

# Step by Step: Local Coverage Expansion Initiative

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## Background

The California HealthCare Foundation (CHCF) funded the Step by Step: Local Coverage Expansion Initiative to increase the capacity of local organizations to expand insurance coverage for low-income, uninsured Californians.

The goals of the program are to:

- Foster development and implementation of local coverage programs that would otherwise not be implemented;
- Encourage efforts to improve and streamline enrollment in local and state coverage and thereby maximize use of local resources; and
- Increase the number of insured Californians.

The initiative funds three types of grants:

- **Planning grants** to support activities from initial design through development of a detailed implementation plan;
- **Implementation grants** to help local efforts meet specific needs associated with launching a local coverage program; and
- **One-e-App grants** to assess local requirements.

One-e-App is an online application developed by CHCF, The California Endowment, and a number of local communities to automate enrollment in local expansion programs as well as a range of other local and state health programs.

Eleven grantees were awarded \$756,000 to plan or implement a coverage expansion program for work to be conducted in 2004. Of that group, nine were awarded one-year planning grants of \$50,000 or less: five for projects focused on expanding coverage for children; four for projects focused on expanding coverage for adults. The remaining two grantees were awarded \$317,000 for key implementation activities, moving them closer to launching a specific insurance program.

Implementation and planning grantees and their target populations are listed in Table 1 on the following page. In addition to the grantees listed in Table 1, five counties (or local coalitions) planning children's coverage expansions were awarded up to \$50,000 each to assess the feasibility of using One-e-App to streamline enrollment in public insurance programs.

This summary describes the outcomes of the projects funded under Step by Step in 2004 and highlights key lessons and implications from Step by Step's first year.

**Table 1: Step by Step Grantees, 2004**

TYPE / COUNTY	Organization Type	Target Population	Approach
<b>Planning Grantees</b>			
<b>Youth</b>			
Del Norte	Community-based organization (CBO)	Children ages 0–18	Healthy Kids via CalKids
Sonoma	Coalition	Children ages 0–18	Healthy Kids via CalKids
Fresno	Faith-based organization	Children ages 0–18	Healthy Kids
San Luis Obispo	First 5	Children ages 0–18	Healthy Kids
Orange	Faith-based organization	Children ages 0–18	Privately financed CalKids expansion
<b>Adult</b>			
California Hispanic Health Care Association	Statewide clinic association	Farm workers	Employer-financed primary care insurance
Los Angeles (CCPA)	CBO	Child care workers	Publicly financed comprehensive coverage
University of California, Berkeley	Academic institution	Low-wage Medi-Cal respite workers	Publicly financed comprehensive coverage
Santa Clara	Local initiative — plan	Child care workers	Publicly financed comprehensive coverage
<b>Implementation Grantees</b>			
Santa Barbara	County-organized health system (COHS) — plan	In-home supportive services (IHSS) workers	Publicly financed comprehensive coverage
Santa Cruz	Local initiative — plan	Children ages 0–18	Healthy Kids

## Program Outcomes

Step by Step grantees reported progress on a number of fronts, including strengthened partnerships, better understanding of local conditions, and greater program visibility. Many grantees were able to identify and secure new funding sources and several grantees reported actual and anticipated enrollment gains. While these effects are not directly and solely attributable to Step by Step, grantees reported that Step by Step proved crucial in moving their projects forward.

## Partner Relationships

Many planning grantees noted that the program enabled them to create relationships with key partners, such as other CBOs, the county and the First 5 Commission. Implementation grantees saw effects in increased stakeholder support and involvement,

building on existing relationships, or bringing stakeholders together during the grant process. Grantees in both categories spoke to the importance of working with key stakeholders and finding local leaders to champion their efforts. One-e-App grantees mentioned the forging of new relationships and increased support by existing partners.

## Knowledge Base

Grantees increased their knowledge of local conditions such as how enrollment/retention systems operate and the complexity of target populations and their needs. Similarly, most said that this deepened understanding helped them generate new ideas, such as the need for one door to existing programs. Many grantees also reported a better understanding of the challenges involved in expanding coverage.

**Table 2: Funding Secured by Planning and Implementation Grantees, 2004 Actual and 2005 Actual and Projected**

GRANTEE TYPE	First 5		Public Funding		Private Foundations		Other		TOTAL	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
<b>Planning (9)</b>	\$0.70M	\$2.80M	\$0.50M	\$1.40M	\$0.20M	\$1.00M	\$0.80M	\$1.90M	\$2.20M	\$7.10M
Youth (5)	0.70M	2.80M	0.50M	1.40M	0.10M	0.90M	0.80M	1.90M	2.10M	7.00M
Adult (4)	0	0	0	0	0.10M	0.07M	0	0	0.10M	0.07M
<b>Implementation (2)*</b>	1.10M	0.90M	0.60M	0.60M	0.90M	0.10M	0.20M	0.20M	2.80M	1.80M
<b>TOTAL</b>	<b>1.80M</b>	<b>3.70M</b>	<b>1.10M</b>	<b>2.00M</b>	<b>1.10M</b>	<b>1.10M</b>	<b>1.00M</b>	<b>2.10M</b>	<b>5.00M</b>	<b>8.90M</b>

NOTE: Not all funds can be attributed to activities funded by Step by Step. Some figures may not total precisely due to rounding.

\*These figures are for one of the two grantees, a Santa Cruz youth program.

### Visibility

For most grantees, Step by Step proved a useful vehicle for increasing awareness among the broader community through outreach activities and events such as enrollment fairs. Youth projects reported increased visibility for their coverage expansion efforts and provided evidence of increased support and commitment.

increase to \$2 million in 2005. Private foundation funding may remain unchanged, accounting for a smaller share of total funding in 2005 than in 2004. Grantees reported that Step by Step resources, such as access to an external consultant and conference calls, helped them identify funding sources. Some said they were able to leverage their Step by Step grants to attract additional funding.

