



County of San Mateo  
Annual Report to the Board of Supervisors on  
The Children's Health Initiative (CHI)

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January 12, 2004

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The Children's Health Initiative (CHI) completed an extremely successful first year of its ambitious effort to provide every child with comprehensive health insurance coverage. This report provides an overview on CHI activities during the first year, expanding on the six-month progress report.

### **Background**

In response to community-wide concern for the 17,000 county children who lacked access to comprehensive medical, dental and vision health insurance coverage, several local stakeholders, including First 5 San Mateo County, the Hospital Consortium, and the County's Community Access Program (CAP) took actions to develop the Children's Health Initiative. In late 2002 the San Mateo County Board of Supervisors established the San Mateo County CHI Coalition and committed to matching all private contributions up to \$2.7 million annually, paving the way for the implementation of a comprehensive health insurance program for every child.

With the Board's actions, a broad-based, local coalition that includes local leadership from the Peninsula Community Foundation (PCF), Hospital Consortium of San Mateo County, First 5 San Mateo County, San Mateo County Central Labor Council, Health Plan of San Mateo and the San Mateo County Health Services and Human Services Agencies collaborated to address the problem of uninsured children. The coalition launched the new Children's Health Initiative in January 2003 to provide universal health insurance coverage for children age 0-18 who live in households with annual incomes below 400% of the Federal Poverty Level (FPL).

This goal of universal health insurance is being achieved through an approach that enrolls children through the existing Medi-Cal (MC) and Healthy Families (HF) programs and a new subsidized health insurance product --Healthy Kids (HK). The new Healthy Kids, launched in January 2003, serves as the critical component in increasing insurance rates, as it covers all children from families who earn below 400% FPL and are ineligible for the existing Medi-Cal and Healthy Families programs.

### **Health Insurance Enrollment**

Total Enrollment & Healthy Kids enrollment has been far more successful than expected, with 4,800 children enrolled since the program began in January 2003-- more than double the projected enrollment rate. Table 1 provides an overview of HK demographics. Approximately 19 percent of members are between the ages 0 through 5. More than 80 percent of members are from very low-income Latino families. Graph 1 presents a trend line of new Healthy Kids enrollments by month.

The new Healthy Kids program has also increased enrollment in Medi-Cal and Healthy Families. Graph 2 provides a trend line of new monthly enrollments for Medi-Cal and Healthy Families in 2002 compared to the same months in 2003. Monthly new enrollments in Medi-Cal and Healthy Families have grown by an average of 38 and 26 percent, respectively, when comparing 2002 to 2003 data. This growth is due in large part to the fact that Healthy Kids facilitates a simple message of insurance for all children thereby attracting families of eligible Medi-Cal and Healthy Families children to apply. In the past these families would not have sought assistance since they did not

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think they qualified for coverage. In total, approximately 10,000 children have been enrolled into Medi-Cal and Healthy Families over the year.

Healthy Kids Enrollment by Region. Table 2 presents the city and region of residence for all Healthy Kids members, illustrating that the children reside in all areas of the County. However, half live in the southern region of the county. Twenty percent reside in central county; 25 percent in north county; and 5 percent on the coast.

Table 2 also shows that approximately 34 percent of the Healthy Kids members reside within the Sequoia Healthcare District and 22 percent reside within the Peninsula Healthcare District funding area.

### **Outreach, Application Assistance, and Retention Activities**

CHI has built its outreach and enrollment efforts on the skills and resources of communities, schools, faith-based organizations and public agencies. Activities have included the involvement of:

- County Staff. Health and Human Services Agencies workers have expanded existing outreach and enrollment activities and coordinated strategies that target hard to reach uninsured households that have not accessed traditional county services. They have been assigned to different areas of the county, serving as the lead on CHI outreach and enrollment activities, providing technical assistance to expand the program into new areas, and working in tandem with San Mateo Medical Center and funded Community Based Organizations (CBOs). SMMC staff ensure that their patients are enrolled in the program.
- Schools. CHI was able to coordinate various forms of outreach in 16 of the school districts in the county. With the support of school superintendents and nurses, CHI has increased outreach and enrollment sites in the schools, helping spread the word about health insurance to thousands of families in the county. It has also implemented Express Lane Eligibility (ELE) within the Redwood City school district.
- Community-based, labor and faith-based organizations. Over 25 organizations have broadened the outreach and enrollment network by reaching out to the unions, childcare organizations, schools, small businesses and faith-based organizations and have ensured that families have access to enrollment assistance in all areas of the County. Organized labor has played a large role in reaching out to seven of its local unions and increasing insurance rates among children of their members.

