



Step by Step: Local Coverage Expansion Initiative

BETWEEN 2003 AND 2007, THE CALIFORNIA HealthCare Foundation invested approximately \$5 million in its Step by Step: Local Coverage Expansion Initiative. The Initiative supported local efforts to develop new health insurance programs for Californians who were ineligible for existing public programs such as Medi-Cal and Healthy Families. Step by Step aimed to accelerate the launch of local programs and thereby increase the number of Californians with health coverage.

Strategic Approach: Identify Opportunities, Plan Carefully, Share Lessons

Where local leaders had reached consensus to pursue a coverage approach and had identified potential public or private funding sources, Step by Step helped facilitate the emergence of viable local health insurance programs.

The Step by Step Initiative incorporated the following tactics:

- **Tailored approach.** One-year technical assistance grants were available for planning or implementation. Small planning grants helped coalitions define the needs of the target population, identify options and, where appropriate, develop an implementation plan. Larger implementation grants helped coalitions develop and execute a successful strategy for launch. Step by Step support allowed local coalitions to assess the viability of a coverage approach and, where appropriate, swiftly implement programs tailored to local conditions and funding.

- **Accountability.** Grantees developed work plans, including specific goals and deliverables for the grant period, and provided frequent progress updates. Strong project management helped grantees stay focused; consulting and other technical assistance support helped them overcome obstacles.
- **Networking.** Ongoing communication, usually through regular conference calls with similarly positioned grantees in other locations, facilitated joint problem solving and knowledge sharing. Grantees benefited significantly from the experience of their peers. Each year, knowledge transfer gained momentum as grantees amassed experience.

Grantee Projects Varied Widely

The initiative provided support to 48 projects in 33 counties (including several multicounty initiatives) that reflect considerable diversity.¹ Projects varied with respect to:

- **Target population.** Most aimed to expand coverage for low-income children, but each year a few projects targeted specific groups of low-wage workers, in fields such as in-home supportive services and child care.
- **Funding prospects.** Step by Step guidelines required local coalitions to identify potential public (and, in some cases, private) funding streams that could finance coverage. Many children's efforts relied on tobacco settlement, tobacco tax, and/or county funds. Coverage expansion programs for adults sought opportunities, linked to certain low-wage workers' employment and compensation

arrangements, to secure state and federal Medicaid funds, funds from public-private partnerships, or funds associated with child development.

- **Stage of development.** Funded projects ranged from early planning through final implementation.
- **Geography.** Grants included both urban and rural county-based efforts as well as a few regional, multi-county approaches.
- **Organization.** Grantees included local government agencies, community-based organizations, and academic/consulting organizations.

In addition to planning and implementation projects, Step by Step supported local efforts to streamline enrollment and analytic projects on topics related to local coverage expansion. A complete list of grant projects is available on www.chcf.org, in addition to two evaluation reports.

Projects Effectively Leveraged Opportunities Yet Face an Uncertain Future

Programs that received support under the Step by Step Initiative from 2004 through 2007 will provide coverage to an estimated 91,000 children and 5,152 adults through 2008. In addition to developing new insurance products, most of the children's programs also incorporated outreach and enrollment efforts that resulted in greater coverage under existing public programs, such as Medi-Cal and Healthy Families, through which 62,000 children have received coverage.

Through an independent, interview-based evaluation of Step by Step, grantees reported the initiative played a key role in facilitating program development. Many children's coverage programs used Step by Step grants to expand outreach, enrollment, retention, and utilization systems. Overall, almost 47,000 children were re-enrolled in new and existing insurance programs from 2004 through 2008. Most grantees have expanded stakeholder

involvement, creating collaboratives to work together on complex issues and achieve lasting changes in their communities. Programs to cover adults have provided new insights into coverage models for diverse target populations.

These accomplishments are significant, yet Step by Step grantees also faced real limitations. In some cases, prospects to secure local funds and develop coverage programs proved less effective than originally anticipated. And even when funds were secured, in most locations those funds were not sufficient to address the full unmet need of the target population. Compromises had to be made with respect to the population covered, the comprehensiveness of benefits provided, and the cost-sharing required of enrollees. Ongoing sustainability remains a major challenge for most of the programs launched under Step by Step grants. The uncertain state and federal policy environment surrounding health reform and coverage expansion further complicates planning for Step by Step grantees.

In 2006, the California HealthCare Foundation determined that 2007 would be the final year to fund projects under the Step by Step Initiative. An evaluation, based on updated information on funding prospects, a scan of the policy environment, and stakeholder input, led CHCF to conclude that few opportunities remained to leverage public and private funding streams to pay for new local health insurance programs. In light of the uncertain state policy environment and constrained public and private sector funding, Step by Step's 2007 grant cycle offered previously awarded programs a final opportunity to consolidate lessons learned and identify a path toward greater stability.

Conclusion

Fueled by local commitment and creativity, with support from CHCF's Step by Step Initiative as well as from many other funders, local coverage expansion efforts in California have matured and accomplished much in

the past five years. Despite funding constraints, Step by Step grantees have expanded coverage through new and existing insurance programs, built strong local coalitions, and laid a foundation for future improvements in access to health care. Building on that foundation, CHCF through its Innovations for the Underserved program, continues to support local programs working to reduce barriers to efficient, affordable health care.

ENDNOTE

1. This includes all counties that received or were part of planning, implementation, or stabilization grants, as well as Kern, Madera, and Marin Counties, the grants of which did not focus on the planning or launching of a coverage product.

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