

# ATTACHMENT A

# Fiscal and Systems Impact of the Santa Barbara County Children's Health Initiative

April 22, 2014



Children's Health Initiative  
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## Summary and Introduction

Efforts to ensure health access infrastructure for children from low-income families has been significantly improved by the Children's Health Initiative of Santa Barbara County (CHISB) in existence since 2001. With the implementation of the Affordable Care Act (ACA) in January, 2014, new challenges and opportunities have arisen for decreasing the percentage of persons who are uninsured in Santa Barbara County.

Joining with SB County Public Health Department which recently enrolled over 3,900 individuals into ACA insurance products, CHISB worked to support children and adult enrollment into newly expanded Medi-Cal

**Because parents delay seeking any type of medical care for their uninsured child as they cannot afford self-pay medical services, uninsured children develop more severe symptoms and are more likely to miss school and utilize hospital emergency department or public health centers services for treatment.**

and Covered California insurance. CHISB staff screened and enrolled eligible families into ACA health insurance. For those children who do not qualify for ACA or Medi-Cal insurance, Healthy Kids remains as an alternative for children from families who earn less than 300% of the Federal Poverty Guidelines. Increased public health insurance enrollment related to outreach, enrollment and retention strategies since 2006 has resulted in additional revenue for healthcare services to County and community health centers, hospitals and private providers. After doubling the number of Certified Application Assistors (CAA) from 2006-2009, CHISB continues to support this Network of over 100 individuals with timely information, referrals and troubleshooting. ACA Open Enrollment offered another opportunity for CAAs to provide information about enrollment assistance

for families in their neighborhoods. Systems to screen children's health insurance status and referrals to enrollment assistance have been institutionalized in community clinics, community-based organizations and County departments serving low income families. These services are monitored and coordinated through regional Children's Health Access Resource Teams (CHART) and the county-wide CHISB collaborative.

In addition, research analysis by the University of Southern California of preventable hospitalizations for children in Santa Barbara County has revealed a decrease in the percentage of preventable hospitalizations since the inception of CHISB outreach, enrollment, retention and utilization activities and the implementation of Healthy Kids Santa Barbara. Finally, CHISB continues to demonstrate positive outcomes for Healthy Kids insurance subscribers and for recently insured children in the areas of health and dental services access and utilization, school attendance and parental assessment of children's health.

**CHISB Mission Statement: Improve the access and quality of health care available to children in Santa Barbara County**

The Children’s Health Initiative welcomes the opportunity to present the following evaluation outcomes:

► **Augmented state/federal revenue to Santa Barbara County medical providers due to the increased enrollment in public insurance products (Medi-Cal/Healthy Kids).**

- **42% increase (15,822 children) in Medi-Cal enrollment** in our County since 2005, resulting in an estimated **\$18,021,890** of additional medical services reimbursement for previously uninsured children that will be earned in 2014 to community clinics, hospitals and private providers.<sup>1</sup>
- **Before Healthy Families was merged into Medi-Cal in 2012, there was a 26.6% increase in Healthy Families enrollment** in our County since 2005, resulting in **\$2,156,450** of additional medical services reimbursement to community clinics, hospitals and private providers.<sup>2</sup>
- It is projected that in 2013-14, there will be an additional estimated **\$877,458 Healthy Kids Santa Barbara medical services reimbursement** provided for previously uninsured children. Since 2007-08, Healthy Kids has furnished medical services at an estimated cost of **\$5,880,125** for previously uninsured children.<sup>3</sup>
- This means more federal and state dollars are supporting the care of our local children and has resulted in an estimated **total of \$18,899,348 for 2013-14 of enhanced county medical providers’ revenue** due to increased Medi-Cal and Healthy Kids SB insurance enrollment.

► **Additional funding to area schools due to increased school attendance after health insurance enrollment.** (Figure 1)

- Based on data collected over the past four years of CHISB Evaluation Parent Survey data, parents report on average fewer school absences as children are healthier after years of health insurance enrollment.
- If each MC or HK-insured child missed just one day less in 12-13 from schools in Santa Maria-Bonita, Lompoc Unified and Santa Barbara School Districts, those schools would have received a total estimated **\$841,255** in Average Daily Attendance (ADA) funding.<sup>4</sup>

