

HEALTHY FAMILIES

The federal Balanced Budget Act of 1997 created the State Children's Health Insurance Program (SCHIP) to provide health insurance to children in low-wage, working families who would otherwise be uninsured. SCHIP will provide \$4 billion a year in federal funding over five years to states, including over \$850 million annually to California.

SCHIP is considered one of the most significant health system reform initiatives for children since the Medicaid program was enacted in 1965. The new federal law gave states wide latitude in designing their programs. States could expand their existing Medicaid programs (Medi-Cal in California), create new children's health insurance programs, or engage in some combination of the two strategies. California created a new insurance program called "Healthy Families" to use its share of these federal funds to cover low-income, uninsured children. Similar to Medi-Cal, Healthy Families is jointly financed by the federal and state funds, with the federal government expected to pay about two-thirds of California's program costs. In California, Healthy Families is administered by the Managed Risk Medical Insurance Board (MRMIB), an agency within the California Department of Health Services, and the program is overseen by the federal Health Care Financing Administration which also oversees the Medicaid (Medi-Cal) Program.

Throughout California, approximately 580,000 uninsured children are estimated to be eligible for Healthy Families, including an estimated 3,000 to 6,000 children in San Francisco. However, Healthy Families will not cover all uninsured children in California because some uninsured children are eligible for Medi-Cal, but are not enrolled; reside in families with household income over 200% of the federal poverty level; or are ineligible for Healthy Families due to their legal status (e.g., undocumented residents). Healthy Families began enrolling children in June 1998, for coverage beginning July 1, 1998. Since Healthy Families was only recently implemented, county-wide and statewide enrollment data is was not available for this report.

While the California legislature created Healthy Families as a program separate from Medi-Cal, it also made significant changes to Medi-Cal to help children and pregnant women. The Medi-Cal Program for adults, other than for pregnant women, remains unchanged. As of March 1998, more low-income children ages 14 to 18 qualify for Medi-Cal as a result of expanded eligibility rules. Under the new rules, both children and pregnant women are eligible based purely on income, regardless of property and assets, unlike traditional Medi-Cal rules. In addition, if a child loses Medi-Cal because family income rises, the child gets one additional month of Medi-Cal coverage. This is designed to give the family time to enroll the child in Healthy Families. Also under the new rules, children and pregnant women can use much shorter forms and apply for Medi-Cal through the mail, instead of using a very long form and an in-person interview as was previously required.

Eligibility

To qualify for Healthy Families, children must be:

- Without private insurance.
- Ages 1 through 18.
- In a family with income at or below 200% of the federal poverty level (\$32,900 for a family of four) (income too high for no-cost Medi-Cal).

- Without any employer coverage during the last three months.
- U.S. citizens or legal immigrants who arrived in the U.S. before August 22, 1996, with some exceptions for certain groups such as refugees and asylees.

How Families Enroll; Eligible Service Plans

Families can apply for Healthy Families through an application via mail or in-person with a certified “Application Assister.” Families choose from a list of eligible health, dental, and vision plans contracting with MRMIB. In San Francisco, these plans as of July 1, 1998 included:

- Health Plans: San Francisco Health Plan, Blue Cross HMO, Blue Shield HMO, Health Net, Kaiser Permanente;
- Dental Plans: DentiCare; Delta Dental;
- Vision Plan: Vision Services Plan.

Scope of Benefits

Healthy Families provides comprehensive benefits equivalent to state employee health coverage, including physical and mental health, vision, and dental coverage. The benefits for all Healthy Families insurance plans are alike, with the exception of a few optional benefits such as acupuncture and chiropractic, which may vary between plans. Families cannot be denied coverage based on a child’s health condition. Children with serious physical disabilities can continue to receive specialized diagnostic, treatment, and case management services through California Children’s Services (CCS). Children with serious emotional problems can receive mental health services through county mental health departments.

Cost To Families

To enroll their children, families must pay monthly premiums based on their income, family size, and the type of health plan chosen. In addition, families pay co-payments for certain services. The cost to enrollees is as follows:

- \$7 per month per child for families with incomes between 100 to 150% of poverty (\$16,450 - \$24,675 a year for a family of four). These families pay no more than \$14 per month for all their children.
- \$9 per month per child for families with incomes between 150 to 200% of poverty (\$24,675 to \$32,900 a year for a family of four). These families pay no more than \$27 per month for all their children.
- Families choosing a Community Provider Plan, the health plan in their region with the most safety net providers such as community clinics (in San Francisco - San Francisco Health Plan), get a monthly discount (up to \$3.00 per month per child).
- Families must pay \$5 co-payments whenever they seek health care (except for preventive services such as check-ups and shots), up to an annual maximum of \$250.
- Families who do not pay their premiums for two months or disenroll from the program are dropped from the program for six months, with certain exceptions.

How Services Are Accessed

Children who are determined eligible for Healthy Families receive services through the health plan from providers who are on the provider list from the plan. In turn, public and private providers receive reimbursement from the plan for providing services to Healthy Families enrollees.