### **Web-Based Enrollment -- One-e-App**

San Mateo CHI, with the Human Services Agency's leadership and project management, has launched the new One-e-App, a universal web-based enrollment system which enables families to apply for the Medi-Cal, Healthy Families, Healthy Kids and other health insurance programs without having to fill out more than one enrollment application. The system expedites enrollment and eligibility determination, improves data tracking, and integrates with the existing Health Plan of San Mateo and Human Services Agency systems. San Mateo County CHI has been leader in the development of this new system, working with Deloitte Consulting to design and implement the One-e-App and has been working with Santa Clara and Alameda counties on a pilot project,

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championed by the California Healthcare Foundation, which will test the benefits of the universal application.

### **Service Use**

Healthy Kids preliminary utilization trends during the first year of the enrollment ramp-up were: 31 outpatient office visits per 1,000 member months and 7 emergency room visits per 1,000 member months. Utilization rates were lower than expected, which could be due to a number of factors including the likelihood that many providers have not yet submitted claims to HPSM for all HK visits and many HK members were enrolled while seeking services at a clinic and were covered for the visit under a different payor source.

The CHI will be working to improve appropriate utilization of the new Healthy Kids benefits. HPSM will increase the number of welcome calls to new members to make sure that families know how to use their benefits. Application assistants will expand the amount of time they spend with families at the time of enrollment explaining how the family can use the benefits to access the healthcare system. In addition, Health Services and HPSM will be revisiting the actuarial calculations and determining if current utilization trends mean that the per member per month premium rate should be readjusted downwards. Health Services will also work with HPSM to ensure that any surplus from low utilization is returned to funders and used for future Healthy Kids premiums.

### **Budget and Fundraising**

Budget. The calendar year (CY) 2003 actual expenditures, during the ramp-up of Healthy Kids enrollment and implementation of CHI outreach and enrollment activities, are projected to be \$3.9 million. Broken down by major funder, spending was approximately: \$900,000 for First 5; \$925,000 for Sequoia Healthcare District; \$575,000 for Peninsula Healthcare District and \$1,500,000 for the County.

With Healthy Kids membership reaching capacity, the projected CY 2004 budget will be approximately twice the size of the first year (\$7.3 million) and CHI will use all of the available \$2.7 million in funding from the County.

Fundraising. A subcommittee of Coalition members has met over the last several months to address CHI fundraising needs. It has successfully secured renewed funding of \$682,000 from the Peninsula Healthcare District and new grants of \$500,000 from the California Healthcare Foundation for Healthy Kids premiums and \$35,000 from Kaiser Permanente for outreach and enrollment activities. It has evaluated approaches to expand the Coalition's fundraising base. After assessing various alternatives, the committee elected to hire a consultant to assess the feasibility of various fundraising approaches and develop a work plan for implementing an effective campaign that could potentially target local businesses, employees, individual donors, and private foundations thereby diversifying the CHI's funding base. In late November, the committee completed the interview process and found the ideal candidate who will start

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work in mid-January. The committee continues to explore the potential of fundraising in collaboration with Santa Clara CHI.

### **Challenges**

Over the next year, CHI will work on overcoming several challenges/issues related to enrollment caps, retention and health system navigation, fundraising and sustainability, proposed state program changes, and the status of the Health Plan of San Mateo.

