

Growing Pains for the Los Angeles Healthy Kids Program

Findings from the Second Evaluation Case Study
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This second case study of the Los Angeles Healthy Kids program analyzes the status of the maturing initiative and delves into some of the complex challenges it faces. While funding for younger enrollees age 0 to 5 remains stable, funding for children age 6 through 18 ran short in spring 2005, forcing the program to cap enrollment of older children. State health reform efforts that could have stabilized premium support for the program have failed. Beyond financing, Healthy Kids has also faced challenges related to some chronic problems in the systems of care into which the program was introduced.

This policy brief highlights the key findings from a case study based on in-depth interviews conducted with more than 40 stakeholders during a week-long site visit to Los Angeles. Key informants represented First 5 LA staff, policymakers, public and private providers, county public health officials, health plan administrators, dentists and dental plan officials, child and family advocates, health policy researchers, and community-based outreach workers.

Background and Prior Evaluation Findings

The Los Angeles Healthy Kids program was designed to provide health insurance to all children in the county, regardless of immigration status, living in families with incomes below 300 percent of the federal poverty level and ineligible for Medi-Cal or Healthy Families. In July 2003, the program was implemented to cover children age birth through 5; it was expanded in May 2004 to cover children age 6 through 18.

Healthy Kids has achieved a great deal in its first four years. The program has provided hands-on outreach, application assistance, and support to families throughout the county, and it has extended comprehensive and affordable health coverage to more than 40,000 very poor, very vulnerable children, most of whom are immigrants. Further, according to newly released survey results, Healthy Kids has demonstrably improved children's access to and use of care, reduced parents' concerns about obtaining care for their children, reduced unmet need for virtually all types of services, and improved the health status of enrolled children.

Since the "enrollment hold" was implemented for children age 6 through 18 in June 2005, the program has remained essentially closed for these children, and enrollment levels for all children have slipped.

Outreach, Enrollment, and Retention

Healthy Kids outreach and application assistance are provided through a broad and diverse network of community-based agencies. Relying on a cadre of trusted, multilingual staff, these agencies find families with uninsured children, inform them of the availability of coverage, assist parents with completing applications for any available coverage program (including Medi-Cal, Healthy Families, and Healthy Kids), and follow up with families to ensure that children's needs are being met. While various reports developed under this evaluation have attested to this outreach model's effectiveness, this case study found that some approaches have had to be modi-

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fied in light of the enrollment hold. Specifically, outreach and health plan workers have had to

- continue to find and recruit families with young children (age 0–5), emphasizing that Healthy Kids is still available to this subset of children while working to overcome public misperceptions that the entire program is closed;
- maintain waiting lists of parents with eligible children age 6–18 who are not able to enroll in Healthy Kids, periodically checking in with families to gauge their continued interest in the program;
- actively refer uninsured children affected by the enrollment hold to other sources of coverage, including the Kaiser Child Health Plan, clinics receiving Public Private Partnership funding, the Child Health and Disabilities Prevention (CHDP) program and its “Gateway,” and Emergency Medi-Cal; and
- shift much of their work to assisting families with children on Healthy Kids with their renewal applications, and emphasizing to parents the critical importance of maintaining coverage in light of the enrollment hold.

Benefits, Service Delivery, and Access

The Healthy Kids benefit package mirrors that offered by Healthy Families—California’s SCHIP program—offering a full range of preventive, primary, acute, and specialty care services, including dental, vision, and behavioral health care. Services are delivered through a prepaid managed care network managed by LA Care, a not-for-profit community health plan with extensive experience serving publicly insured families. Healthy Kids also emulates Healthy Families in cost sharing, using a sliding-scale premium structure that exempts the poorest families from monthly fees but imposing \$5.00 copayments on all families, regardless of income, for a range of health services. While various reports developed under this evaluation have found the program’s benefits, service delivery, and cost sharing policies well designed and implemented, and generally affording very good

access to care, this case study identified a range of challenges that have undermined optimal access. Challenges include these seven:

- geographic barriers to care for some families who live too far away from their primary care physician or lack adequate transportation to get to doctors’ offices or clinics;
- long waits for appointments or in clinics for some families, perhaps because of the network’s heavy reliance on busy “safety net” providers;
- problems with children being assigned to different dentists from those that parents selected during the enrollment process, leading to confusion and delays in obtaining dental care;
- delays in obtaining care from pediatric dental specialists, owing to a chronic undersupply of these providers;
- reports of some dentists levying inappropriate copayment charges for services not subject to cost sharing;
- suboptimal use by physicians of formal developmental assessments to detect delays in children; and
- delayed access to needed specialty and mental health care, again because of chronic, systemic shortages of pediatric specialty and behavioral providers.