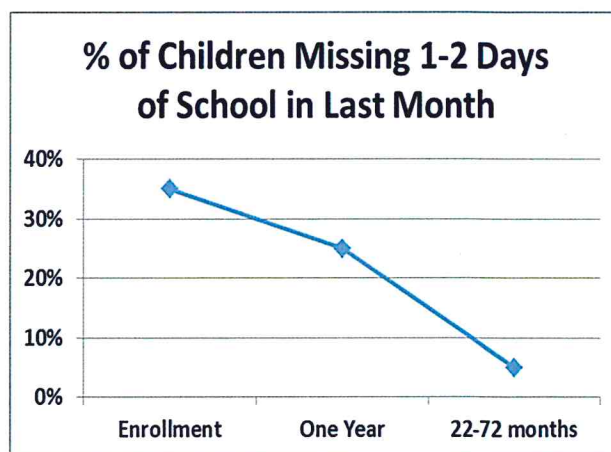


Figure 1. Days absent from school

<sup>1</sup> Projections made utilizing Medi-Cal enrollment data from Santa Barbara County Department of Social Services and CenCal Health “Trends in Key Measures of Financial Performance (Modified) 2013-14.”

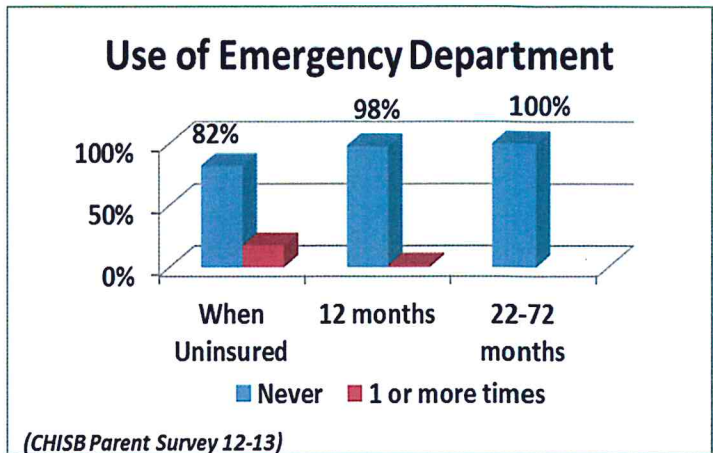
<sup>2</sup> Projections made utilizing data from Managed Risk Medical Insurance Board Healthy Families Statistical Reports 2005—2010 and CenCal Health “Trends in Key Measures of Financial Performance (Modified) 2008-2011.”

<sup>3</sup> Projections made utilizing CenCal Health Healthy Kids enrollment data 2006-2013 and CenCal Health “Trends in Key Measures of Financial Performance (Modified).”

<sup>4</sup> Projection based upon data from CHISB Parent Surveys 2007-2013, ADA reimbursement rates reported by California Department of Education, Medi-Cal enrollment data from Santa Barbara County Department of Social Services, and CenCal Health—Healthy Kids enrollment and demographics 2013.

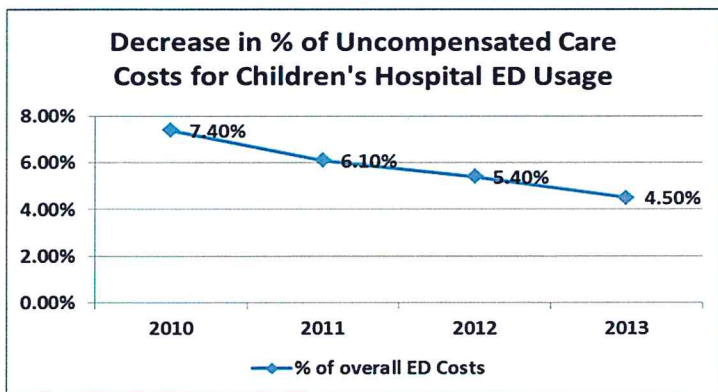
► **Reduced uncompensated care costs for area hospitals for children in the Emergency Department saves money. (Figure 2)**

- Based on 12-13 parent surveys at enrollment (N=350) compared with survey data one year later (N=776), parents reported a decrease of 16% in visits to the Emergency Department as children are receiving preventive medical care after one year of health insurance enrollment and health case management. After two or more years of insurance enrollment (N=21), parents reported no emergency department visits.



