



Health plan for California kids may end new enrollment

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As California sheds jobs at an alarming rate, increasing the ranks of the uninsured, the state-run Healthy Families program for children is preparing to close enrollment for the first time in its 10-year history.

New enrollment in the program, which provides medical, dental and vision care to more than 900,000 children whose families earn too much to qualify for Medi-Cal but not enough to buy insurance, has averaged more than 27,000 a month during the past year.

That is an all-time high, and has already created a \$17.2 million deficit in the program.

Lesley Cummings, executive director of the state's Managed Risk Medical Insurance Board, which administers Healthy Families, has told the board the only way to manage costs is to limit enrollment.

Failure to do, she said, could ultimately force the state to stop coverage for children who are already in the program.

Cummings' recommendation is expected to be discussed at a board meeting Wednesday. Without an infusion of new money – unlikely as California grapples with an \$11.2-billion deficit – the board is expected to vote Dec. 17 on freezing enrollment the next day and establishing a waiting list.

Advocates for children say that with unemployment in California at 7.7 percent, the highest in a dozen years, 162,000 eligible children would be denied coverage between December and June.

They said families without coverage will have to seek care at free county health clinics, where available, and that many will turn to hospital emergency rooms as a last resort.

"More than ever, California families are relying on these essential services that provide affordable, comprehensive health coverage for their children," Wilma Chan, a vice president for Children Now, said in a statement.

Chan, a former member of the Assembly, called on the Legislature and Gov. Arnold Schwarzenegger to fully fund Healthy Families during the current special legislative session on the state budget and economy.

Even before the recent acceleration of job losses, health care advocates predicted that the budget the governor signed in September would make it impossible for more than 250,000 children to obtain

health coverage during the next four years – adding to the ranks of 6.5 million Californians who are already uninsured.

While it was not widely publicized, Cummings said the budget also called for closing enrollment in Healthy Families after Dec. 18.

"The budget discussions were so protracted and complex that I don't think it was the first thought in most minds at the time," Cummings said.

The only development that could head off freezing enrollment, she said, is "more dollars to make up the shortfall."

"That has happened a few times in the past," she said. "But this is just such a mind-boggling, horrendous budget year, and there's lots of people needing lots of money in lots of programs," Cummings said.

Sen. Darrell Steinberg, who takes over as Senate president pro tem on Dec. 1, said that despite the state budget crisis, children's health care should be a top priority.

"I would urge (the Managed Risk Medical Insurance Board) to hold up on such a vote," said Steinberg, D-Sacramento. "There are a lot of moving parts, including a new administration in Washington and a Congress committed to putting children's health at or near the top of the agenda."

Steinberg said he has been in discussions with officials who administer the cash-flush First 5 programs in the state and with foundations "about stepping up."

He noted that President-elect Barack Obama has also signaled he wants to increase spending for the State Children's Health Insurance Program (SCHIP), the federal program that provides \$2 for every \$1 that California spends on Healthy Families.

But the federal government is also strapped for cash. Previous SCHIP expansions were vetoed by President Bush, who argued the program should stick to the working poor.

With the Republican president and Democratic-controlled Congress at an impasse, the funding allocated this year for the program is scheduled to run out in March.

Cummings said she has been heartened by news of the incoming administration's support for SCHIP. But she cautioned the state would still have to come up with the matching funds.

California has the largest SCHIP enrollment of any state in the nation, with more children in the program than the next two states combined.

Healthy Families has been credited with dramatically reducing the number of uninsured children in California. But as the program has grown, so have the state's costs.

In a memo, Cummings told her board members that "in the context of the state's fiscal emergency" they "cannot presume" there will be sufficient funding to offset the deficit.

"What is clear is that the board is required by law to manage the program within the funds provided," she said.