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October 2009

Trends in Child Enrollment in California's Public Health Insurance Programs

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INTRODUCTION

Health insurance coverage is critical in ensuring that children have access to health care services. Numerous studies show that insured children are more likely than uninsured children to have a regular source of care and to obtain preventive and primary care, and they are less likely to delay or forgo needed services.[i] [ii] [iii] [iv] [v] [vi] [vii] [viii] [ix] Despite the significance of health insurance in facilitating access to care, an estimated 683,000 children in California (6.7 percent of all children in the state)—many of whom were eligible for public health insurance programs—were uninsured in 2007.

California has several subsidized public health programs intended to cover uninsured children with low-to-moderate family income.[x] Medi-Cal (California's Medicaid program) and Healthy Families (California's Children's Health Insurance Program (CHIP) program) are two such programs and both are funded by a combination of state and federal dollars. Currently, families with household incomes at or below 250 percent of the federal poverty level (FPL), and who are citizens or legal residents, are eligible for Medi-Cal or Healthy Families. As of 2007, Medi-Cal covers 25.8 percent (2.74 million) of all children in California, and Healthy Families covers an additional 6.7 percent (715,000).

Many low-income children are not eligible for Medi-Cal or Healthy Families, either because their family income is higher than the 250 percent FPL threshold or because they are not U.S. citizens or legal residents. In some California counties, however, these children may qualify for Healthy Kids programs, which are operated and funded at the county level. Currently, 26 counties have operational Children's Health Initiatives (CHIs) that offer a Healthy Kids program to families with household income up to 300 percent FPL, with no residency or citizenship requirement. The Healthy Kids programs are financed through a mix of public and private sources that differs in each county, but all are modeled after the Healthy Families program. (Thus, Healthy Kids is considered a quasi-public insurance program for the purposes of this study.)

In 2007, nearly 80 percent of California's uninsured children (540,000 children, total) were eligible for Medi-Cal, Healthy Families, or Healthy Kids, but were not enrolled. To address this disconnect, county-level and private sector stakeholders are working to identify and enroll eligible children into these programs. Many California counties have been creative in devising innovative outreach strategies to identify and enroll children and in helping children to retain coverage and obtain needed health care services after enrollment. However, the relative effectiveness of different outreach strategies remains unclear. To ensure the effective and efficient use of the limited county and private sector resources being used to support outreach, it is worth investigating the impact of these various strategies on actual enrollment and retention in public insurance programs in the state.

This is the second in a series of three briefs examining the effectiveness of outreach and enrollment strategies used thus far in California to expand enrollment and retain participants. The first brief outlined the breadth of outreach and enrollment strategies employed in counties across the state of California.[x]

This brief describes enrollment trends in California's public insurance programs as well as changes in the number of uninsured children who are eligible for such programs. The final report will examine whether strategies used—and variations in their deployment—affect enrollment and retention, and how the introduction of technology-based systems influences enrollment and retention in these programs, if at all.

APPROACH

Study Sample

Enrollment data was limited to the 26 counties with Children's Health Initiatives that have active Healthy Kids programs, because these counties collectively account for more than 75 percent of the uninsured children in the state. Of these 26 counties, 25 agreed to participate in the study (n=25).

This study focuses on children ages 18 years and under who are enrolled in the aforementioned three main public insurance programs in California and on children in this age group who are uninsured. These groups were measured over a seven-year period from 2001 to 2007. Counts of monthly new enrollments were available for Medi-Cal and Healthy Families, while total monthly enrollments were available for the Healthy Kids program. For more details on the study sample, please review the first issue brief in this series.[x]

Study Procedures

The three public health insurance programs in California are each administered by separate agencies and use separate enrollment data systems. Enrollment data files for the public insurance programs were acquired from three sources: the California Department of Health Services (Medi-Cal), the Managed Risk Medical Insurance Board (Healthy Families), and each of the Children's Health Initiatives programs (Healthy Kids) in the 25 participating counties.