Enrollment Caps. While estimates of the uninsured are difficult to calculate, the Coalition originally projected that 5,400 uninsured children were eligible for Healthy Kids, based on the available research. The current membership level of 4,800, combined with the steady rate of additional Healthy Kids applications, means, however, that CHI will reach its enrollment and funding capacity of 5,800 by May of 2004, far ahead of schedule. It is expected that the HK eligible caseload will grow by approximately 30 percent, reaching 7,000 members by the end of 2004.<sup>1</sup> With current funding levels, 1,200 eligible children ages 6-18 will have to be placed on a waiting list.

Retention and Health System Navigation. While enrollment has been extremely successful over the year, a large number of children have disenrolled from Healthy Families and Medi-Cal, reducing a large proportion of the overall enrollment gains in these two programs.<sup>2</sup> In San Mateo County's Healthy Families program alone, for every two new enrollments per month, one existing Healthy Families member disenrolls. Maintaining enrollment for Healthy Kids will require innovative approaches since many parents allow their children's benefits to lapse at the end of the year due to mobility, lack of understanding of benefits, and low health care utilization rates. CHI will emphasize changing this disenrollment trend over the next year for Medi-Cal and Healthy Families and preventing it from occurring in the Healthy Kids program. CHI outreach workers will begin to focus on retention activities that ensure that families understand the value of the new program, understand how to access and navigate the system, and are informed far ahead of schedule the process for eligibility redetermination.

Sustainability. With the successful enrollment rate, fundraising has become even more important. The CHI has successfully raised local funds to serve as a strong base with approximately \$8 million raised for the new initiative. While the CHI has more than sufficient First 5 funding to cover all HK eligible children from 0 to 5, it now projects that it will need to raise \$2 million in additional funding per year to cover the higher than expected number of Healthy Kids eligible children ages 6 through 18. The Coalition has plans the program: 1) a stepped-up campaign targeting local and national funders, including The California Endowment and the Robert Wood Johnson Foundation; 2) fundraising to local businesses, employees, individual donors; and 3) drawing down AB 495 State Children's Health Insurance Program (S-CHIP) funds for Healthy Kids children with incomes between 250 to 300 percent of FPL.

<sup>1</sup> This is based on using the year two HK growth rate (new enrollments and disenrollments) in Santa Clara and readjusting it downwards to account for our higher year one take-up rate in San Mateo County.

<sup>2</sup> Disenrollment from Medi-Cal is likely due to the fact that the State required the Human Services Agency to implement redetermination of Medi-Cal eligibility during the past year.

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Proposed State Program Changes. The County's momentum could be greatly undermined if the Governor's proposed changes to Healthy Families and Medi-Cal take effect. CHI has developed its initiative to promote a simple message of universal coverage for all children; Healthy Kids is the missing piece in the puzzle. The proposed enrollment cap would create a huge gap of uninsured eligible children, which the initiative cannot cover due to the overwhelming costs. Furthermore, Healthy Kids was developed for children who are ineligible for Medi-Cal and Healthy Families and since these wait-listed children would be otherwise eligible, CHI could not enroll them in Healthy Kids. If the state changes are approved, the Coalition may have to make changes to HK including reducing the income eligibility level to 300 percent and/or increasing co-pays and family contributions.

Health Plan of San Mateo. While HPSM's membership has increased, the State budget crisis continues to affect its long-term financial solvency. The HPSM has been unable to receive a new contract that will provide sufficient funding to maintain Medi-Cal provider reimbursement rates at a sufficient level to preserve its network of participating providers . A proposal has been made to reduce HPSM's administrative costs and give it additional time to find a long-term solution, but the outcome of the proposal is unclear. Regardless of the end result, HPSM has sufficient reserves to administer Healthy Kids for the next year during which time the CHI Coalition will investigate other approaches for administering the program.

