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Healthy Kids Programs Helped Prevent More than 1,000 Hospitalizations Annually

*USC Study of Children's Health Initiatives in Nine Counties
Estimates Savings of up to \$7.3 Million Annually*

Los Angeles, Calif. – New data released today showed that Healthy Kids, a locally-funded health insurance program for children, saves the State of California and the federal government up to \$7.3 million annually in health care costs by preventing more than 1,000 unnecessary child hospitalizations per year.

The study, conducted by the Center for Community Health Studies at the University of Southern California and funded by The California Endowment and First Five California, focused on children enrolled in Healthy Kids through Children's Health Initiatives (CHIs) in nine counties: Kern, Los Angeles, Riverside, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara and Santa Cruz.

“These are startling figures with significant policy implications,” said Dr. Michael R. Cousineau, Associate Professor of Research and Director at the Center for Community Health Studies, USC Keck School of Medicine, and co-author of the policy brief. “This study links expanding coverage through local children's health initiatives to quantifiable savings to California's health care system and the taxpayers.”

The following is a summary of the main findings of the report:

- Healthy Kids increases low-income children's access to primary care, thus decreasing their chance of hospitalizations for preventable illnesses and manageable conditions, such as bacterial pneumonia, gastroenteritis and asthma.
- Over 333,000 preventable child hospitalizations occurred in California between 2000 and 2005, according to the Agency for Healthcare Research and Quality.
- Nine CHIs helped prevent 1,050 hospitalizations per year over the six-year study period.
- 2,050 additional preventable hospitalizations per year might have been averted if the nine CHIs had been operational for the full six years.
- The average cost of a child hospitalization is \$7,000.
- CHIs save the State of California and the federal government up to **\$7.3 million annually** in healthcare costs by helping reduce the number of preventable hospitalizations.
- The State and federal government could save up to **\$30 million annually** in health care costs if Healthy Kids were expanded to all California counties.

“The USC study shows why providing health insurance to children is a win-win for our kids and our state,” said Debra Ward, Project Lead for California’s Children’s Health Initiatives, which counts the nine counties studied among its membership. “These very programs that have been so successful are also at risk financially, which is why a statewide policy solution that covers all kids is so important.”

The California Children’s Health Initiatives is a collaboration of 32 counties working to expand access to affordable health insurance to all children in California. Healthy Kids programs are available to children ineligible for public health insurance programs such as Medi-Cal and Healthy Families due to income or immigration status. Healthy Kids programs similar to those evaluated in the study are offered in 25 of the 32 counties and, collectively, they have insured more than 84,000 kids in California.

The USC study comes on the heels of recent studies by other independent institutions showing that children in three county CHIs – Santa Clara, San Mateo and Los Angeles – enjoyed across-the-board gains in health access and health outcomes. In those studies, conducted in 2007 by Mathematica Policy Institute, the Urban Institute and the University of California, San Francisco, the proportion of children having a usual source of care rose significantly, reaching about 90 percent in each county. Unmet health needs also declined dramatically while the proportion of parents who reported being “very confident” that their children could obtain needed care rose sharply in all three counties.

The California Endowment, who helped fund the USC study, echoed the importance of these latest findings. “Kids with access to health care coverage lead healthier lives, do better in school and grow up to become more productive members of society,” said Dr. Robert K. Ross, President and Chief Executive Officer of The California Endowment. “State and local leaders must take steps to expand coverage to the nearly 800,000 children in California without health insurance, and to ensure that the Children’s Health Initiatives are protected so that thousands of children do not lose health coverage.”

Copies of the USC policy brief can be found at www.communityhealth.usc.edu. The entire study will be published in the February 2008 issue of *Medical Care*.

About the California Children’s Health Initiatives (CCHI):

The California Children’s Health Initiatives (CCHI) is a collaboration of 32 local Children’s Health Initiatives (CHIs) dedicated to ensuring that all California children have access to quality health coverage. Together, the CHIs emphasize streamlined enrollment into Healthy Families, Medi-Cal and Healthy Kids insurance programs, and share a goal of creating and maintaining a sustainable health care program for all children in California.

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Note to Media: The following individuals are available for interviews and can be contacted directly:

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