The state-representative California Health Interview Survey (CHIS) was used to derive estimates of uninsured children in low-income families.[1] The analysis was limited to uninsured children living in families with household incomes below 300 percent FPL, as this is the income limit for those who are eligible for, but not enrolled in, public insurance programs.

Measures

Since the independent variables—use of outreach and enrollment strategies—were measured on a quarterly basis, the enrollment data was manipulated to reflect quarterly counts. Enrollments for Medi-Cal and Healthy Families were defined as the total number of new enrollments in a given quarter (i.e., the sum of three months of new enrollments). Enrollment data for Healthy Kids were measured as an average of the total monthly enrollment each quarter.

In order to be considered a new enrollment for Medi-Cal or Healthy Families, a child must not have been enrolled in the program in the prior 12 months. There are over 158 "eligibility aid" codes that can be used to signify the enrollment mechanism used for a given Medi-Cal enrollee. Fifteen aid codes were determined to be "sensitive" to outreach and enrollment strategies, distinct from codes that reflect mandatory enrollments based on receiving cash assistance (i.e., Cal Works or Supplemental Security Income).[2] Analysis was limited to these "sensitive" aid codes in

[1] The CHIS is representative of the non-institutionalized population of California and was conducted in 2001, 2003, 2005, and 2007. The CHIS is a random-digit dial telephone survey of households drawn from each county in California. The statewide CHIS survey response rates for 2001, 2003, 2005, and 2007 are 87.6%, 81.4%, 75.2%, and 73.7% for children sample (under 12 years of age); and 63.5%, 57.3%, 48.5%, and 41.4% for the adolescent sample (Age 12-17). Counts of the low-income child population from the survey have been weighted by CHIS to reflect yearly U.S. Census Bureau estimates.

[2] The Medi-Cal eligibility aid codes identify the criteria by which people qualify for Medi-Cal, the type of services received, and the services funded by state or federal government. The aid codes we defined as "sensitive" focused on five categories: Section 1931 (b) Medi-Cal for families, Emergency & Pregnancy-related services, Child Only Coverage, Accelerated Enrollment, and CHDP. The following is a list of aid codes we defined as "sensitive": 44, 48, 70,

order to focus as much as possible on the portion of all enrollments that is expected to be responsive to county outreach and enrollment strategies.

