

The Combs Family, Hemet, California



“I wanted to be able to take care of my baby.”

Shannon and William Derek Combs of Hemet, California, have become experts on the eligibility rules for California’s state-paid health insurance programs. They’ve had to.

Except during pregnancy, when Shannon receives state-paid coverage for herself, the couple fall into a health insurance limbo: like many of the uninsured, they earn too much to qualify for government-provided insurance, and too little to pay for it themselves. Just about every dollar of the \$1,700-a-month salary the couple earn as resident managers of a storage unit facility is budgeted for fixed expenses, leaving them no hope of buying health insurance themselves.

At the moment, Shannon, 30, is seven months pregnant and receiving prenatal care through Medi-Cal, California's health insurance program for the poor and near-poor. She's grateful for the coverage, but it's by no means ideal. Although it covers all pregnancy-related doctor's visits, it requires her to pay for any medical costs her doctor labels as unrelated to her pregnancy (up to a maximum of \$980 a month.)

"Just about anything to do with the pregnancy, it'll cover, but anything else, I'm on my own," Shannon explains. "I've had a sore throat and a low-grade fever for two weeks that I haven't gone to the doctor about because he says he'd have to charge me, and I can't afford it. If I was in a car accident or had appendicitis, I'd have to pay for my medical care. It's scary."

With her eligibility for Medi-Cal ending two months after she delivers her baby, Shannon is spending a lot of time in her final months of pregnancy worrying about how she'll pay for health care. She's spending hours on the telephone with insurance brokers in an attempt to find a policy inexpensive enough so that if the storage unit owner pays a portion, the Combses will be able to afford the rest.

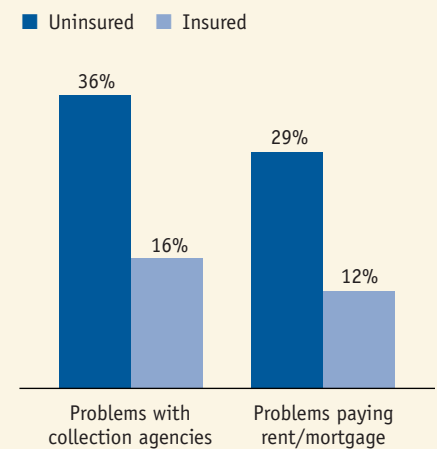
Like many young adults who work in low-paying jobs, Shannon, and her husband, who goes by his middle name, Derek, have little experience with employer-provided insurance. Whenever they've needed health care, they've usually paid on the spot. Derek, 31, has always been pretty healthy, but until recently, Shannon suffered from bleeding ulcers. "My stomach used to hurt all the time," she recalls, "and I'd throw up blood." She couldn't afford regular checkups, so when she saw a doctor, it was usually in an emergency room. By the time she was 25, she had amassed about \$9,000 in unpaid medical bills, including emergency surgery for her ulcers and an ovarian cyst.

With little hope of ever paying those bills, she declared bankruptcy a few years ago. "I felt really bad about it, because the doctors had been nice enough to take care of me," Shannon says. "But when you're that far in debt, there's no other way to deal with it, unless you have parents who can help you, which I don't. Now I've got to live with the consequences. It'll be on my credit record for 10 years. The only credit cards I can qualify for carry a 22% interest rate."

Pregnant and uninsured

The couple was uninsured and living from paycheck to paycheck when Shannon unexpectedly became pregnant the first time. Derek had a minimum-wage job with a golf ball retrieval company, and Shannon earned a little more than that working as a personal assistant and running her own small airplane detailing business. "We looked around for insurance that we could afford, but there wasn't any that would cover my pregnancy, because it was considered a pre-existing condition," she recalls.

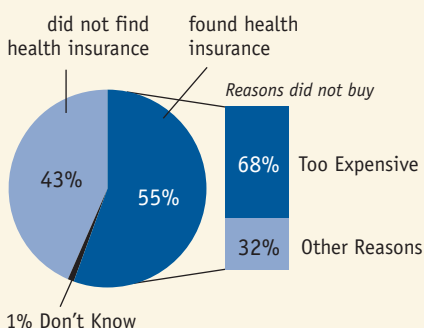
Many More Uninsured Face Financial Problems Compared to the Insured



Source: *The News Hour with Jim Lehrer*/Kaiser Family Foundation National Survey on the Uninsured, 2000

Insurance is Too Expensive for Most of the Uninsured Who Find a Health Insurance Plan Willing to Cover Them

4 Million uninsured who tried to get health coverage in the past year



Source: Kaiser Survey of Family Health Experiences, Round 3, 1997-1998.

