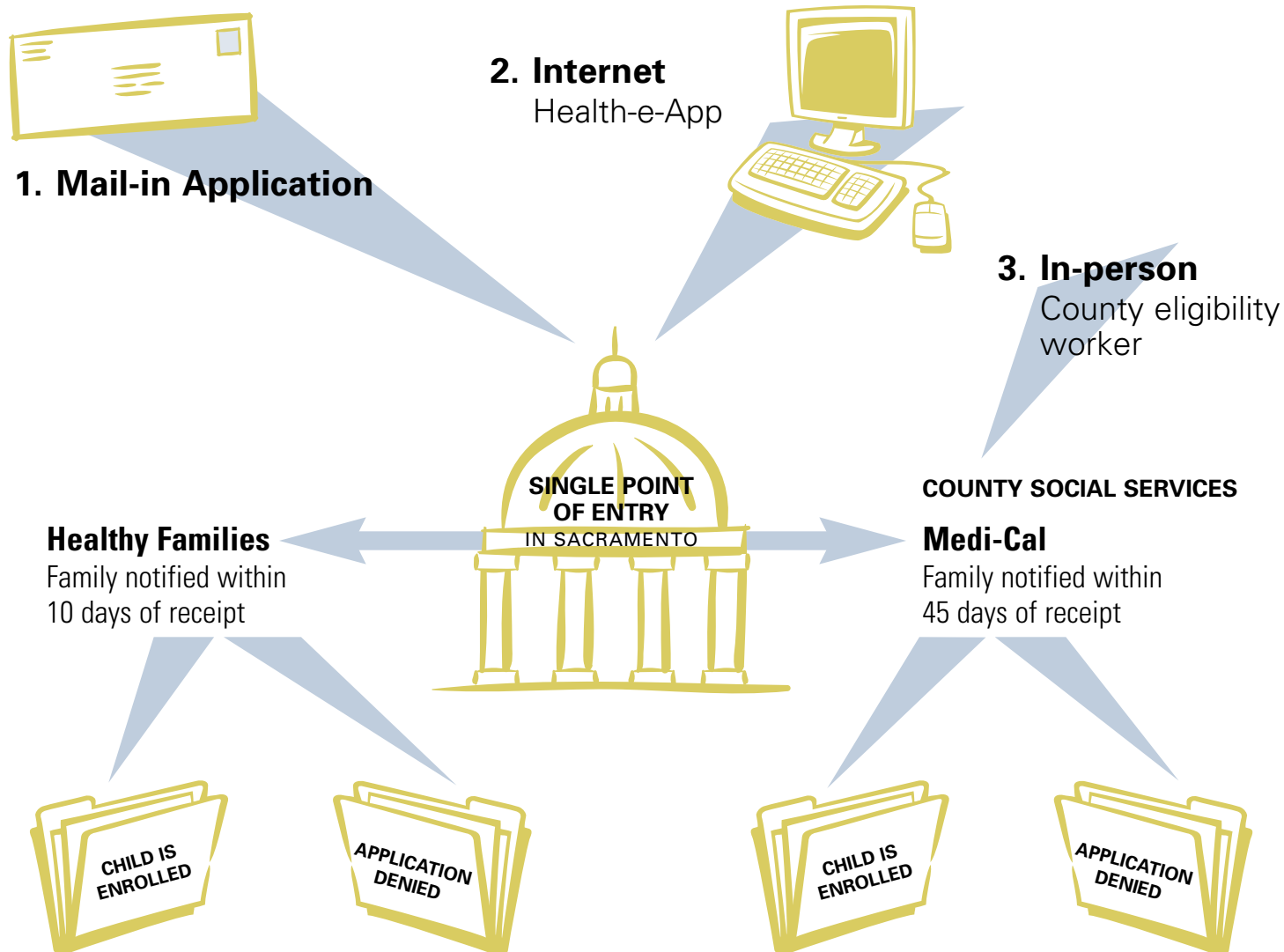


## Healthy Families Enrollment

More than 60 percent of Healthy Families beneficiaries are Latino.