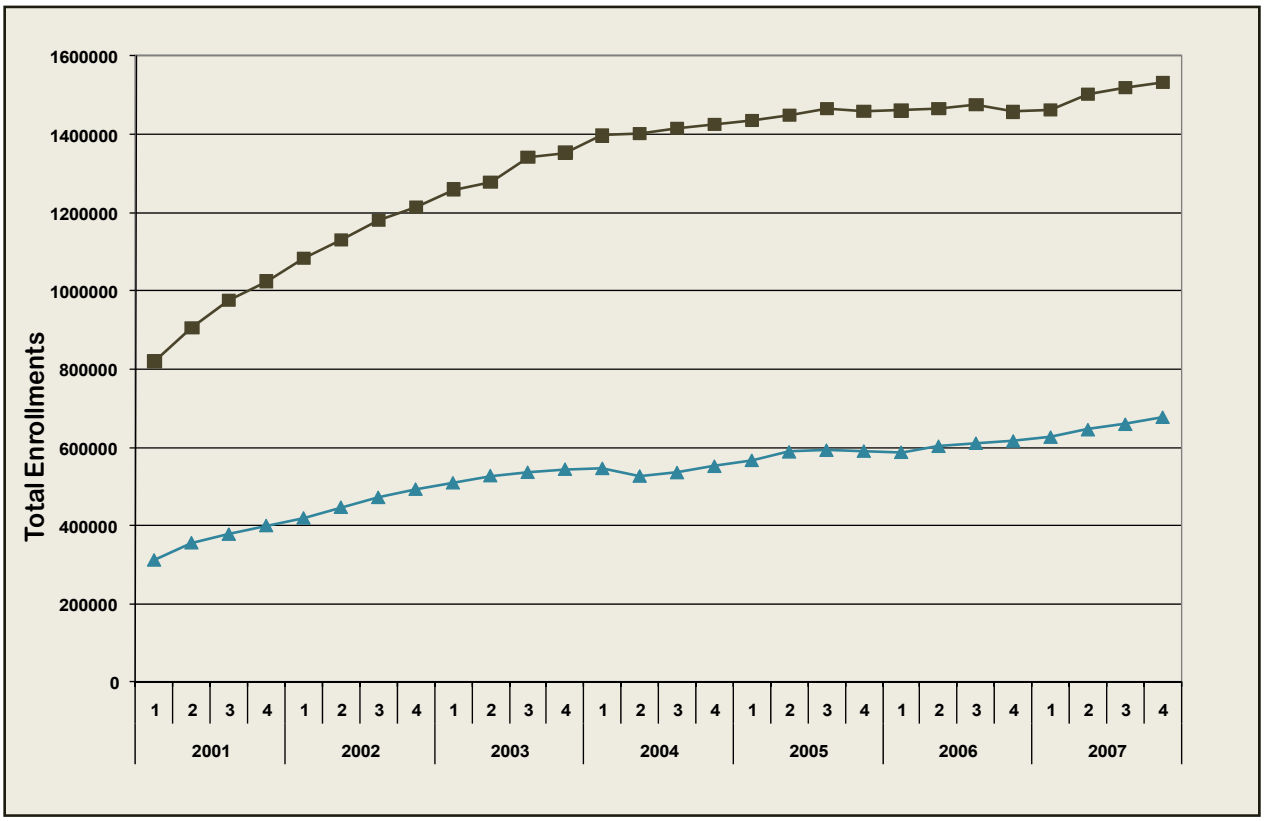
State and county rates of uninsured children in low- and moderate-income families (under 300% FPL) were estimated by analyzing CHIS data for the years 2001, 2003, 2005, and 2007. Four counties with stable CHIS uninsured estimates (Los Angeles, San Bernardino, Riverside, Orange, and Santa Clara) were identified from the study sample as being suitable for further comparison, since CHIS estimates were statistically unstable for smaller population counties due to small sample sizes and the need to stratify by income level and age.

RESULTS

Total Enrollment Trends in Medi-Cal and Healthy Families

Figure 1 shows the average total monthly enrollment by quarter for Medi-Cal and Healthy Families in California from 2001 through 2007. Total enrollment for Medi-Cal increased from 819,568 in the first quarter of 2001, to 1,531,791 in the fourth quarter of 2007, an 87 percent increase over the study period. Healthy Families' total enrollment increased from 311,112 in the first quarter of 2001, to 677,608 in the fourth quarter of 2007, for a 118 percent overall increase.

Figure 1: Average Total Monthly Enrollment by Quarter for Medi-Cal and Healthy Families in California, 2001-2007