Shannon knew she should be getting prenatal care, but she couldn't find a doctor who would treat her without payment up front. Finally, in desperation, she quit her job, closed her business, and applied for welfare, thinking that was the only way she could qualify for Medi-Cal. She was already in her sixth month of pregnancy before she had her first prenatal checkup.

Two weeks after receiving her Medi-Cal card, she suddenly went into labor. Kelsey was born on November 17, 1995, 2 1/2 months premature and weighing just 4 1/2 pounds. Shannon can't be sure whether the lack of early prenatal care contributed to Kelsey's premature birth. All she knows is that "it was very scary. Babies aren't supposed to be born at 6 1/2 months. Her little lungs weren't ready." Medi-Cal covered the \$25,000 bill for the birth and baby Kelsey's 10-day stay in neonatal intensive care.

In the year after Kelsey's birth, Derek worked at two part-time jobs, but his income was low enough that the family continued to qualify for a partial cash welfare benefit and Medi-Cal coverage for all three of them. When the couple accepted a joint position as resident managers of a storage unit facility in early 1998, their income went up, making them ineligible for continued cash assistance. The couple was lucky that their jobs, though low-paying, provided a two-bedroom apartment behind the office in the storage facility. And they continued to be eligible for transitional Medi-Cal benefits, which covered medical and dental care for a year.

But when the transitional Medi-Cal benefits ended in December 1998, the couple was on their own for health care. Although Shannon had begun bringing in a little extra income through a home-based people-finding business, it wasn't dependable enough to pay for insurance. "Some months I don't make anything," she says.

Fortunately for Kelsey, who suffers from chronic asthma and allergies, California's new Healthy Families program (the state's answer to CHIP) had recently begun offering health insurance to children in families with incomes below 250% of the federal poverty level, a test the Combses had no trouble meeting. In general, Shannon and Derek have been happy with the care Kelsey has received through Healthy Families, though they sometimes feel that she's stigmatized. Recently, a pharmacy employee made a point of telling Shannon that Kelsey's allergy medicine would cost her \$100 if Healthy Families wasn't paying for it, which wounded her. And she can't help thinking that Kelsey's doctor spends less time with her than he should because Healthy Families doesn't reimburse him as much as private insurance companies do.

When their transitional Medi-Cal coverage ended, Shannon and Derek made do without insurance for themselves. They ignored minor illnesses and stopped getting regular dental care. Then, in late December 1999, Shannon learned that she was pregnant again. She faced the same quandary she had

four years before: how to make sure she received adequate prenatal care. This time, there was even more urgency, because Kelsey's premature birth meant she was at high risk for complications.

"We checked the rates on insurance again, and again, because it would be considered a pre-existing condition, pregnancy wouldn't be covered," Shannon said. She talked to the doctor who had delivered Kelsey, and he told her his care would cost \$3,200, assuming a normal delivery, with \$1,600 payable before the delivery and \$1,600 afterward. The couple despaired of being able to raise that much money. When Shannon went back to see the doctor again, his receptionist mentioned to her that she was receiving coverage for her own pregnancy through Medi-Cal's "share of cost" program, which Shannon hadn't known about.

"You probably won't qualify"

The process of ascertaining her eligibility was one Shannon hopes never to have to repeat. First, she was told, she had to apply to Riverside County's program for the medically indigent and get turned down. After that, she says the Medi-Cal worker told her, "You probably won't qualify, but fill out the paperwork anyway." She had to go back three more times "because they kept asking me to bring new papers with me."

"It seemed like obstacles were being put in front of me left and right. When I mentioned to them that I had a little business on the side, they said, 'You're going to go to jail for five years for Medi-Cal fraud if you don't report that.' I said, 'I'm not going to commit Medi-Cal fraud. I just want to do what I have to do to get covered. I have this baby in me that I want health coverage for.'"

"It seems like they wanted me to think they "were telling me no before they'd tell me yes. A lot of people would have been discouraged and walked away, but I was determined. I wanted to be able to take care of my baby."