Note: Figures reflect the 707,212 beneficiaries for whom ethnicity is known.  
Source: Managed Risk Medical Insurance Board, 2005 (November 2005 data).

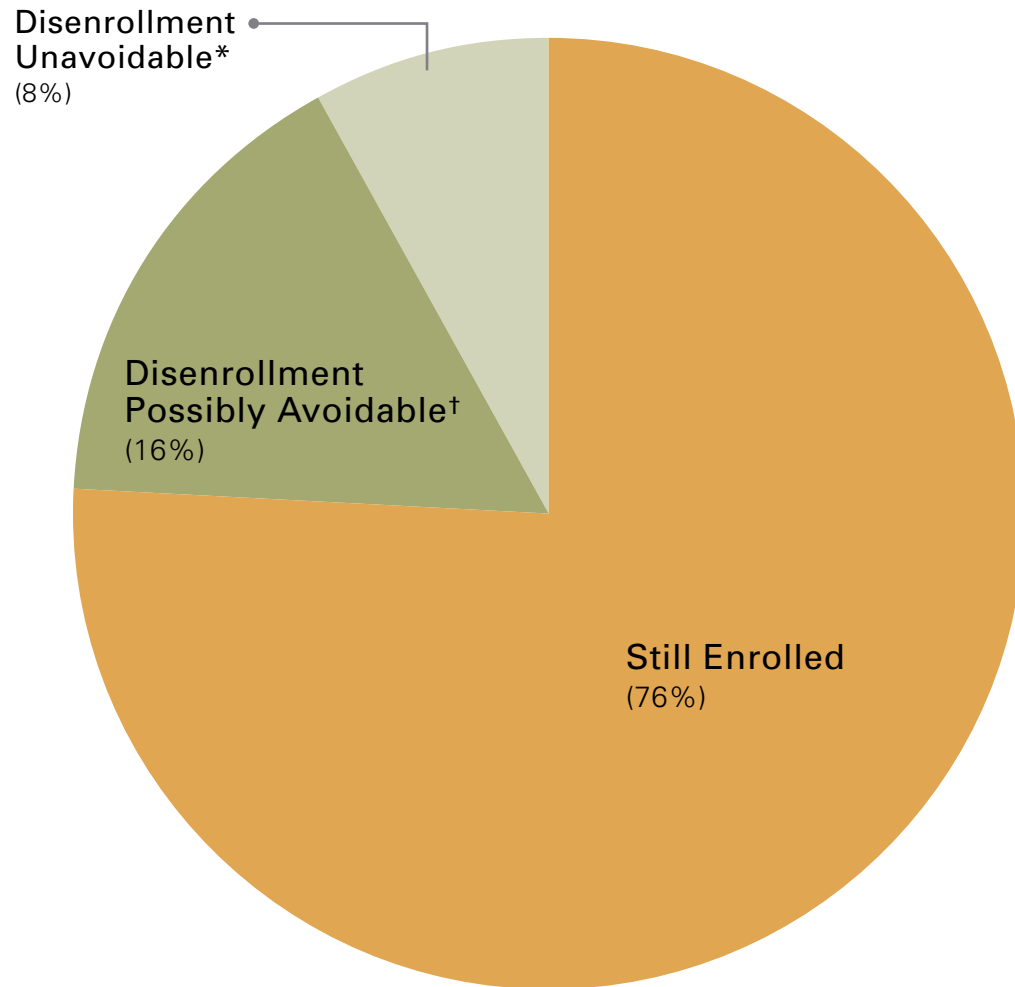
# Child Application Process



## Healthy Families Enrollment

There are a variety of ways for children to apply for and enroll in Healthy Families.

# Enrollment After One Year



\*Due to eligibility change or parent choice.