► **Children having health insurance is critical to the financial stability of county public health clinics, community clinics and hospitals by reducing uncompensated care costs.**

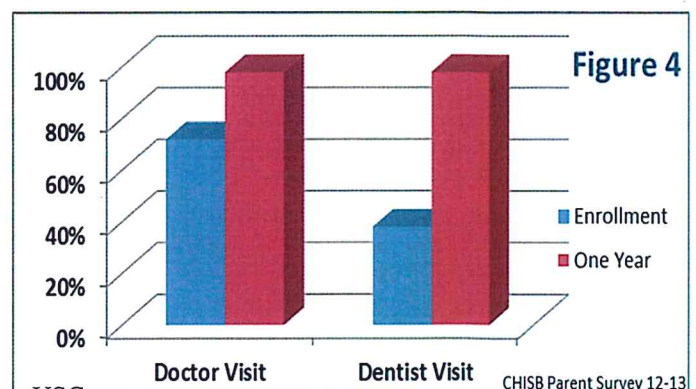
- From hospital reporting data comparing pre- and post-CHISB implementation, an analysis by USC shows a **decrease in the percentage of preventable hospitalizations** of 17.3% resulting in an estimated **cost savings of \$524,520** from mid-2006 through 2007 alone.<sup>5</sup>
- In 2012-13, 23% of surveyed parents of uninsured children indicated that within the past year they had delayed seeking needed medical care for their child(ren) and 96% of those indicated that cost or no insurance was the reason for the delay. **Postponed care leads to more serious conditions which require higher cost medical or dental treatment.**



- From 2010 to 2013, after the significant decrease in uninsured children county-wide, one local hospital has reported a decrease in the percentage of uncompensated care costs relative to overall Emergency Department visit costs by children. (Figure 3)

► **Insured children are accessing medical and dental services at increased rates. (Figure 4)**

- Child had visited a **doctor** in past year
  - 72% at enrollment
  - **98% at 12 month re-enrollment**
- Child had visited a **dentist** within 6 months
  - 38% at enrollment
  - **98% at 12 month re-enrollment**<sup>6</sup>



<sup>5</sup> Data obtained from a CA OSHPD analysis by Dr. Gregory Stephens, USC.  
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With investment by the County in the Healthy Kids program outreach, enrollment, retention and utilization, previously uninsured children served by County departments and hospitals are now being enrolled in health insurance through referral or through CHISB out-stationed Certified Enrollment Counselors who enroll referred uninsured children and adults from County Public Health Departments and hospitals.

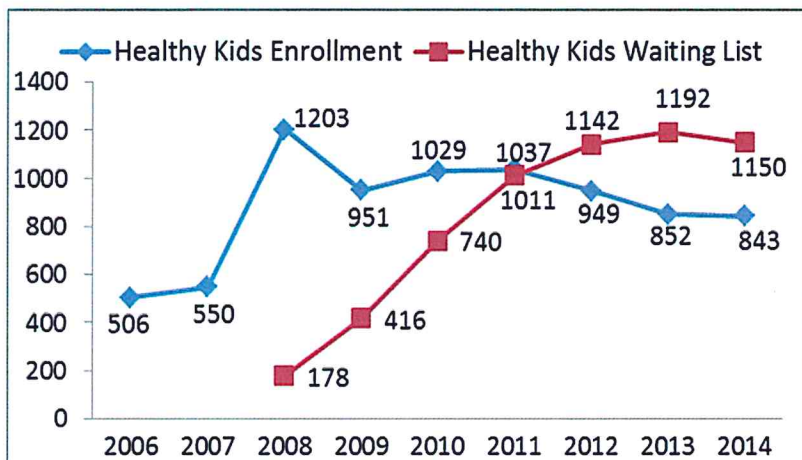


Figure 5. Healthy Kids Enrollment and Waiting List

Funding Sources for Healthy Kids Premiums

**2006—2007:** First 5 SB County (\$200,000), The California Endowment (\$200,000) and SB County Tobacco Settlement (TSAC) (\$200,000).

**2007—2010:** Yearly--First 5 SB County (\$170,000 premiums/\$30,000 OERU activities/admin. in 2007 and thereafter), First 5 California (avg. \$40,000); The California Endowment (\$200,000), SBC TSAC (\$200,000), and SBC General Fund (\$850,000).

**2011—2014:** Yearly—First 5 SB County (\$170,000), SBC Tobacco Settlement Funds (\$180,465), and SBC General Fund (\$850,000).

In 2010, The California Endowment ended its 10-year project supporting Healthy Kids premiums statewide. Similarly, First 5 California also discontinued its premium matching funds in 2010 for children 0-5 years old. In 2011, SBC TSAC funding was reduced as a result of decreasing revenues statewide. Since 2011-12, a reduction in the number of eligible children aged 0-5 years old has decreased the utilization of First 5 SB County designated funding.

Current funding levels support an enrollment of 863 SBC children: 105 children 0-5 years old and 757 children 6-18 years old.