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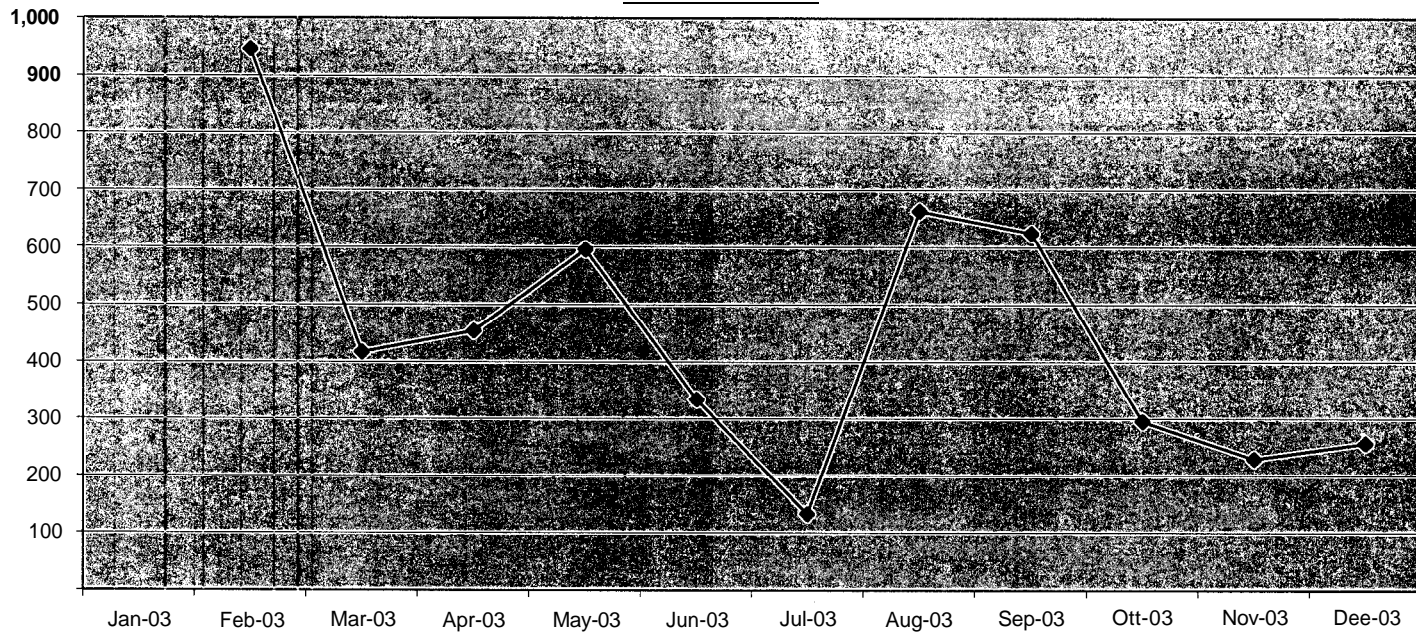
<b>Table 1 Healthy Kids Demographics (n=4,800)</b>	
<b>Gender</b>	
Male	52%
Female	48%
<b>Age</b>	
0 to 5	19%
6 to 12	44%
13 to 18	37%
<b>Preferred Language</b>	
Spanish	88%
English	11%
Other	1%
<b>Household Federal Poverty Level</b>	
0-150%	80%
151-250%	13%
251-300%	4%
301-400%	3%

<b>Table 2: Healthy Kids Membership by Region, City and Districts (n=4,800)</b>	
<b>South</b>	<b>50%</b>
East Palo Alto	18%
Menlo Park	5%
Redwood City	27%
Other	.1%
<b>Central</b>	<b>20%</b>
Belmont	1%
Burlingame	2%
San Carlos	.5%
Foster City	1%
Millbrae	1%
San Mateo	16%
Other	.1%
<b>North</b>	<b>25%</b>
Daly City	10%
San Bruno	5%
Pacifica	1%
SSF	9%
Other	.1%
<b>Coast</b>	<b>5%</b>
Half Moon Bay	4%
Moss Beach	.4%
Pescadero	1%
Other	.4%
<b>Healthcare District</b>	<b>56%</b>
Peninsula	22%
Sequoia	34%

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Graph 1  
Healthy Kids New Enrollments Per Month

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**Graph 2**  
**Monthly New Enrollments for Medi-Cal and Healthy Families**