Financing and Sustainability

The Los Angeles Healthy Kids program was launched in 2003 supported by a \$100 million commitment by First 5 LA to extend coverage to children age 0–5. Aggressive fundraising by the Children’s Health Initiative of Greater Los Angeles (CHI) garnered an additional \$88 million and allowed the program to add coverage of all 6–18-year-old children in 2004. Within two years, nearly 45,000 children were enrolled in the program, exceeding all expectation. Yet this success also meant rapid depletion of funds, and the program was forced to halt enrollment of older children. To address this sustainability challenge, the program has

- continued to raise funds through the CHI, repeatedly succeeding in maintaining coverage for existing enrollees;
- reduced premium levels on three occasions when health plan administrators determined that caring for children on the program was less expensive than anticipated;
- pursued financial assistance from the state Medicaid program when it was learned that a sizeable proportion of Healthy Kids enrollees also possesses Emergency Medi-Cal coverage, sometimes using that coverage when obtaining hospital and emergency care; and
- advocated for legislative and executive branch reform proposals that would either establish statewide universal child coverage or create universal coverage for all Californians, including children.

Options for Policy and Program Improvement

Based on the findings from this case study, a series of options for policy and program change are offered for consideration, including these seven:

- integrate the application forms for Medi-Cal, Healthy Families, and Healthy Kids, to reduce complexity and improve enrollment efficiency;
- offer “copayment assistance” to families with limited means, to remove potential financial barriers to the use of services;
- eliminate copayments for dental care, to further ease access to the critically needed services;
- eliminate the three-month “waiting period” for children with other insurance at the time of application, since research has shown that very small percentages of children on Healthy Kids have any access to employer-sponsored health insurance;
- provide incentives to physicians to provide enhanced developmental services, including more comprehensive screening for developmental delays;

- encourage reorganization of clinic operations, to improve efficiency and reduce waiting times; and
- in case universal statewide child coverage fails to be enacted, consider scaling back Healthy Kids coverage to primary care only, with Emergency Medi-Cal serving as a “wraparound” benefit, to further stretch scarce premium dollars.

Today, the Los Angeles Healthy Kids program sits at a critical juncture. Developments in the coming year will determine whether the program will continue to grow and thrive, with solid state financial support, or whether it will be forced to undertake drastic measures simply to exist. One can only hope that state policymakers understand and will embrace the great good that this and similar programs across the state have achieved for vulnerable children, and stake out a leadership role, nationally, in ensuring that all children have access to comprehensive and affordable health coverage.

Additional Information

For the complete findings from the second Healthy Kids Evaluation Case Study, see Ian Hill, Patricia Barreto, Brigitte Courtot, and Eriko Wada, “Growing Pains for the Los Angeles Healthy Kids Program: Findings from the Second Evaluation Case Study” (Washington, DC: The Urban Institute, 2008), at http://www.urban.org/health_policy/url.cfm?ID=411653.

Note

This brief, and the report it is based on, were developed as part of the Healthy Kids Program Evaluation under a four-year contract between First 5 LA and the Urban Institute. The Institute and its partners—the University of Southern California, the University of California at Los Angeles, Mathematica Policy Research, Inc., and Castillo & Associates—have developed a series of papers evaluating the implementation and impacts of Healthy Kids, including additional case studies of implementation; focus groups with parents of Healthy Kids enrollees; ongoing process monitoring of the outreach, enrollment, and service delivery systems; analyses of Healthy Kids effects on rates of uninsurance and enrollment in Medi-Cal and Healthy Families; and a longitudinal household survey of new and established enrollees in Healthy Kids.

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