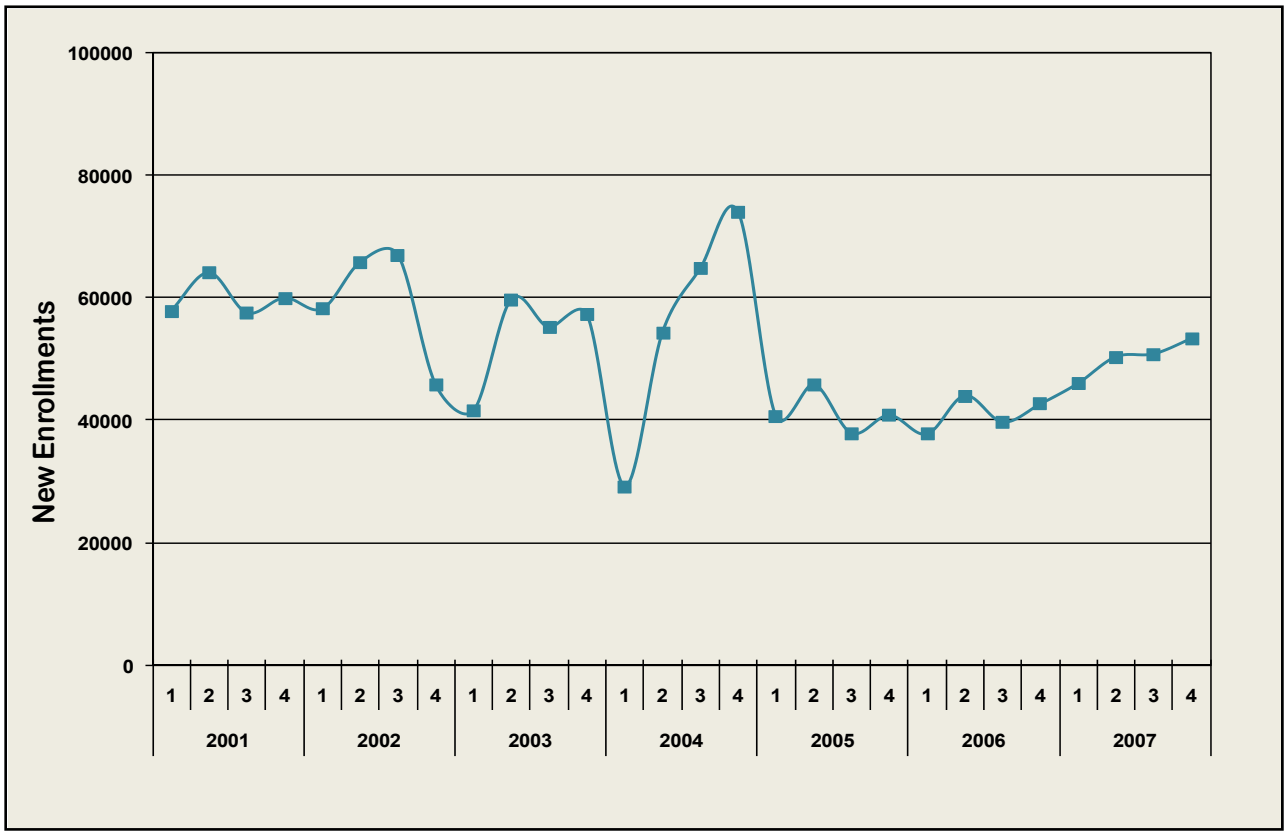


*Medi-Cal enrollments restricted to "sensitive" aid codes.
Medi-Cal Data Source: California Department of Health Services
Healthy Families Data Source: Managed Risk Medical Insurance Board (MRMIB)

New Enrollment Trends in Medi-Cal and Healthy Families

Figure 2 shows that the number of new enrollees in the Healthy Families program increased by an average of 51,415 from 2001 through 2007. There is some variation in a few quarters during this period, with new enrollments generally declining between 2001 and 2003. However, the year 2004 marked a shift upward in new enrollments for the Healthy Families program, with new enrollments totaling 29,124 for the first quarter of 2004 and increasing to 73,932 for the fourth quarter of the same year. New Healthy Families enrollments continued to grow from 2005 through 2007 and are now reaching levels similar to 2001.

