

More than Half of California's Uninsured Children Eligible for Public Programs But Not Enrolled

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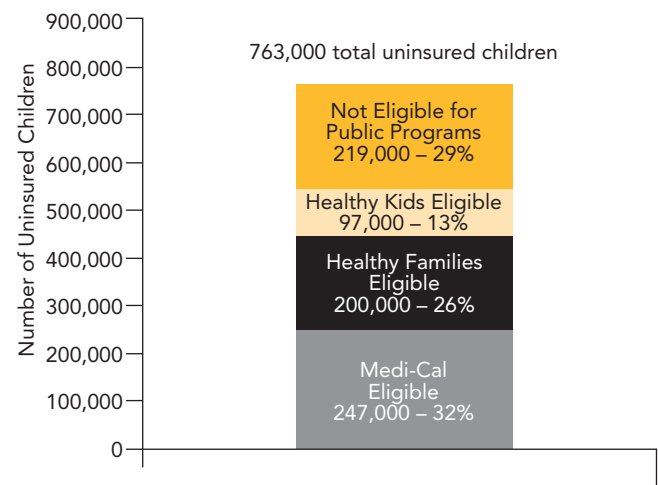
Out of the three-quarters of a million children (763,000) who were uninsured at the time of the 2005 California Health Interview Survey (CHIS 2005), nearly one-half million children (447,000) were eligible for either Medi-Cal or Healthy Families under current rules for enrollment—but they were not enrolled (Exhibit 1). The proportion of California children who were uninsured at the time of the interview fell from 10.3% in 2001 to 7.7% in 2003, but remained statistically unchanged at 7.3% in 2005. Despite increasing enrollment in Medi-Cal and Healthy Families, substantial numbers of children continue to fall through the cracks in the state's health insurance system.

Another 97,000 uninsured children were eligible for one of the 14 county-based Healthy Kids programs in 2005, but not enrolled (Exhibit 1). Many of the Healthy Kids programs have enrollment caps because they are inadequately funded by locally-raised contributions from a variety of private and public sources, effectively limiting this option even for uninsured children who meet eligibility requirements.

All together, seven in ten uninsured children were eligible for Medi-Cal, Healthy Families or the Healthy Kids programs in California in 2005. The remaining 219,000 uninsured children who were not eligible for public-program enrollment lived in counties without a Healthy Kids expansion program, or had family incomes above 300% of the federal poverty level (FPL), or both.

Even if all eligible children were enrolled in Medi-Cal and Healthy Families, an additional 316,000 children would remain uninsured. In addition, the coverage of

Exhibit 1. Eligibility for Public Programs Under Current Eligibility Rules Among Currently Uninsured Children, Ages 0-18, California, 2005



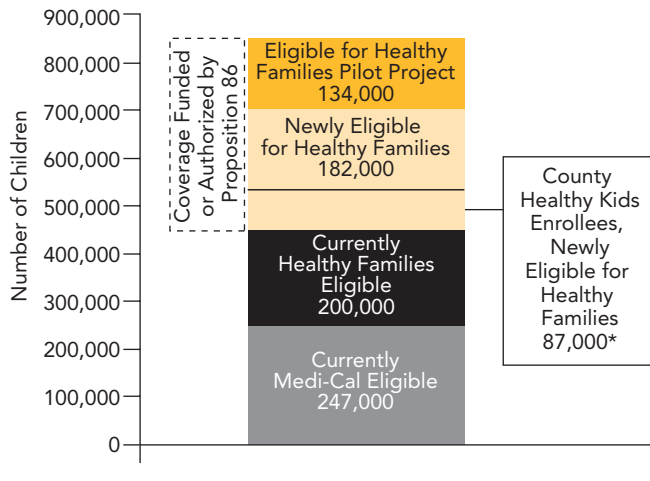
Source: 2005 California Health Interview Survey

tens of thousands of other children depends on the financially fragile Healthy Kids programs.

Policy Options to Cover California's Uninsured Children

The current statewide budget includes additional funding for outreach and enrollment efforts targeted at the nearly one-half million uninsured children who are eligible for Medi-Cal or Healthy Families. Recent legislation also reduced administrative barriers to enrollment and retention in Medi-Cal and Healthy Families (SB 437, AB 1948 and AB 1851).

Exhibit 2. Impact of Proposition 86 on Eligibility for Public Programs Among Children, Ages 0-18, California, 2005



* This number is an administrative count of enrollees in existing Healthy Kids programs as of August 2006, not a survey estimate. Current Healthy Kids enrollees would gain stable health insurance through Proposition 86.

Source: 2005 California Health Interview Survey; data on Healthy Kids enrollees from the Institute for Health Policy Solutions "Overview of Local Children's Coverage Expansions, 8/31/06."

Proposition 86, which will be on the November 2006 election ballot, would allocate a portion of the funds raised through a tobacco tax increase to expand the Healthy Families program. If Proposition 86 is enacted, Healthy Families will be expanded to insure all children who: 1) are residents of the state; 2) are not eligible for either full-scope Medi-Cal or the existing Healthy Families program; and 3) live in households with income up to 300% FPL. Under these eligibility rules, 24% of all currently uninsured children (182,000) would be eligible for the new statewide Healthy Families expansion (Exhibit 2).

Because the newly expanded Healthy Families program would supplant the existing financially unstable Healthy Kids programs, the 87,000 Healthy Kids enrollees will also gain stable health insurance. Proposition 86 also requires the state to develop a pilot project for uninsured children who live in

families with incomes above 300% FPL, most likely enabling those above Healthy Families income eligibility to buy into the program on a sliding scale of premium payments. With these programs in place, California would provide public health insurance coverage options for all children in the state who do not have access to private health insurance.

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Data Source

CHIS 2005 provides the most recent information available on health insurance coverage of Californians, both at the statewide and county levels. For more information on the California Health Interview Survey, please visit www.chis.ucla.edu.

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