†If the administrative process were improved.

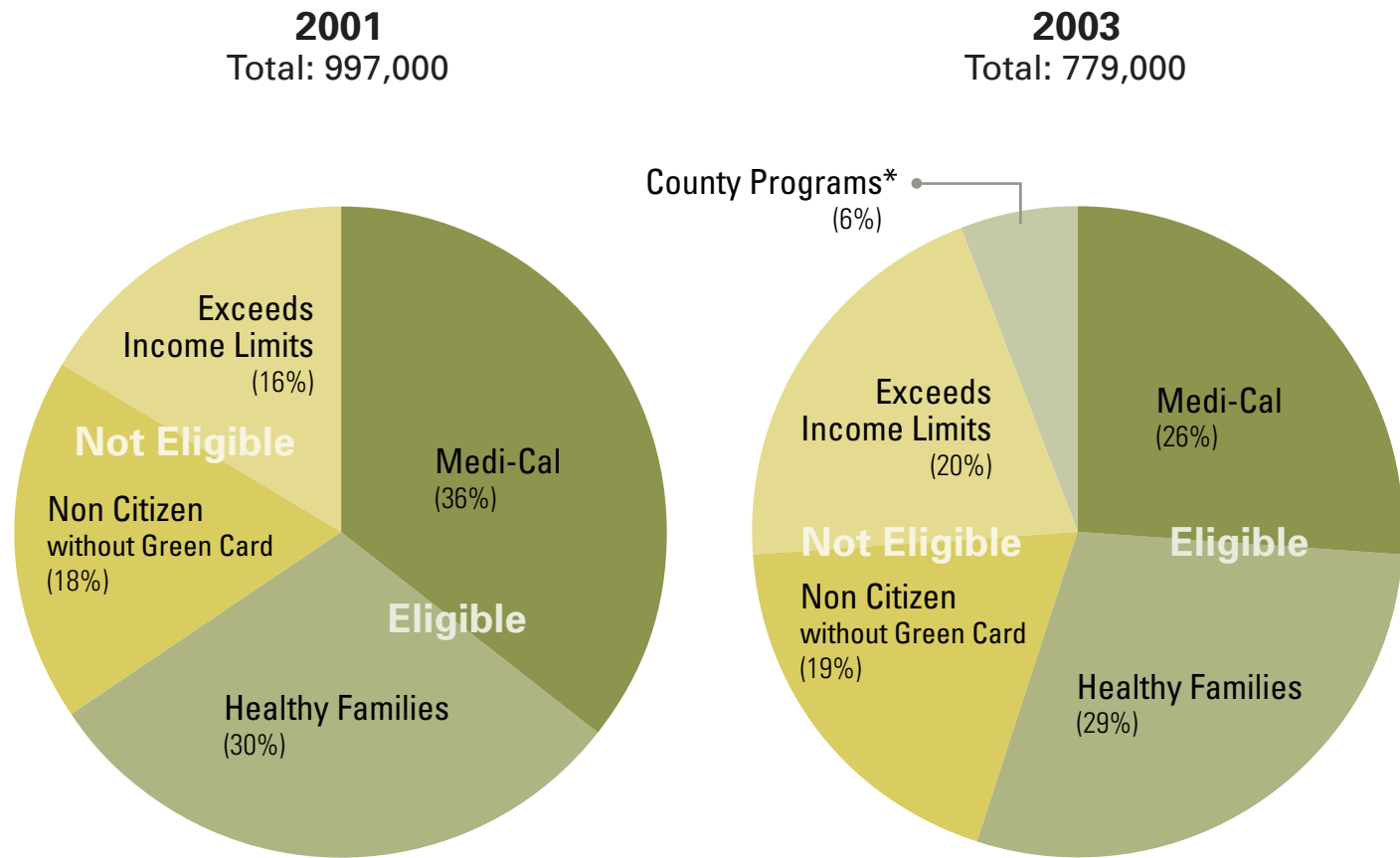
Source: Managed Risk Medical Insurance Board, 2003.