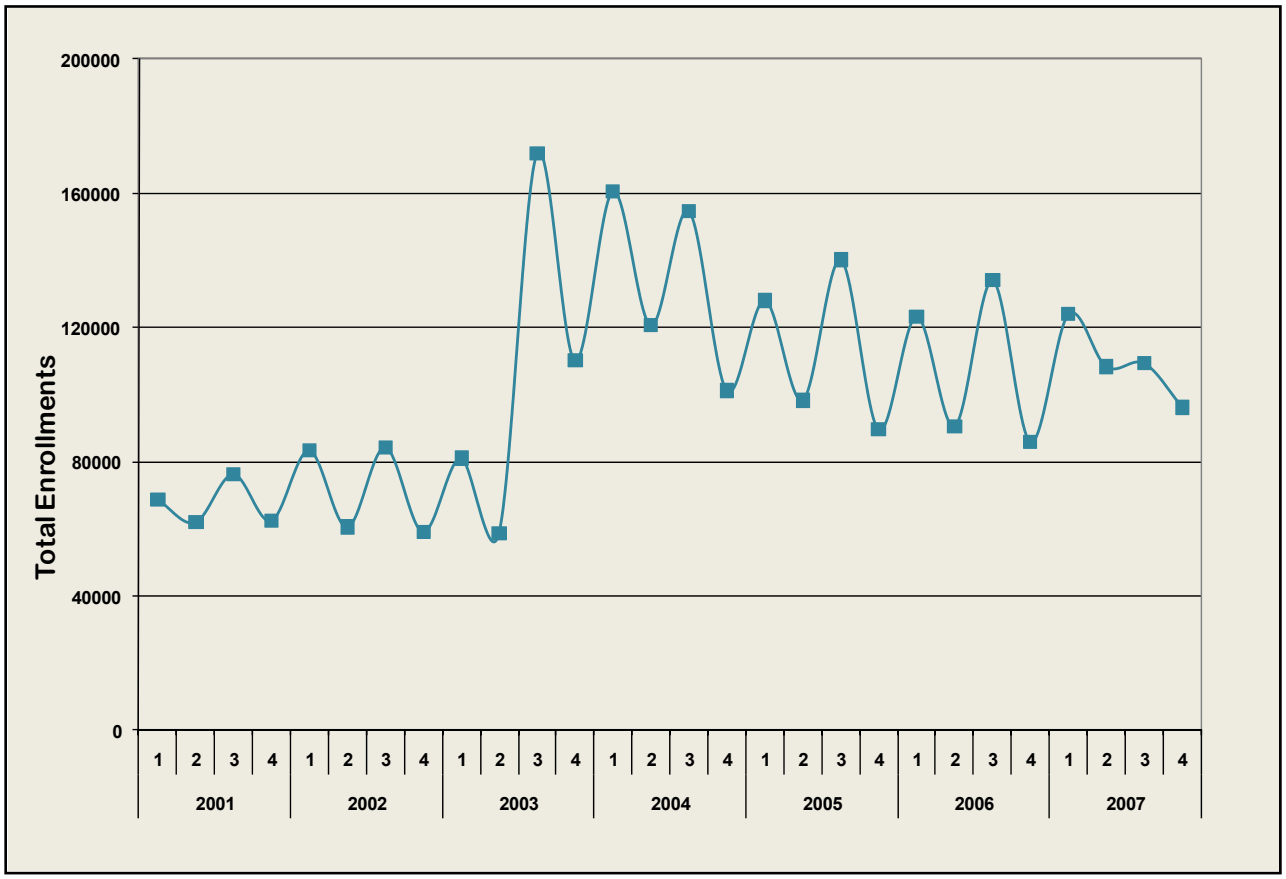
Figure 2: Total Number of New Enrollments per Quarter for the Healthy Families Program, 2001-2007



Healthy Families Data Source: Managed Risk Medical Insurance Board (MRMIB)

Figure 3 shows that, overall, the number of children enrolled in Medi-Cal who had no prior enrollment in the past 12 months increased by 96,268 on average between 2001 and 2007. In the first quarter of 2001, there were 68,864 new enrollments for Medi-Cal, increasing to 96,268 new enrollments in the fourth quarter of 2007, for a 40 percent increase. The number of new enrollments surged dramatically in 2003, from 58,694 in the second quarter to 171,826 in the third quarter, increasing by 193 percent. There are consistent increases in new enrollment for Medi-Cal every first and third quarter of each year.

