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**HEADLINE:** A HEALTH GAIN FOR KIDS

**BODY:**

Jobs may be abundant in California's economic rebound, but many children in less affluent families still go without something that working Americans should be able to take for granted: affordable health care.

That picture brightens today as California enrolls the first members in Healthy Families, its version of a new federally subsidized health insurance program for children of the working poor.

While most states chose to distribute the federal dollars only by expanding their existing Medicaid programs, certainly the simplest method, the Wilson administration created the Healthy Families program because it wanted an employer-style, not welfare-style, health insurance system.

The California program realizes much of that vision--using mail-in applications to avoid the stigma associated with welfare offices, for instance, and, like employer plans, requiring \$ 5 co-payments for health care visits and monthly contributions of \$ 7 to \$ 9 per child. The payments are on the high end compared with those of other states and may daunt families barely scraping by. But the bigger issue is that coverage should be extended to more children.

The Wilson administration has been criticized for allocating less than \$ 100 million of the \$ 1.7 billion in federal matching funds available to it over the next year and a half. Children are ineligible for Healthy Families if their family incomes top 200% of the federal poverty level; a parent with one child and a family income of \$ 21,700 would be at the ceiling. States like Massachusetts and Washington have moved to extend their programs to children in families with incomes up to 400% of the poverty level.

Gov. Wilson counters that broadening eligibility too much would discourage employers from offering health insurance, and he's backed by persuasive evidence. But if the administration is going to rule out broadening eligibility, it should find other ways of expanding employer-based insurance: working with the federal government, for example, to loosen regulations so some of the funding can be used as a boost for employer health plans.

The program itself needs some fine-tuning. One problem: Its 28-page application has proved inscrutable even to some of the trained social workers whom the state has hired to do enrollment.

Finally, Sacramento needs to make long-overdue changes in Medi-Cal to improve care and extend it to the whopping 660,000 eligible children not yet enrolled in the program for various reasons. Priority should be given to eliminating Medi-Cal's onerous quarterly renewal process and to increasing its paltry compensation rates to hospitals and physicians.

Caring for the health of California children is as vital to the state's long-term well-being as ensuring them jobs when they grow up. The state is still a long way from that ideal, but with today's launching of Healthy Families it has taken an important step forward.

#### Getting Covered

More than 1 million uninsured California children are now eligible for public health insurance programs. The wild card is outreach: No one knows how many will actually be signed up.

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1.7 million uninsured children in 1998.

660,000: eligible for Medi-Cal, but not enrolled.

400,000: eligible for Healthy Families.

409,000: ineligible, family incomes too high.

264,000: ineligible, undocumented immigrants.

Source: UCLA Center for Health Policy Research, 1998

**GRAPHIC:** GRAPHIC-CHART: Getting Covered

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