## Healthy Families Enrollment

- Children enrolled in Healthy Families are guaranteed coverage for 12 months.
- Three in four Healthy Families subscribers remain enrolled after one year, similar to private insurance plans.
- Sixteen percent of disenrollments could possibly have been avoided.

# Eligible but Not Enrolled

## Number of Uninsured Children Eligible for Public Programs



### Healthy Families Enrollment

The number of uninsured children declined by 22 percent between 2001 and 2003 (the last year for which survey are available), and the number of uninsured who are eligible for Medi-Cal or Healthy Families has fallen 35 percent.

\*These county programs are funded with both public and private dollars, and are not available statewide. See full description on page 20.

Sources: E. Richard Brown, et al., The State of Health Insurance in California: Findings from the 2001 California Health Interview Survey (UCLA, 2002) and E. Richard Brown and Shana Lavarreda, Children's Insurance Coverage Increases as a Result of Public Program Expansion (UCLA, 2004) available at [www.healthpolicy.ucla.edu](http://www.healthpolicy.ucla.edu).

# Coverage

- Covered services include:
  - Dental care
  - Family planning
  - In/outpatient hospital
  - Lab tests and x-rays
  - Mental health
  - Physician visits
  - Prescription drugs
  - Vision and eyeglasses
- Unlike Medi-Cal, Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Services are not covered.

## Healthy Families Benefits

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The Healthy Families benefit is modeled after the state employee health benefit plan.

# Cost Sharing

- Premiums range between \$4 and \$15 for each child depending on family income and plan selected.
- Members also pay a copayment (usually \$5) for most services. Free services include immunizations and other preventive care.
- Premiums and copayments are waived for children of American Indian descent or Alaska Natives.
- Maximum out-of-pocket costs per family for all children are \$45 per month in premiums and \$250 per year in copayments.

