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Final Findings
Discontinuous Enrollment in Medi-Cal and Healthy Families and Its Effects on Access to Physician Services

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California's Medicaid program (called Medi-Cal, "MC") and State Children's Health Insurance Program (called Healthy Families, "HF") jointly provide health coverage to millions of poor and near-poor children. According to the 2007 California Health Interview Survey (CHIS 2007), 3.1 million California children below age 19 were covered under these two plans for all of 2007. In the face of declining employer-based health insurance coverage in the state, MC and HF have expanded to cover more and more children, resulting in a net decline in the children's uninsured rate from 2001 to 2007. However, 683,000 children still remained uninsured at the time of their CHIS 2007 interview. Of these children, just over half (56%) were eligible for one of the public programs, but were not enrolled.

Both MC and HF have extremely complicated state-specific eligibility rules and active retention procedures requiring enrollee action to obtain or retain coverage. In California, eligibility for the programs relies primarily on age, citizenship status, disability status, and family income. To illustrate the complexity possible within a single family unit, a six-month-old child in a family with an income of 175% of the Federal Poverty Guidelines would be eligible for MC, but a seven-year-old in the same family would be eligible for HF. As the younger child ages, the eligibility rules that apply would also change, and he or she may be moved to HF.

Since the transition between these two programs may be problematic, eligible children could potentially be dropped into the ranks of the uninsured. Children who become uninsured after being disenrolled from Medi-Cal or Healthy Families are of particular concern to policy makers and researchers because these children may suffer adverse effects in accessing care.

In this study, we examine how children ages 0-18 who enrolled into or disenrolled from MC/HF are affected in their access to physician services. Our study seeks to determine if children with discontinuous enrollment are: 1) less likely to have a usual source of care, 2) less likely to have visited a doctor the age-appropriate number of times in the past year, and 3) more likely to have delayed necessary care in the past year than continuously enrolled children.

Methods

Using CHIS 2007 as our main dataset, we examined 3,984 children under age 19 (including characteristics of both the child and his or her family) that met our criteria of having one the following insurance statuses for the past 12 months: 1) continuously insured with MC/HF (n=3,145); 2) had MC/HF coverage and became uninsured (n=136); 3) was uninsured and gained MC/HF coverage (n=251); and, 4) uninsured all year (n=452). We then studied the association of insurance status and our three outcome measures, using multivariate logistic regression models. Multivariate analyses controlled for family characteristics (household income, parents' insurance status, parents' work status, urban or rural location, family citizenship status, parents' education level), child characteristics (age, gender, race/ethnicity, health status), and county factors (whether the county had a Healthy Kids program, whether the county used One E-App, whether the county's Medi-Cal program uses a managed care system, and the number of public hospitals in the county). The county-level data was gathered from a variety of other sources and was merged with the CHIS 2007 data based on county of household residence.

Findings

Children who had MC/HF coverage and became uninsured experienced significantly higher rates of delay in needed care than did continuously insured children. Uninsured children who gained MC/HF coverage had similar access outcomes compared to children with continuous coverage, indicating the beneficial effects of becoming insured. Children who were uninsured all year fared worst on all levels of access when compared to children who were continuously insured all year.

When comparing the demographic composition of children who lost their MC/HF to continuously insured children, our findings showed that:

- Children who lost coverage were slightly more likely to have full-time working parents, to live in households with higher incomes, and to be older teenagers.
- Children who lost coverage had a similar rate of both parents being uninsured (68.2%) as those who were uninsured all year (66.5%). In contrast, only 21.5% of children with continuous MC/HF coverage had uninsured parents.

When examining access differences by insurance status, our study found the following:

- Usual Source of Care: Of the 131,000 children who lost their coverage, 80.4% had a usual source of care; 86.5% of continuously insured children had a usual source of care; and only 61.1% of uninsured children had a usual source of care.
- Age-Appropriate Number of Doctor Visits: 78.0% of children who lost coverage had seen a doctor the age-appropriate number of times in the past year, compared to 83.1% of continuously insured children, and 86.3% of children who gained public coverage.
- Delay in Necessary Care: Among parents who lost their child's public coverage, 11.7% reported a delay in care; 13.4% of parents whose child gained coverage reported a delay in care, suggesting the delay was due to pent-up demand; 11.9% of parents whose children were uninsured all year reported a delay while only 6.7% of parents with continuously insured children reported a delay.

When examining access differences and controlling for family, child and county characteristics, our study found the following:

- Usual Source of Care: Factors associated with reduced rates in usual source of care include being uninsured all year, being between ages 12-18, and being a noncitizen, and having parents with a high school education. Losing MC/HF coverage was also associated with lower levels of usual source of care, but it was not statistically significant. Factors associated with higher rates in usual source of care include having parents with MC coverage, living in a rural area, and living in a county that uses the One E-App system.
- Age-Appropriate Number of Doctor Visits: Uninsured children had one-third the odds of age-appropriate visits compared to children with continuous MC/HF coverage. Children who lost their MC/HF coverage were also slightly less likely to have the appropriate number of visits, though the difference was not statistically significant. Having parents with job-based coverage was associated with an increase in age-appropriate doctor visits.
- Delay in Necessary Care: Compared to children with continuous MC/HF coverage, all other children had roughly twice the odds of delaying necessary care due to cost or insurance problems. Being a citizen child with noncitizen parents was also associated with increased odds of delaying needed care.

Policy Recommendations

The results of our study clearly show that public policies to increase the enrollment in and retention of continuous MC/HF coverage would benefit California's children.

- **The State should retain 12-month continuous eligibility for Medi-Cal.** This policy is not only supported by our research findings, but also minimizes paperwork and reduces the possible pathways for eligible children to lose their coverage. The policy was eliminated as of January 2009 but recently re-instated to maximize federal MC funding under the American Recovery and Reinvestment Act (ARRA). However, the reauthorization contained a provision allowing for the elimination of 12-month continuous eligibility in the future, when the ARRA provisions expire. California should support annual recertification not only to streamline the retention process administratively, but also to provide tangible benefits to children by minimizing the possibilities for discontinuous public coverage.
- **The State should coordinate eligibility of Medi-Cal and Healthy Families to create a single "bright line" between the two programs, up to 300% FPL.** Children who lose their public coverage and become uninsured are largely older children with slightly higher household incomes who may become uninsured because they have difficulty moving from one program to the other or they move out of current eligibility entirely. Streamlining these processes and expanding eligibility will allow children to retain their coverage at the time of redetermination.
- **The State should regain the focus on family coverage.** Having parents who had insurance coverage was associated with better access outcomes, indicating that public programs that cover only children lose the opportunity to improve children's health overall. California received waiver approval to cover parents

through the HF program, but never implemented it due to lack of funding. Similarly, MC coverage for parents has much more stringent household income requirements than it does for children, leaving many parents uninsured. A greater focus on family coverage would improve access to care for children.

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