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Perspective on Health: Remove Hurdles to Sick Kids Care, Rather than Seeking Out Those Who Need Coverage, State Bureaucracy Views Children as Chiselers

by Robert C. Fellmeth

In 1954, Dr. Jonas Salk had a new polio vaccine. It was expensive, but it worked. So how did our parents' medical system distribute this miracle drug to America's children? Simple: We walked over to the school cafeteria in a terrified huddle and got poked by needles that looked about 3 feet long. We didn't fill out a five-page form, prove we were born here, produce documents, line up for interviews, come up with \$200 per year. Why? Because our health was involved, and we were their children.

Compare our parents' concern 45 years ago with our approach. In 1999, 1.8 million children in California, mostly the children of the working poor, are without basic health coverage. They have little or no primary or preventive care. This, despite two major government programs: Medi-Cal, designed to provide coverage for families below or near the poverty line of \$13,650 per year for a family of three, and Healthy Families, for children of families with income up to 250% of the line.

Congress is giving California \$859 million per year for five years to cover children through its Healthy Families program. After more than a year of the program, only 110,000 children are enrolled, and the state actually has a net loss of 200,000 fewer children medically covered than it did three years ago, before the 1997 enactment of this vaunted federal program to cover the nation's children.

Gov. Gray Davis has supported scrapping the 28-page application form for Healthy Families and the Legislature is streamlining Medi-Cal somewhat; incentive payments to community groups and churches to enroll children in Healthy Families have been raised from \$25 to \$50, and more children are eligible under new asset and income guidelines. But these changes do not address the fundamental barriers to coverage: seven different, fragmented programs governed by five separate agencies that provide coverage that changes with income and children's ages, often within a single family. These bureaucracies wrap children in a miasma of winding, unwinding and rewinding red tape. In addition, there are gratuitously high annual premiums of up to \$324 plus per-visit co-payments; if a payment is 61 days late, a child is disenrolled for a mandatory six months. That will show them.

These barriers are joined by difficult paperwork even with the new application, high deductibles for some and an underlying burden on children to qualify. The basic problem is that the state bureaucracy reflexively views sick children as potential chiselers trying to get undeserved benefits. The system is geared to set up barriers to the undeserving, rather than to seek out those who need preventive or primary health care.

The newly enacted state budget and associated legislation pending will not change that; we are headed for coverage failure. And if California cannot make these programs work, it will forfeit more than \$3 billion in federal funds by 2004-05, the biggest give-back of federal funds in the nation's history.

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The recently released California Children's Budget 1999-2000, an analysis and recommended alternative budget by the state's Children's Advocacy Institute, documents that for every child enrolled in Healthy Families, there are two who have lost Medi-Cal coverage. These include more than 350,000 children in families who have left welfare but who remain eligible for one of these two programs, though they are not always informed of this by welfare caseworkers.

The Children's Budget documents that only about 15% of currently uncovered children are in families with income too high for the federal subsidy. It recommends comprehensive statewide "presumptive eligibility" for every child in the state. We should ask only two questions: "Is this child covered now?" And if not, "Please certify that your family income qualifies." Period. Why should we block the 85% eligible for fear that someone among the 15% may get some antibiotics for an ear infection? Ironically, per person health care for children costs one-fifth the amount spent on the elderly, who consume a substantial share of public funding for often heroic medical procedures to prolong life at its end. And, of course, taxpayers are covering all of them.

The Legislative Analyst's Office has a creative proposal of its own to expand health coverage and use the federal money: Insure parents and solve the "crowd out" problem (employees who may opt out of employer plans because Healthy Families has lower premiums). But how can a parent of two kids who is barely making the rent payment afford Healthy Families' premiums of \$200 to \$324 per year?

The Legislative Analyst's Office and others contend that we have to charge these premiums for kids because otherwise the working poor who have coverage from employers would leave it for a Healthy Families public money free ride. But we have enough federal money to solve this problem. Rather than charging a premium to employees, we could give a small subsidy to each employer who provides coverage for children who would otherwise qualify for Healthy Families, thereby keeping employee costs close to the level of Healthy Families. Under this option, we do not penalize every family because of fears applicable to only a small percentage of involved children. Further, this alternative--unlike the Legislative Analyst's--does not punish employers who provide dependent coverage, and it will spend the federal funds provided for the purpose intended.

Under the state budget as enacted, we shall end the 1999-2000 budget year having spent just over 10% of the \$1.7 billion allocated to us. Earth to Sacramento: The goal is to cover kids. It is not an impossible mission. We have the money, and there is a good example for guidance: the feeling for children that our parents and grandparents manifested in delivering the miracle medicines of Drs. Salk and Albert Sabin.