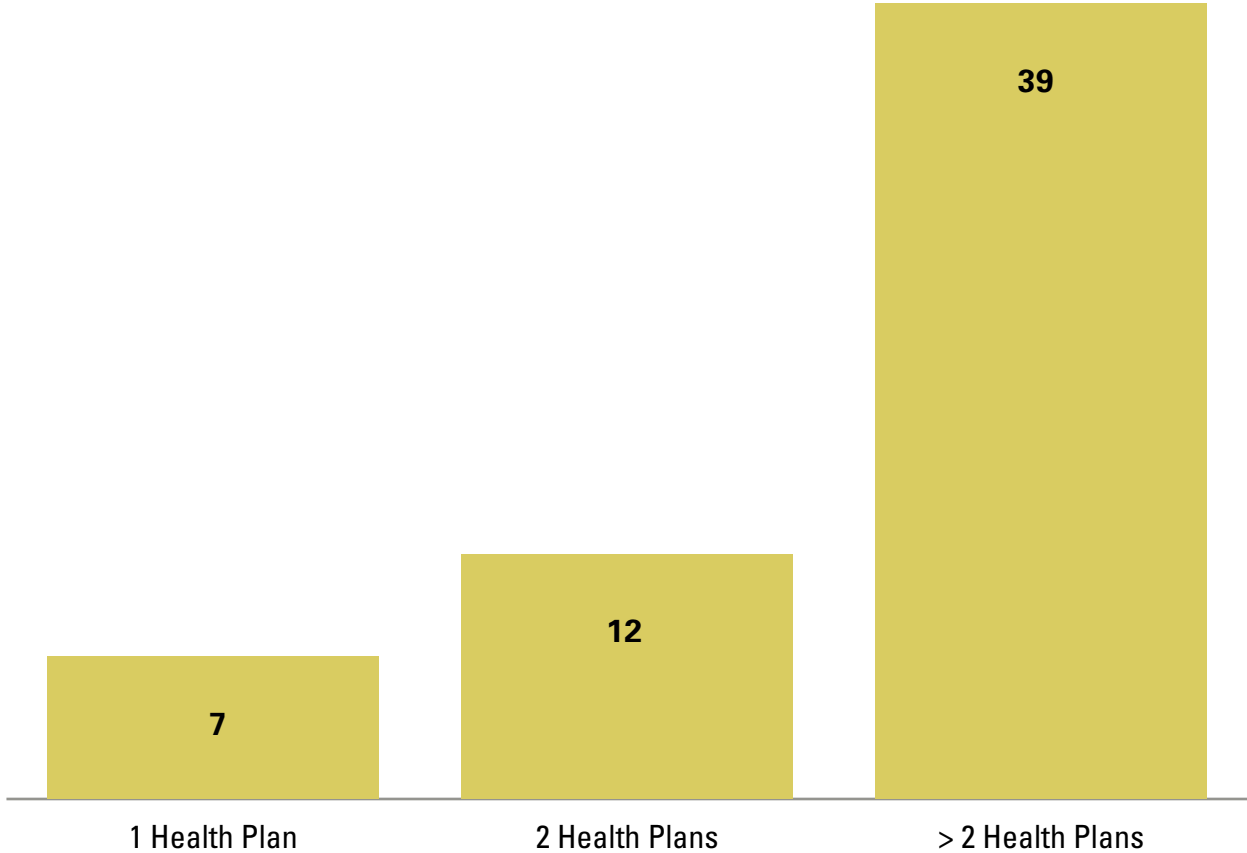
## Healthy Families Benefits

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Unlike Medi-Cal, most families must pay a premium and copayments for Healthy Families.