Figure 3: Total Number of New Enrollments per Quarter for Medi-Cal, 2001-2007

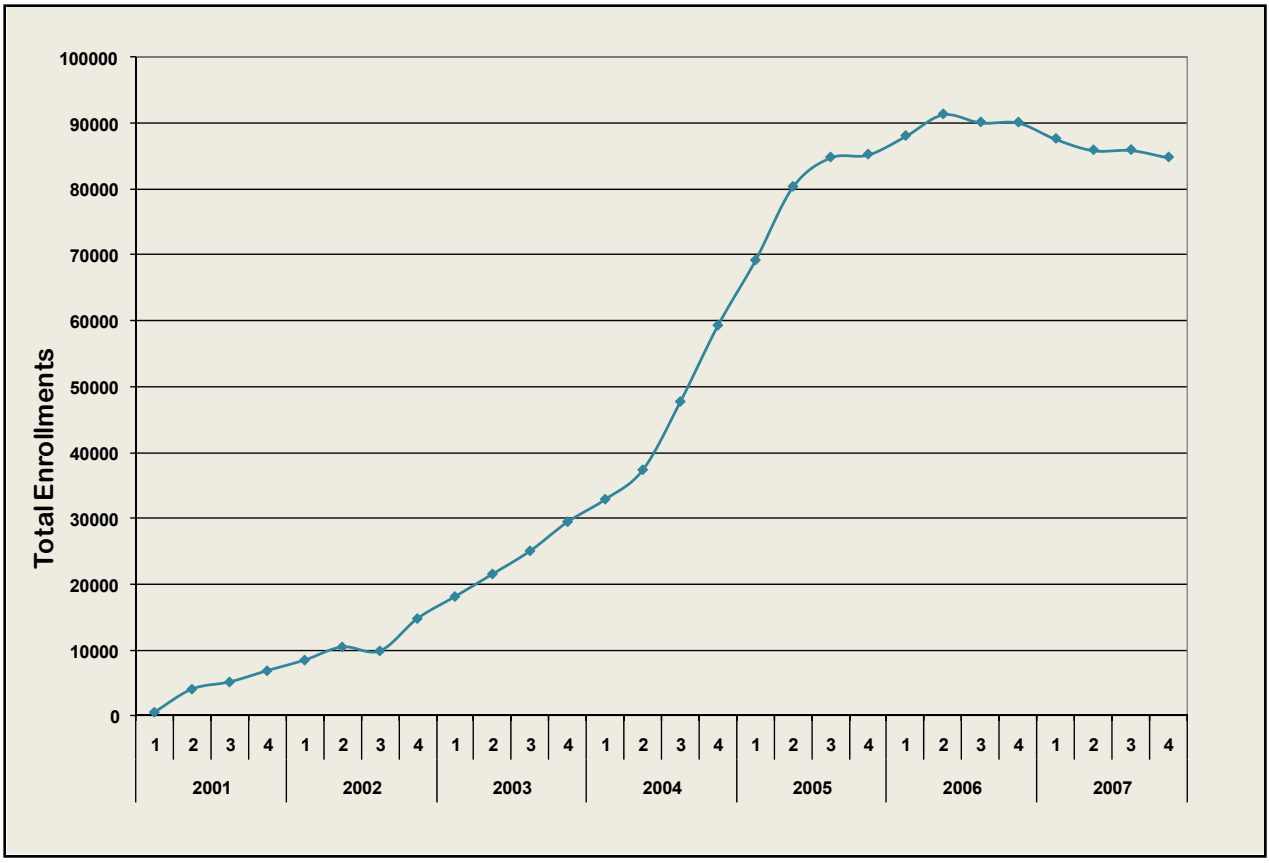


Medi-Cal Data Source: California Department of Health Services

Enrollment Trends in the Healthy Kids Program

Figure 4 shows the average total monthly enrollment by quarter for the Healthy Kids program in California. Since the program's inception in the first quarter of 2001, Healthy Kids enrollment has steadily increased as more counties have implemented Healthy Kids programs. However, statewide enrollments in the Healthy Kids program have declined somewhat since 2006: In the fourth quarter of 2006, there were 90,094 total enrollments, and this number fell to 84,803 total enrollments in the fourth quarter of 2007, as more and more counties closed enrollments to children 6-18 years of age due to a lack of funding for children in this age group.