The Impact of Having No Health Insurance

- Prior to health insurance enrollment, 26% of parents indicated that they had delayed seeking medical care for their child.
- 96% of those parents cited that cost and no health insurance were the reasons.
- Also, 76% of uninsured families indicated that their children’s health costs had resulted in financial difficulties for their family.

(CHISB Evaluation 12-13, Parent Survey Results)

2013 Healthy Kids Enrollment by Region

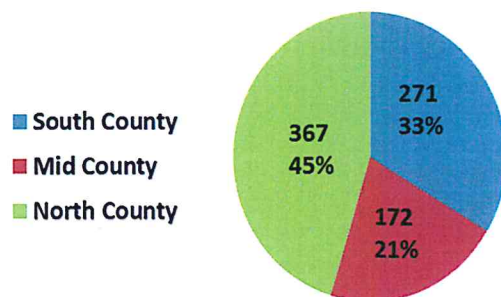


Figure 7. Healthy Kids Enrollment by Region

## Background and History

The Santa Barbara County Children’s Health Initiative (CHISB) has been in existence since 2001 after the UCLA California Health Interview Survey identified Santa Barbara County as having the highest percentage of uninsured children in California. Stakeholders in CHISB include representatives from both private and public agencies, community-based organizations, insurance plans, hospitals and community

**Although CHISB has significantly decreased the number of uninsured children county-wide, according to data from the County and other sources, there remain several thousand children who are uninsured and ineligible for Medi-Cal or other insurance.**

health centers. In 2005, Santa Barbara County was again one of the top two counties with the highest percentage of uninsured children—16% or 16,000 children. With a coordinated countywide cross-sector approach to institutionalizing health insurance status screening and referrals for enrollment assistance, by 2009 SBC children’s uninsured rate had dropped by 94% to an estimated 1,000 children. CHISB’s primary mission was to provide eligible children with access and utilization support for the three publicly funded health insurance products, Medi-Cal/Healthy Families and Healthy Kids. It is supported by

various County and community agencies with Santa Barbara County Education Office serving as the CHISB staff home. Funding has been provided by private foundations, such as Dignity Health, Santa Barbara Foundation and by public funds, including First 5 Santa Barbara County. The County Board of Supervisors approved funding of \$1,000,000 in 2007-08 and subsequent years through 2013-14 to increase the number of County children enrolled in and appropriately utilizing public health insurance with a focus on funding Healthy Kids premiums. Healthy Kids, our local health insurance for children who do not qualify for Medi-Cal or other public health coverage, greatly expanded enrollment with County allocations from its 2006 levels but now has a waiting list of more than 1,150 children due to lack of sufficient funding. The current enrollment cap for Healthy Kids is 863 children based on funding.

In addition to the enrollment, outreach, retention and utilization efforts with public and private agencies with Medi-Cal, Covered California and Healthy Kids, CHISB collaborates also with the California Coverage and Health Initiatives, California Covering Kids and Families, Communities for Healthy Kids, and Teachers for Healthy Kids on state-wide advocacy, information and legislative efforts for children’s health insurance. At the federal level staff also monitors changes affecting State Children’s Health Insurance Program Re-Authorization (CHIPRA) and Medi-Cal, and analyzes the impact for children at the local level.