### Funding

The projects targeting youth were the most successful in identifying new sources of funding, securing upwards of \$14 million by 2005 (Table 2). Overall, funding is projected to nearly double, from \$5 million in 2004 to \$8.9 million in 2005. First 5 funding is anticipated to increase significantly, from \$1.8 million in 2004 to \$3.7 million in 2005. While public financing such as federal HCAP grants and county general fund support lagged behind First 5 funding in 2004, it is expected to

### Coverage Gains

Gains in insurance enrollment for projects participating in Step by Step are estimated at 12,333 children and adults by the end of 2005 (Table 3). These increases have predominantly come through children's programs. All six of the grantees targeting youth populations anticipate enrolling children in Healthy Kids or CalKids (5,666 children). Two out of the five adult Planning and Implementation Grantees anticipate enrolling adults in a coverage program in 2005

**Table 3: Number of Insured, 2004 Actual and 2005 Estimated**

GRANTEE TYPE	Hkids		CalKids		Medi-Cal/Healthy Families		Adult	
	2004	2005	2004	2005	2004	2005	2004	2005
Planning (9)	0	1,308	98	2,358	0	2,332	0	2,000
Implementation (2)	987	2,000	0	0	1,091	2,000	0	335
<b>TOTAL</b>	<b>987<sup>1</sup></b>	<b>3,308<sup>2</sup></b>	<b>98<sup>3</sup></b>	<b>2,358<sup>4</sup></b>	<b>1,091<sup>5</sup></b>	<b>4,332<sup>6</sup></b>	<b>0</b>	<b>2,335<sup>7</sup></b>

(1) Santa Cruz; (2) Fresno, Sonoma, San Luis Obispo, Santa Cruz; (3) Orange; (4) Del Norte, Sonoma, Orange; (5) Santa Cruz; (6) San Luis Obispo, Sonoma, Santa Cruz; (7) CCPA (Los Angeles), Santa Barbara

(2,335 adults). The increase in Medi-Cal/Healthy Families enrollment (4,332 enrollees) is also noteworthy, indicating that local efforts supported by Step by Step are pursuing broad outreach efforts that seek to increase enrollment through existing public coverage programs as well as the new expansion program.

### Grantee Capacity

All grantees indicated that Step by Step played a “critical role” in expanding their capacity to work on coverage issues, and some said they couldn’t have undertaken their projects without it. The two grantees who have reached the implementation stage felt the program deepened their knowledge and helped move their projects along. The reported impact was less pronounced among One-e-App grantees, although two noted that the grant helped them create partnerships with other county agencies.

### Lessons

#### Diverse Needs Require Diverse Approaches

California’s uninsured population is diverse, spanning a wide range of ages, workplace affiliations, and income levels. With respect to coverage efforts, California counties also are diverse in both the resources they are able to draw upon and the political realities with which they must contend. As a consequence, the projects funded under Step by Step vary with respect to target population, the comprehensiveness of proposed coverage, financing strategy, and organizational sponsorship.

Though most of the youth projects aimed to develop a Healthy Kids program with comprehensive benefits, some of the projects used CalKids, a primary-care-only coverage program, as an interim or stop-gap measure while securing additional funding and support. The

diversity of approaches to covering adults reflected the complexity of covering this population in a piecemeal fashion and the need to secure funding or other resources from partners such as labor and employers. A range of different organizations — not necessarily insurance plans — mustered the resources and partnerships required to pursue coverage expansion.

### Depth of the Challenge

Most planning grantees encountered challenges, including staffing turnover, greater resource needs than anticipated, and limited technical expertise. The identification of a health plan partner posed a particular challenge for youth projects. Those grantees in fee-for-service Medi-Cal counties such as Del Norte, Sonoma, and San Luis Obispo have addressed this challenge using varying strategies to secure a plan. Adult projects also have encountered this challenge, although in some cases the more central challenge was to identify a target population of sufficient size to attract a plan. Compounding this issue are contextual or structural barriers such as competing priorities and limited resources for premium subsidies.

### Record of Success

During the last trimester of the program, many of the children’s projects addressed the challenges of identifying a plan partner, as well as securing funding from multiple sources. Also, larger factors like the statewide 100% Campaign have buoyed children’s projects. Adult projects identified partnerships and relationships that have furthered their efforts, bringing some grantees closer to securing funding. Interestingly, for adult projects, regional or statewide models may hold greater potential than those with more limited geographic scope.

## Potential for Expansion

The ability of diverse grantees to succeed under different conditions suggests the Step by Step framework may be replicable in other settings, provided there are adequate funding opportunities. The Step By Step initiative is flexible and allows for grantees to make mid-course corrections and still achieve project objectives. This flexibility combined with the emphasis on resources that meet unique grantee needs may be an appropriate model not only for expanding insurance coverage but also for stimulating innovation of other types.

## Conclusion

Grantees report that Step by Step support helped them move quickly and effectively forward in their planning or implementation efforts. In certain cases, modest resources were parlayed into significant financing opportunities and increased enrollment. But local coverage expansion efforts can emerge and thrive only if funding, technical expertise, collaborative partnerships and political commitment are in place to facilitate these efforts. Threats to further success, such as the uncertainties created by Medi-Cal redesign and proposed state budget cuts, remain. A program such as Step by Step can help increase county capacity to develop targeted coverage expansions, but the extent of these expansions will depend upon funding availability and other environmental conditions.

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