Figure 4: Average Total Monthly Enrollment by Quarter for the Healthy Kids Program, 2001-2007

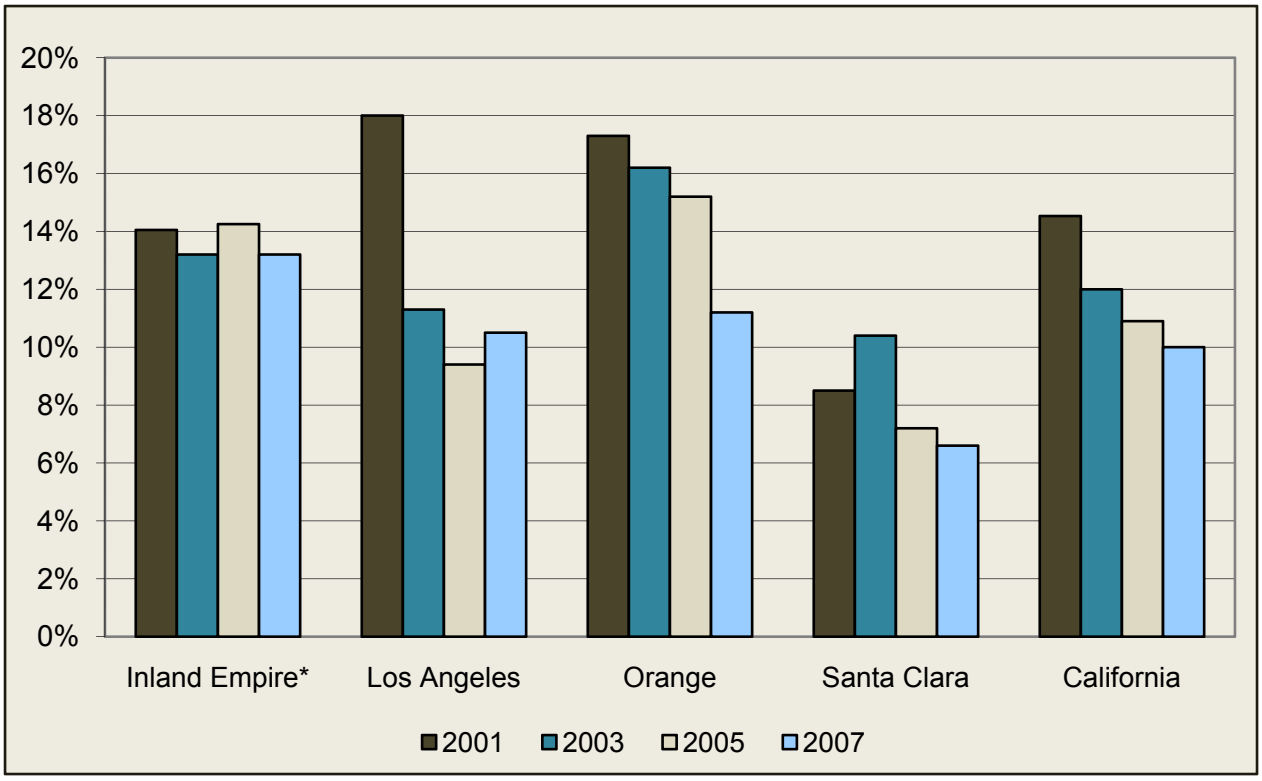


Healthy Kids Data Source: Each of the Children's Health Initiatives programs in the 25 participating counties

Trends in Uninsured Rates in California

Figure 5 shows rates of uninsurance among children (age 18 and under) residing in households with incomes below 300 percent FPL. Most uninsured children below 300 percent FPL are eligible for—but not enrolled in—one of the three public insurance programs. The percentage of all children who are uninsured in California declined from 15 percent in 2001 to 10 percent in 2007. Additionally, some counties with active Healthy Kids programs have seen notable decreases in the number of low- and moderate-income uninsured children. For example, uninsurance for this group in Los Angeles County decreased from 18 percent in 2001 to 11 percent in 2007. Similar trends are seen for Orange County, where the percentage of uninsured children potentially eligible for public insurance programs dropped from 17 percent in 2001 to 11 percent in 2007. However, Santa Clara county and the Inland Empire (San Bernardino and Riverside Counties) have seen only slight decreases in the number of uninsured children with similar income limits (below 300 percent FPL).