## Frequently Asked Questions regarding Healthy Kids and CHISB

- ✓ **How long have the Children's Health Initiative and Healthy Kids insurance existed in Santa Barbara County?**
  - The Children's Health Initiative collaboration came together in 2001 when Santa Barbara County was identified as having the highest percentage of uninsured children (22%) of any County in California. Recognizing that there were many children who did not qualify for Medi-Cal or Healthy Families in Santa Barbara County, Healthy Kids Santa Barbara was implemented in November 2005 to furnish health insurance for these children.
- ✓ **What health benefits does Healthy Kids Santa Barbara furnish to its members?**
  - As of April 1, 2014, Healthy Kids had an enrollment of 843 children living in Santa Barbara County with a waiting list of 1,150 children. Modeled on the Healthy Families insurance product, Healthy Kids is a comprehensive health insurance that provides medical, dental and vision coverage. It covers physician visits, hospital stays, prescriptions, diagnostic tests as well as oral health exams and treatment. In addition, the vision benefit covers eye exams and glasses.
- ✓ **Do Healthy Kids members pay any premiums or co-pays for their medical insurance coverage?**
  - Modeled on Healthy Families, families pay premiums and copays for non-preventive visits based upon their income level. Premiums can range from \$4 to \$63 depending on the number of children and family income. Copays for non-preventive health visits are either \$5 or \$10 depending on family income.
- ✓ **What is the impact of the Affordable Care Act and the expanded public health insurance options now available on Healthy Kids members?**
  - Healthy Kids children do not qualify for the Affordable Care Act (ACA). Healthy Kids covers children who do not qualify for other public health insurance and prior to the ACA implementation, children applying for Healthy Kids were screened for Medi-Cal and Healthy Families. Approximately 92% of current Healthy Kids members fall within the income guidelines for Medi-Cal but do not meet the legal immigration requirements. Higher income Healthy Kids members (8%) potentially could qualify for Covered California insurance. All Healthy Kids members will be screened for Medi-Cal or Covered California eligibility at their Annual Enrollment Renewal in 14-15 and referred for application assistance into Medi-Cal or Covered California if found to be potentially eligible.
- ✓ **Why can't uninsured people just get free care at the community clinics or the hospitals?**
  - Sliding fee care is available at Public Health Care Centers and the hospitals for those persons who are unable to pay but that does not cover the County's or hospitals' cost of the care. However, most County residents are aware that if they utilize services at these sources of medical care, they will be billed for these services. In fact, 26% of parents of uninsured children reported that they had delayed seeking needed medical care for their child(ren) because of cost and having no health insurance. In addition, in the 2013 Cottage Hospital Community Health Needs Assessment, 58% of low income adults reported experiencing difficulties or delays in accessing needed health care in the last year.
  - Health insurance reimbursement is crucial for the financial stability of our clinics and hospitals. There is not capacity in these institutions to furnish a large percentage of their services as non-compensated. With State realignment in 13-14, funding has been greatly



reduced by the amount of \$8 million over two years that pays for uncompensated care at the Public Health Care Centers.

- When people delay needed medical or dental care due to cost concerns, postponed care leads to more serious conditions which require higher cost medical or dental treatment. Reduced uncompensated care costs for area hospitals for children in the Emergency Department saves money. In fact, uncompensated care costs results in higher costs for all medical services and raises health insurance premiums overall.

✓ **Do families utilize their Healthy Kids insurance? What is the cost benefit to our County?**

- After health insurance enrollment, families access health and dental services for their children at a significantly higher rate. This pays for additional medical services reimbursement for previously uninsured children that will be earned by community clinics, hospitals and private providers. In 2014, that amount to be paid to local medical providers is estimated to be **\$18,021,890** for previously uninsured children in Medi-Cal.
- It is projected that in 2013-14, there will be an additional estimated **\$877,458** Healthy Kids Santa Barbara County medical services reimbursement provided for previously uninsured children. Since 2007-08, Healthy Kids has furnished medical services at an estimated cost of **\$5,880,125** for previously uninsured children.
- Based on data collected over the past four years of CHISB Evaluation Parent Survey data, parents report on average fewer 1-2 day school absences as children are healthier after years of health insurance enrollment. If each MC or HK-insured child missed just one day less in 12-13 from schools in Santa Maria-Bonita, Lompoc Unified and Santa Barbara School Districts, those schools would have received a total estimated **\$841,255** in additional Average Daily Attendance (ADA) funding.
- Since 2010 to 2013, after the significant decrease in uninsured children county-wide, one local hospital has reported a decrease in the percentage of uncompensated care costs relative to overall Emergency Department visit costs by children from 7.4% to 4.5%.

✓ **What has been the impact of having a Children's Health Initiative in Santa Barbara?**

- The Children's Health Initiative of Santa Barbara County has significantly improved the coordination of efforts to identify and enroll uninsured children as well as support families in retaining their health insurance and utilizing it appropriately. CHISB staff has facilitated regional and county-wide collaborative meetings to institutionalize health insurance status screening of children by public and private agencies and then referring families of uninsured children to health enrollment assistance.
- In addition, CHISB has supported the doubling of the growth of the county-wide Certified Application Assistors Network who assists families in not only Healthy Kids and Medi-Cal health insurance enrollment but also in accessing needed preventive medical and dental visits.
- Through increased outreach, enrollment, retention and utilization efforts by CHISB partners, between 2005 and 2009, according to the UCLA's California Health Interview Survey (CHIS), the percentage of uninsured children in Santa Barbara County fell by 94%.
- This has resulted in a **42% increase (15,822 children) in Medi-Cal enrollment** in our County since 2005, resulting in an estimated **\$18,021,890** of additional medical services reimbursement for previously uninsured children that will be earned in 2014 to community clinics, hospitals and private providers.

**END**