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California kids may face triple whammy, leading to more uninsured

By SARAH ARNQUIST

After years of seeing decreasing numbers of uninsured children, California is poised to go the other direction.

For years, child enrollment in private health insurance plans decreased as companies scaled back on health care costs by increasing employees' share of the premiums or by stopping dependent coverage altogether.

But those declines were offset by increased enrollment in public programs. Recognizing that half the uninsured children already qualified for Medi-Cal (California's version of Medicaid), and Healthy families (the state's SCHIP program), school districts and advocates focused efforts on finding and enrolling those children.

But now, things aren't looking so rosy. State and county budgets constraints threaten to erode the children's enrollment gains in Medi-Cal, Healthy Families and Healthy Kids programs, county-organized health plans.

"Come next spring, you could have a double or triple whammy of kids losing health coverage," said Joel Diringer, a consultant who helped many California counties create the local programs.

California saw more than a 20 percent drop in the number of uninsured children between 2001 and 2006. Yet, an estimated 800,000 California children still lack insurance, according data from the California Health Interview Survey.

About half of those uninsured California children are ineligible for Medi-Cal and Healthy Families due to their immigration status or family income.

California made great gains in covering those children because children's advocates quit waiting for state lawmakers to fulfill their promise of universal children's coverage and took matters to the local level.

The advocates raised tobacco tax money, foundation money, private donations and convinced county governments to set aside millions for kids health insurance. These programs became known as Children's Health Initiatives and they operated Healthy Kids insurance plans.

Today, Diringier said, Healthy Kids plans cover about 80,000 California children otherwise ineligible for public insurance.

But these local efforts were meant only to be a stop-gap measure, and so they lack sustainable funding. Already, 20,000 children statewide -- mostly 6 to 18 year olds -- are on lists waiting for insurance. And earlier this month, Alameda County, home to Oakland, announced its program will shut down altogether, dropping 1,000 children.

"Alameda isn't the only county where this will happen," Anthony Wright wrote on the Health Access blog. "It's a shocking thing, for California counties to drop kids from coverage, but that's exactly what is happening."

Diringier said Alameda is, for now, an isolated case, but Los Angeles County's Children's Health Initiative is running on month-to-month funding, which will run out completely in September.

What's more frightening, he said, are the Medi-Cal cuts coming down the pipeline. The state budget (which is late as ever) proposes to save by forcing paperwork every six months onto families. That should result in 250,000 children losing coverage by 2011, according to budget analysts.

"We're going backwards when everybody promised we'd be moving forward," Diringier said.

Then next spring, California's Healthy Families program won't have sufficient funds to cover all children currently enrolled. That's because Congress barely managed to reauthorize SCHIP during a long and bitter battle last year, and failed to increase funding despite cries from many states who said flat funding would result in disenrollment.

Trying to find something positive to grasp onto, Diringier said the November presidential election could bolster the state reform efforts that Schwarzenegger still hasn't entirely abandoned. His plan includes universal coverage for children.