# Counties with Health Plan Choices

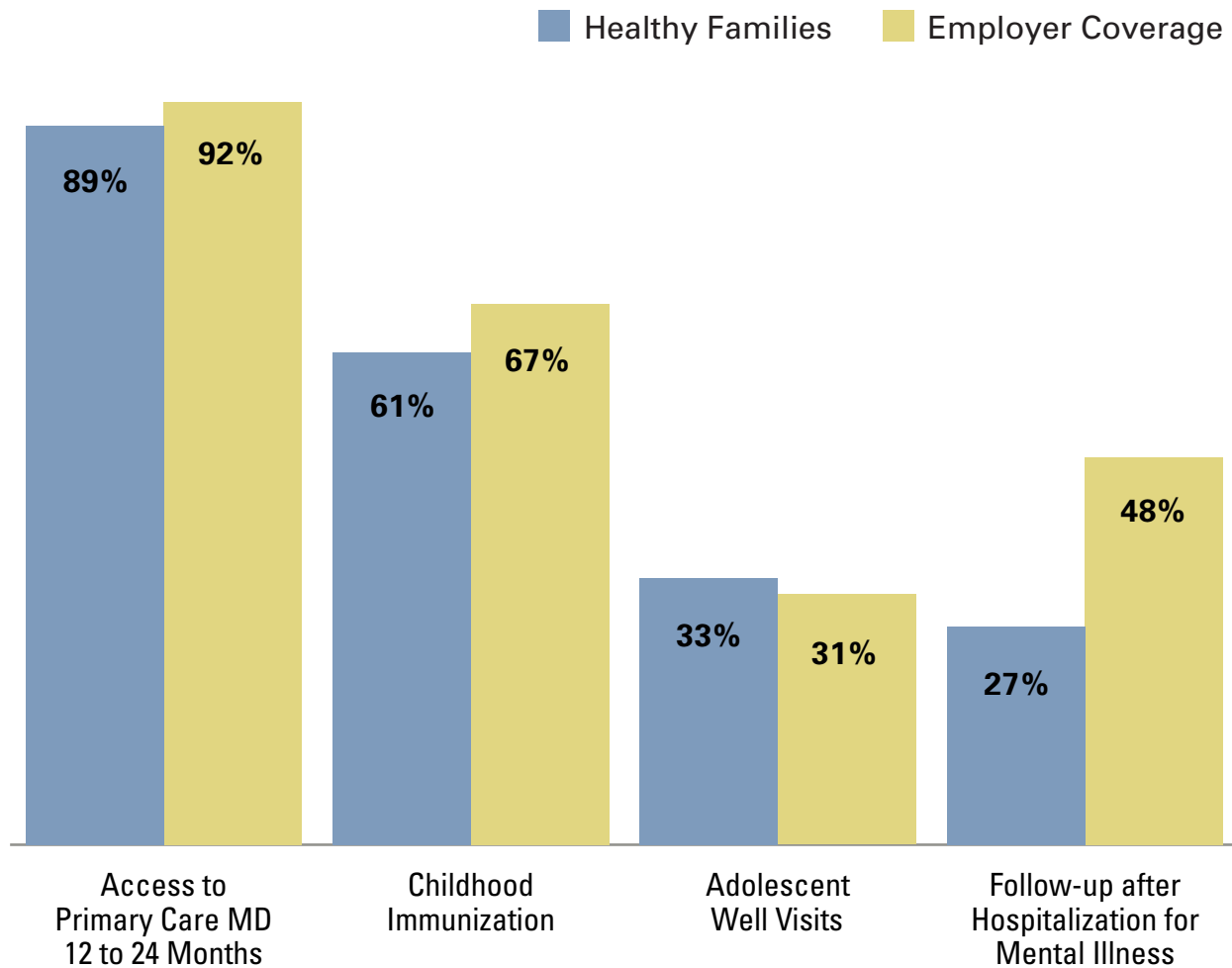
## Number of Counties



Source: Managed Risk Medical Insurance Board, December 2005.

- All children are enrolled in managed care plans.
- MRMIB contracts with 25 health plans, 6 dental plans, and 3 vision plans to provide services throughout the state.
- Children in 51 of 58 counties can have a choice in health plans.

# Quality of Care Comparison



Source: Managed Risk Medical Insurance Board, 2003 (2002 data).

## Healthy Families Organization and Service

Healthy Families subscribers generally receive equivalent quality of care to commercial plans nationally.



# Quality of Care Variation

## Health Plan Scores\*

MEASURE	LOW SCORE	HIGH SCORE	STATE AVERAGE
Childhood Immunization Status Up-to-date	42%	88%	70%
Child Well-care Visits (3 to 6 years)	55%	78%	67%
Child Access to Primary Care (7 to 11 years)	56%	95%	83%
Adolescent Well-care Visits	18%	51%	36%

### Healthy Families Organization and Service

Among plans participating in Healthy Families, there is wide variation in the delivery of preventive services for children.

\*Health Plan Employer Data and Information Set (HEDIS).  
Source: Managed Risk Medical Insurance Board, 2005 (2003 data).

# Access for Infants and Mothers (AIM)

- Provides low-cost health coverage to pregnant women and their newborns with family incomes up to 300 percent of the Federal Poverty Level.\*
- Is available to families with no health insurance, and to those with health insurance if their deductible for maternity services exceeds \$500.
- Requires California residency and a one-time premium of 1.5 percent of annual household income.
- Served over 6,500 women and 7,600 children in October 2005.

## Healthy Families Other Public Programs

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AIM provides low-cost coverage to thousands of pregnant women and their newborns.

\*Infants born to mothers enrolled in AIM on or after July 1, 2004 are automatically eligible for Healthy Families until their second annual eligibility redetermination (at age 2).

Source: Managed Risk Medical Insurance Board.

# Child Health and Disability Prevention Program (CHDP)

## CHDP:

- Provides periodic preventive health services.
- Is open to children under age 21 with Medi-Cal, and other children under age 19 with family income up to 200 percent of the Federal Poverty Level.
- Serves approximately 7,500 children each month.