Although Medi-Cal's share of cost program is available to uninsured pregnant women at all income levels, it carries with it a deductible, linked to income, for any non-pregnancy-related medical expenses (Shannon's deductible is \$980 a month). The coverage also doesn't include some pregnancy-related procedures that are commonly paid for by private insurance—routine ultrasounds, for one, or circumcision of a male child. Plus, participants in the program must requalify every month, which increases the possibility of lapsed coverage because of misunderstandings or bureaucratic error.

Late in March, for instance, Shannon received a notice informing her that her coverage was being terminated April 30. "I called my caseworker and left a message begging her to call me back and tell me what was happening," Shannon says. She heard nothing for a week and a half, and called a supervisor. She was told that she had used the wrong form to submit information



"We looked around for insurance that we could afford, but there wasn't any that would cover my pregnancy."

about her business income. After she resubmitted the information on the correct form, her coverage was reinstated, but the snafu left her feeling very vulnerable. "I hate being part of the system," she says. "It makes me feel like a loser. But I have no choice at this point in our lives."

In May, in her sixth month of pregnancy, a leak in her amniotic sac drove home the importance of having insurance coverage. She went to the emergency room at the local hospital, which, lacking a neonatal intensive care unit, sent her in an ambulance to Loma Linda Hospital, which does have one. "They did a lot of tests, and I did a lot of praying, and it stopped leaking," she said. The experience frightened her because it was so similar to the sequence of events that led up to Kelsey's premature birth.

"I'm still worried about going into labor early, but it's wonderful that I've been able to get a few more weeks under my belt," she says. "Every week counts so much. Already the baby is a whole month older than Kelsey was when she was born."



Making do with over-the-counter drugs

As for Derek, he's had several maladies this year that have forced him to see a doctor more than he can really afford to. He had an outbreak of warts on his feet, which required twice-monthly doctor's visits for about three months to clear up. "I had let them go so long that they grew really big," he says ruefully. "It just shows what happens when you don't go to the doctor when you should." Derek also suffers from allergies and chronic sinus problems that make it difficult to sleep. Over-the-counter medications don't provide relief, and he can't afford the more effective prescription drugs, which would cost about \$60 a month.

Right now, both Shannon and Derek need expensive dental work that they can't afford. Although they began buying private dental insurance a few months ago, at a cost of \$25 a month, their policy only pays a portion of the cost of dental work, and the couple can't afford the co-pay for the work they need. Shannon needs a crown that would cost her \$325. Derek needs two fillings, two root canals, and two porcelain crowns, which would cost him \$1,400. If the pain of his decayed teeth becomes unbearable, he says, "I guess I'll have them pulled. That only costs \$25 each."

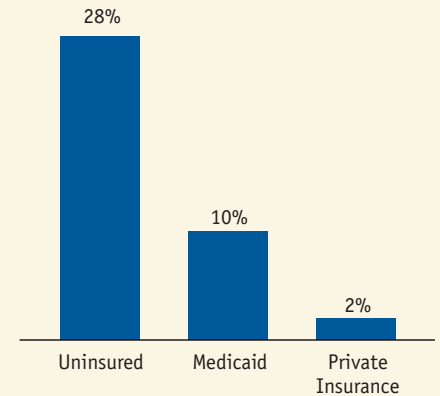
Assuming the Combses' income stays below 250% of the poverty line (\$43,750 for a family of four in 2000), both Kelsey and their new baby will be covered by Healthy Families through age 18. After Shannon's pregnancy-

related Medi-Cal coverage ends, Shannon is hopeful that her employer will agree to pay 75% of the cost of buying private coverage for her and Derek. She's been talking to her employer about their need for insurance ever since they were hired and believes he might be ready to chip in. She recently found a policy that would provide coverage for major medical expenses, for about \$178 a month. It's not good insurance—the couple would have to pay \$30 for each doctor's visit, and there's a \$4,000 annual deductible—but Shannon believes it would protect the family from catastrophic medical expenses. "I've done my homework," she says. "It's the cheapest policy around."

If the employer won't pay, the Combses will look for another job. "We don't like to think of that, because loyalty is one of the things we believe in," Shannon says. "But we don't want to wait until one of us is sick, because we'd never be able to get coverage then."

The Uninsured Are More Likely to Go Without Prescribed Medications Because of the Cost

Percent going without medication due to cost



Source: Kaiser Survey of Family Health Experiences, Round 3, 1997–1998.