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TRENDS IN INSURANCE COVERAGE

Expanding Coverage for Children: The Santa Clara County Children's Health Initiative

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This brief is based on Mathematica's evaluation of the Santa Clara County Children's Health Initiative (CHI), an ambitious effort launched in January 2001 to extend health coverage to all uninsured children in Santa Clara County, California. A coalition of community organizations, county agencies, and the local Medicaid health plan developed the initiative to improve the health and well-being of low-income children in the county. CHI has two parts; the first is a new insurance product, Healthy Kids, which covers children with incomes up to 300 percent of the federal poverty level who are ineligible for the two major state insurance programs, Medi-Cal and Healthy Families. Current enrollment in Healthy Kids is about 13,000. The second part of CHI—a comprehensive outreach campaign built on the message that all children under 300 percent of poverty are eligible for coverage—finds uninsured children and enrolls them in the public program for which they are eligible.

Gaps in Coverage Are a Problem

Children without health insurance are a pressing concern in states across the nation because of the threat lack of coverage poses to their health and longer-term well-being. Uninsured children are more

likely to go without needed medical care than children who are insured. For example, in the course of a year, half of those who are uninsured do not see a dentist, and nearly a third do not see a doctor. Providing insurance coverage can reduce these threats to children's well-being and also lessen stress on parents and improve families' quality of life, by reducing the financial burden they would incur for any needed care.

In recent years, federal and state initiatives have made great strides in reducing the number of children without health insurance. Due in large part to the growth in the Medicaid and SCHIP programs (Medi-Cal and Healthy Families in California), the number of uninsured children nationwide declined by 1.8 million between 1999 and 2002. Despite this progress, nearly one million children in California remained uninsured. However, 66 percent were eligible for health insurance coverage through the existing Medi-Cal and Healthy Families programs. Another 16 percent were ineligible for these programs because their family income was too high, and 18 percent were ineligible because of their immigration status.

Research suggests that immigration issues affect more than this relatively small number of families with undocumented children. Nationally, 85 percent of immigrant families with children are of mixed immigration status, meaning that at least one family member (typically a child) is a U.S. citizen and one is undocumented. Siblings in these families are often not eligible for the same public programs.

Meeting the Need for Coverage

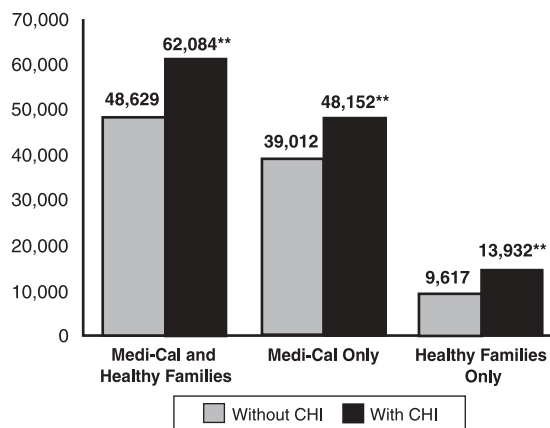
In January 2001, Santa Clara County launched CHI to address the problem of uninsured children in the county. As noted, a large fraction were thought to be eligible for Medi-Cal or Healthy Families coverage, so boosting enrollment in these programs was a priority. But how successful was CHI in meeting this goal?

Findings at a Glance

Mathematica's study revealed the following:

- CHI led to large enrollment increases in both Healthy Families and Medi-Cal (Figure 1). From 2001 through 2002, 62,084 children in Santa Clara County were newly enrolled in Medi-Cal and Healthy Families. In the absence of CHI, we estimate that 48,629 children would have enrolled. CHI thus increased enrollment by almost 13,500 children, or 28 percent. This includes the addition of over 9,000 children to the Medi-Cal program and about 4,300 children to the Healthy Families program. (See box on Study Methods for our method of estimating enrollment.)

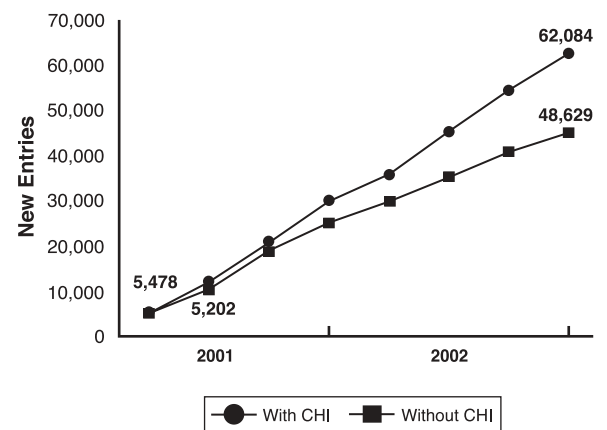
Figure 1: New Entries in Santa Clara County, 2001-2002