## THE CHDP GATEWAY:

- Allows CHDP providers to temporarily enroll children immediately in Medi-Cal for 60 days while eligibility for Medi-Cal or Healthy Families is determined.
- Serves about 173,000 children per month.

## Healthy Families Other Public Programs

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The CHDP Gateway is an important new vehicle for increasing enrollment in Medi-Cal and Healthy Families.

# California Children's Services (CCS)

- Covers specific medical services and equipment provided by CCS-approved specialists for qualified persons under age 21 who have conditions that are physically disabling or require medical, surgical or rehabilitation services
- Covers those with family income up to \$40,000, those whose out-of-pocket costs are expected to account for at least 20 percent of family income, and those with coverage through Healthy Families.

## A FEW COVERED CONDITIONS INCLUDE:

- Cancer
  - Diabetes
  - Serious birth defects
  - Injuries due to accidents or violence
- Serves approximately 39,000 children each month

CCS covers children  
under age 21 with  
serious conditions.

# Children's County-based Health Initiatives

- Offer low-cost health insurance for children with family incomes up to 300 percent FPL\* who do not qualify for existing public coverage.
- Generally model their benefits and cost sharing after Healthy Families; some offer a restricted benefit through CalKids†.
- Are generally funded by a mix of public and private sources that varies by county, but do not receive support from the state general fund.
- Have cumulatively enrolled close to 100,000 children in their programs, and have assisted many more to enroll in Medi-Cal and Healthy Families through a family-centered, “One Open Door” approach to outreach and enrollment.

\*San Mateo County covers children up to 400 percent of FPL; Riverside County covers children up to 250 percent of FPL.

†See [www.californiakids.org](http://www.californiakids.org) for more information.

Several counties offer low-cost health insurance for children with incomes too high for Medi-Cal and Healthy Families.

# Status of County-based Initiatives



## Healthy Families Other Public Programs

Twenty-two counties have a children’s health initiative in place. Another six counties are close to implementing a program.

Sources: Patty Mintz and Institute for Health Policy Solutions, Overview of Local Children’s Coverage Expansions, 10/26/05 update, available at [www.ihps.ca.org](http://www.ihps.ca.org).

# Key Issues for Healthy Families

- Reauthorization of SCHIP. Federal funding ends on September 30, 2007, unless the program is reauthorized by Congress. Among issues to be decided include:
  - Amount of federal funding, and formula for distributing federal funds among states.
  - State flexibility to increase cost sharing and reduce benefits.
- Availability of state funding to continue coverage for children already enrolled, and to cover children who are eligible but uninsured.
- Improving the quality and coordination of care, particularly across systems for children with mental health conditions.

Healthy Families faces several important challenges.

# Other Key Issues for Children's Coverage

- As the cost of health insurance rises, declines in employer-sponsored coverage among children are leading to greater demand for public coverage
- Although the number of uninsured children in California has declined in recent years, 55 percent of uninsured children are eligible for Medi-Cal or Healthy Families. California lacks an efficient, seamless and family-oriented approach to enrolling children in health coverage
- County-based Children's Health Initiatives are unlikely to achieve universal coverage (many counties are not planning one, and several existing initiatives have waiting lists due to insufficient funding). There has been no consensus among policymakers on whether and how the state should ensure universal health care coverage for children

Declines in employer-sponsored coverage are leading to greater demand for public coverage among children.



## Acknowledgment

Much of the information and data for this presentation was provided Peter Harbage. Harbage, a former assistant secretary with the California Health and Human Services Agency, is an independent consultant based in Sacramento, California.

## Healthy Families Appendix

### GIVE US YOUR FEEDBACK

Was the information provided in this report of value? Are there additional kinds of information or data you would like to see included in future reports of this type? Is there other research in this subject area you would like to see? We would like to know.



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