Figure 5: Uninsured Rates of Children (Age 0-18) with Household Income Under 300% FPL by County, 2001-2007



Data Source: California Health Interview Survey (CHIS)
*Inland Empire includes San Bernardino and Riverside County

DISCUSSION

This descriptive report shows that, from 2001 to 2007, California counties with Healthy Kids programs were newly enrolling a quarterly average of 51,415 children in the Healthy Families program and 101,564 children in the Medi-Cal program. Total enrollment in the Medi-Cal and Healthy Families programs has increased dramatically from 2001 to 2007 (87 percent for Medi-Cal and 118 percent for Healthy Families). Additionally, the number of new enrollments in the Medi-Cal program nearly doubled between the second and third quarters of 2003, which is consistent with the timing of the launch of the Children's Health Initiative and Healthy Kids program in Los Angeles County. Although total enrollments have declined recently for the Healthy Kids Program, enrollment reached 91,338 children at its peak.

There are many factors that could explain the increase in total enrollment in public insurance programs in California, including county-level outreach and enrollment efforts. Still, enrollment trends suggest outreach efforts may contribute to the cyclical spikes in new Medi-Cal and Healthy Families enrollments and to the number of children enrolled in the Healthy Kids program. The impact of county outreach and enrollment strategies on these enrollment trends will be described in the third and final brief in this series.

IMPLICATIONS

California has seen a significant decline in the number of uninsured children between 2001 and 2007, and it seems likely that the increased number of children enrolled in public programs has offset the decreased number of children covered by employer-based dependent coverage. These trends speak to the importance of facilitating access to public programs in providing a health care safety net for children and families. Without these programs, a substantial number of previously uninsured children in California would likely have delayed needed care and would have sought expensive last-resort treatment in hospital emergency rooms.

National health care reform proposals would make it possible to build on state efforts to insure children. Proposals to bolster the Children's Health Insurance Program Reauthorization Act (CHIPRA) through coverage mandates and expansions of current public programs are among the ideas under consideration. However, state budget crises across the country threaten to undermine federal health reform efforts. California's budget deficit, currently exceeding $26 billion, is expected to reverse many of the state's gains in covering children; Medicaid funding has been reduced by $1 billion, and funding for the Healthy Families program was cut by $123 million. These cuts have already resulted in a waiting list of potential Healthy Families enrollees and may lead to income eligibility restrictions to include only those children with family incomes below 200 percent FPL. Such changes will most likely hamper future efforts to achieve universal coverage for children at the state level and make federal health reform more difficult if state coverage efforts are to serve as a platform for broader expansion.

NOTES

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ABOUT THE SHARE INITIATIVE

SHARE is a national program of the Robert Wood Johnson Foundation and is located at the University of Minnesota's State Health Access Data Assistance Center (SHADAC).

The SHARE project has the following key goals:

1. Coordinate evaluations of state reform efforts in a way that establishes a body of evidence to inform state and national policy makers on the mechanisms required for successful health reform.
2. Identify and address gaps in research on state health reform activities from a state and national policy perspective.
3. Disseminate findings in a manner that is meaningful and user-friendly for state and national policy makers, state agencies, and researchers alike.

To accomplish these goals, SHARE has funded 16 projects covering 29 states.

CONTACTING SHARE

The State Health Access Reform Evaluation (SHARE) is a Robert Wood Johnson Foundation (RWJF) program that aims to provide evidence to state policy makers on specific mechanisms that contribute to successful state health reform efforts. The program operates out of the State Health Access Data Assistance Center (SHADAC), an RWJF-funded research center in the Division of Health Policy and Management, School of Public Health, University of Minnesota. Information is available at www.statereformevaluation.org.

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