Source: Enrollment files for Medi-Cal and Healthy Families

** Difference is statistically significant from zero (p -value<0.01)

Figure 2: Gains in Medi-Cal and Healthy Families Enrollment, 2001-2002



Source: Enrollment files for Medi-Cal and Healthy Families

- During the same period, CHI enrolled a similar number of children (15,638) in its new county-based program, Healthy Kids. This means that for each child enrolled in Healthy Kids, CHI added nearly one additional child to the Medi-Cal or Healthy Families programs.
- The gains in Medi-Cal and Healthy Families enrollment began immediately after the start of the initiative and continued throughout the period we examined (Figure 2).
- Enrollment gains were most pronounced for groups most likely to be affected by outreach—namely children who were eligible for Healthy Families and those covered by the poverty-expansion categories in Medi-Cal (Table 1). Enrollment also rose for children eligible for Medi-Cal through

**TABLE 1
NEW ENTRIES TO PUBLIC COVERAGE
IN SANTA CLARA COUNTY, 2001-2002**

	Without CHI	With CHI	Percent Change
Healthy Families	9,617	13,932	45
Medi-Cal, Poverty Expansion	6,153	10,570	72
Medi-Cal, TANF	7,620	8,838	16

TANF, suggesting the initiative may have been effective at reaching these children as well.

- As a result of the gains in Medi-Cal and Healthy Families enrollment, CHI increased state and federal spending in Santa Clara County for these two programs by an estimated \$24.4 million during the initiative’s first two years (2001-2002).

Implications for the Future

State and local policymakers who are seeking ways to reduce the number of uninsured children may want to consider the following lessons from the study:

- Well-designed public health insurance programs that fill gaps in coverage for children in low-income families can have spillover effects, increasing enrollment in existing programs in much the same way that SCHIP boosted Medicaid enrollment in recent years.
- CHI fundamentally changed the outreach message to Santa Clara families with uninsured children. The idea is now simple and direct—your children will receive health insurance if you apply. The change appears to have reduced confusion over program eligibility, a factor long identified as a major barrier to increasing Medi-Cal and Healthy Families enrollment.
- Coordinated outreach is important. CHI includes not only the county’s entire health and hospital system, but also its social service agency, major public health insurer, and several key outreach and advocacy organizations. By drawing these organizations together in working toward a common goal, CHI maximizes its resources and effectively targets communities with large numbers of low-income children.

About the Evaluation

The CHI evaluation has three main components:

1. The enrollment analysis, which is the focus of this brief, measures the effect of CHI on enrollment in Medi-Cal and Healthy Families.

STUDY METHODS

To measure the effects of CHI, we employed a “difference-of-difference” approach. This technique compared the change in the number of new entries to the Medi-Cal and Healthy Families programs in Santa Clara County two years before and two years after CHI to the change taking place in a carefully matched comparison area during the same period. We defined a new entry as any child who enrolled in Medi-Cal or Healthy Families during this period and had no coverage through these programs in the prior year. Using this measure, we were able to focus on children who were truly new to the programs, as opposed to children who transferred between them or quickly “cycled” off and then back on.

Our matched comparison area formed the basis for estimating the count of new entries in Santa Clara County in the absence of CHI. To create the comparison area, we compared each zip code in Santa Clara with nearly 3,000 zip codes elsewhere in the state and selected those most similar to Santa Clara in their demographic characteristics and pre-CHI enrollment levels. This process resulted in a comparison area made up of 282 zip codes statewide with characteristics quite similar to those of Santa Clara County. When combined with the difference-of-difference approach, this comparison area allowed us to generate highly credible estimates of CHI’s effects.

2. The impacts analysis is measuring the effects of Healthy Kids on participating children’s access to medical, dental, and vision care; their utilization of services; their unmet health care needs; and their school-related outcomes. It will also examine the effects of Healthy Kids on parents’ satisfaction with their children’s health care and perceptions of care quality. The analysis is based on a survey of Healthy Kids families.

3. The process analysis is a continuing effort to document key elements of CHI and Healthy Kids, including the ongoing goals and challenges of CHI, the basis for any success that CHI might have, and the qualitative experiences of Healthy Kids participants and other families with CHI. It is based on a combination of site visits, stakeholder interviews, and focus groups with selected Healthy Kids families.

The David and Lucile Packard Foundation supported this study, which is part of a larger evaluation of Santa Clara County's CHI. We are grateful for the assistance of the CHI partner organizations, as well as staff at the Managed Risk Medical Insurance Board and the Medical Care Statistics Section in the California Department of Human Services. For more information, contact Christopher Trenholm at (609) 936-2796, ctrenholm@mathematica-mpr.com. Related publications are available at www.mathematica-mpr.com.

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