



## Enrollment freeze for state's low-income child care program, Healthy Families

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Beginning today, California's health care program for low-income children will freeze enrollment for the first time in its 10-year history because of the state's ongoing budget crisis.

Healthy Families needs \$90 million from the state to cover an estimated 1 million children whose parents earn too much to qualify for Medi-Cal and too little to afford insurance, according to California's Managed Risk Medical Insurance Board, which operates the program. That gap adds up to \$270 million because the federal government kicks in \$2 for every \$1 the state spends on the program.

No children already enrolled in the program will be kicked out of it, said Ginny Puddefoot, the board's health policy deputy director.

"That's the board's number one priority, not to disenroll anyone," she said. "It might at some time have to do so."

Almost 145,000 children in Riverside and San Bernardino counties are enrolled in Healthy Families, which covers children whose parents earn up to 250 percent of the federal poverty level. That's about \$53,000 for a family of four.

But the program's shortfall is likely to increase as lawmakers and Gov. Arnold Schwarzenegger negotiate to fill the state's estimated \$26 billion budget gap. The governor has proposed eliminating Healthy Families to save the state \$248 million. Lawmakers have rejected such a move, instead calling for a \$74 million cut to the program.

This is the second time in seven months that Healthy Families has faced limiting program enrollments because of a state budget shortfall. In December, the program, which enrolls about 29,000 children per month, needed \$17.2 million to avoid creating a waiting list.

At that time, First 5 California asked its county agencies, which receive tobacco tax money, to fund children's education, health and child care programs, to contribute to Healthy Families.

"It's different this time," said Robert Phillips, a senior program officer at the California Endowment, a private, statewide health foundation. "There just isn't any funding for it. It's pretty desperate."

On Wednesday, First 5 California again agreed to contribute to the program, without saying exactly how much, said First 5 spokesman Bill Madison.

"First 5 commits to helping (Healthy Families) as much as possible," he said. "We have not made a financial commitment."

Puddefoot said her agency would appreciate a First 5 contribution because it might be enough to keep enrolled children in the program.

Health care policy experts say a Healthy Families enrollment freeze couldn't come at a worse time. Increased job losses and lack of employer-based insurance coverage are forcing more people to turn to the program, which provides preventive vision, dental and health care, including vaccinations. Participants contribute to the program based on income.

"Given that Healthy Families is essentially the only low-cost health insurance option for children in families that are not eligible for Medi-Cal, the freeze will have a significant impact on the number of children able to get insurance coverage as unemployment remains high," said Dr. Brad Gilbert, CEO of Inland Empire Health Plan.

Gilbert's nonprofit organization enrolls more than 400,000 Inland patients in government-sponsored health care programs, including 64,000 children in Healthy Families.

"Although for IEHP our largest growth has been in Medi-Cal, which is the lowest income eligibility level, Healthy Families in general, in the Inland Empire and our numbers have been growing," Gilbert said. "To institute a freeze in the current economic climate will particularly hit areas like the Inland Empire that are disproportionately negatively impacted with higher unemployment rates in this economic downturn.

"The most important impact would, of course, be on the children, with reduced access for immunizations, needed care for asthma and other chronic illnesses and access to necessary medications," he said.

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