

Sponsored by the 100% Campaign and PICO California

A growing number of California organizations – over 200 as of this writing – have signed on to our goals and are working to ensure that every child in our state has access to affordable health insurance. *The time is right and the goal is achievable.* Over the past few years, California has made great progress in making sure more children have insurance; now we can finish the job. Health insurance improves children's well-being and helps them reach their potential in school. Investing in comprehensive health insurance for children is cost-effective, promoting access to early, less costly preventive care and treatment.

Specifically, our goals are to:

- Create a strong private/public initiative in which all children living in California from birth to age 21 will have access to affordable health insurance coverage.
- Build upon what works in California's publicly-funded state insurance programs and reform what does not, including modernizing and simplifying how children get enrolled and stay enrolled in coverage.
- Create a statewide insurance system that leverages the lessons and successes of local children's health initiatives.
- Promote voluntary opportunities to strengthen employer participation in covering dependents.
- Develop sustainable financing that supports the system over the long term, including maximizing federal funding.
- Ensure a strong safety net as a vital component of access to care.
- Do no harm as these reforms are put in place.

In order to reach these goals, the 100% Campaign: Health Insurance for Every Child (a collaborative project of Children Now, Children's Defense Fund, and The Children's Partnership) and the PICO California Project together are sponsoring SB 437 (Escutia) and AB 772 (Chan). What follows is a summary of the bills' provisions.

What California Healthy Kids (SB 437/AB 772) will do:

1. *Provide health insurance options for every uninsured child in California*

- Establish the California Healthy Kids program as an umbrella children's health insurance program under which the existing children's health insurance programs—Healthy Families and Medi-Cal for Children—will operate in a coordinated and seamless way for children.
- Provide health insurance options for *all* uninsured children:
 - ü Uninsured children with family incomes between 250%-300% of the federal poverty level (FPL) (up to \$48,300 annually for a family of 3) will qualify for coverage through the Healthy Families Program with a new premium tier for these children. (Currently, Healthy Families covers children with family incomes up to 250% FPL.)
 - ü Children will receive either Medi-Cal or Healthy Families insurance coverage, depending on their family income. The bill would create a simple "bright line" income eligibility standard at 133% of FPL for children over age 1: children below this income level will qualify for Medi-Cal insurance and children above will qualify for Healthy Families insurance (infants below 200% of FPL continue to qualify for Medi-Cal with their mothers). Currently, children with incomes between 100% and 133% FPL must transfer coverage from Medi-Cal to Healthy Families when they reach six years of age.
 - ü For uninsured children with incomes over \$48,300 (> 300% FPL), pilot demonstration projects will develop innovative strategies for offering affordable coverage options for their families to purchase through purchasing pools such as Healthy Families health plans at full premium costs.
- The bills do not change private and employer-sponsored coverage as currently provided to children in California.

2. *Make it easier for families to enroll and keep their children covered*

- Open doors to enrollment by maximizing existing enrollment innovations:
 - ü California Healthy Kids will use "Express Lane" simplifications to expedite enrollment of children in programs that use similar income rules such as Reduced Price School Lunch and WIC.
 - ü Innovative technology systems will be adapted to further streamline Express Lane enrollment.
 - ü California Healthy Kids will take advantage of proposed federal legislation to accept proof of enrollment in WIC, the school lunch program, and food stamps to serve as adequate documentation of family income.
 - ü Counties will be allowed to provide accelerated enrollment into Healthy Families for eligible children who apply at county Medi-Cal offices.
- Make it easier for families to enroll their children
 - ü California Healthy Kids will offer an on-line Medi-Cal health plan/health care arrangement location system coordinated with the existing Healthy Families health plan system.
 - ü Healthy Families and Medi-Cal will reduce the paperwork needed for children to apply and renew insurance by requesting only as much paperwork as federal law requires.
- Make sure that children who *are* insured *stay* insured
 - ü The bills will simplify annual renewal forms and processes.
 - ü The bills will make it easier for families to pay their share of children's premiums.
 - ü California Healthy Kids will make the existing "bridge" coverage program—which currently provides temporary coverage for children who are moving between the Medi-Cal and Healthy Families programs— "seamless" by making that bridge coverage ongoing during the transition.

3. *Build on the successes of local Children's Health Initiatives (CHI's)*

- Invest in local enrollment partners and promote local innovation
 - ü Local Enrollment Investment grants will support and promote local innovations to increase children's health insurance enrollment and retention and health care access.
 - ü Local programs will have the option to establish county or regional hardship funds/sponsorship programs to help families pay California Healthy Kids premiums.
 - ü Local CHIs will have the option to operate demonstration projects for the purpose of testing new innovations in enrollment technology, enrollment/retention processes and strategies, integrated insurance programs, and voluntary employer coverage participation strategies.
 - ü Counties and regional organizations will have the option to buy or partially subsidize Healthy Families coverage for children with family incomes *above* 300% of FPL and seek federal financial participation, to the extent available.
- Provide a smooth transition from local Healthy Kids programs to California Healthy Kids

ü During the planning and development of California Healthy Kids, the state will coordinate with local CHIs and state- and federally-funded programs such as Emergency Medi-Cal and the Child Health and Disability Prevention (CHDP) program so that local funds do not replace but rather augment existing state and federal funds.

ü During the transition to statewide California Healthy Kids, existing local children's health insurance programs can qualify as pilot programs for shared local and state financing and, where available, federal funds. In addition, during the transition period, local CHIs without a local health insurance program can buy into Healthy Families or Medi-Cal coverage with shared local and state financing. Once California Healthy Kids is operational there will be a period of time during which local programs can transition from their current arrangements to the policy and financing of the statewide program.

4. *Create a system of shared responsibility for financing*

- Draw down currently-available federal and state matching funds for children's health insurance programs as the primary source of financing children's coverage under California Healthy Kids.
- Include families as part of the financing solution by having families pay premiums according to their incomes, with families in the highest income categories paying the full cost of children's coverage.
- Incorporate strategies to promote and support increased voluntary employer participation in children's coverage.
- During the transition to statewide California Healthy Kids, blend local CHI dollars currently available with state financing to cover the cost of the local pilot projects operated by local children's health insurance programs.
- Maintain programs like CHDP, CHDP Gateway, Emergency Medi-Cal, and share of cost Medi-Cal, through which the state currently provides some coverage and pays for services for uninsured children, and maintain safety net financing. Funding the additional costs for California Healthy Kids coverage would supplement the funding in these existing programs.
- Establish a Children's Healthcare Trust Fund (AB 1199—a companion bill). This public/private dedicated account will be used in conjunction with the financing sources outlined above and as a supplement to core state and federal support.
- Require the Expert Panel to issue an "Accountability First" report on ways to reduce bureaucratic barriers and eliminate inefficiency, such as wasteful "churning" of children on and off of coverage.

5. *Phase in the program on a timetable consistent with strong management and available resources*

- Implement the provisions of California Healthy Kids over several years to provide adequate time to develop the statewide infrastructure; transition effectively from local children's health insurance efforts to a statewide program; and phase in implementation consistent with available resources.
- In the first two years: establish the California Healthy Kids Expert Panel; develop and implement program policies and systems; and begin pilot programs, subject to available resources.
- In the third year: enroll newly eligible children in California Healthy Kids. Newly-eligible children may be phased in according to age consistent with available resources.

For more information, please contact the 100% Campaign, www.100percentcampaign.org, or PICO California Project, www.picocalifornia.org.