

medicaid  
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LESSONS FROM THE FIELD:  
INCREASING ENROLLMENT IN  
CHILDREN'S HEALTH INSURANCE  
IN LOS ANGELES COUNTY

*Prepared by*

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Los Angeles, CA

**September 2001**

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**The Kaiser Commission on Medicaid and the Uninsured serves as a policy institute and forum for analyzing health care coverage and access for the low-income population and assessing options for reform. The Commission, begun in 1991, strives to bring increased public awareness and expanded analytic effort to the policy debate over health coverage and access, with a special focus on Medicaid and the uninsured. The Commission is a major initiative of The Henry J. Kaiser Family Foundation and is based at the Foundation's Washington, D.C. office.**

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This paper was prepared for The Kaiser Commission on Medicaid and the Uninsured. The views represented in this report are those of the authors and do not necessarily represent the views of The Kaiser Commission on Medicaid and the Uninsured.



# TABLE of CONTENTS

Acknowledgments.....	1
Overview .....	3
Background on Los Angeles and Children’s Health Coverage .....	5
Efforts to Increase Health Insurance Coverage among Low-Income Children .....	7
Lessons Learned .....	16
Next Steps and Remaining Challenges.....	18
Other Recent Commission Publications .....	19



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## Overview

In 1997, the Los Angeles County Board of Supervisors set an ambitious goal to increase Medi-Cal enrollment for children by 100,000 over a two-year period. This goal was established during the implementation of welfare reform, which resulted in dramatic Medicaid enrollment declines in Los Angeles, California and throughout the nation. Through sustained, comprehensive, and integrated outreach and enrollment efforts, the County easily surpassed its initial target. Under an extension to its 1115 waiver, the county is committed to enroll 200,000 additional persons in Medi-Cal by 2005. The county continues to show impressive growth in both Medi-Cal (state Medicaid program) and Healthy Families (state CHIP program) and declines in the number of uninsured children and demonstrates that when states take steps to promote enrollment and participation in public programs significant gains in coverage can be accomplished.

This policy brief highlights health coverage trends for children in the county, examines some of the factors behind Medi-Cal enrollment growth, and attempts to draw relevant lessons for other counties and states as they attempt to increase enrollment in their Medicaid and State Children's Health Insurance Programs (S-CHIP). It is part of The Kaiser Commission on Medicaid and the Uninsured's (KCMU) ongoing efforts to examine local efforts to increase health coverage for low-income children in the United States.



# Background on Los Angeles and Children’s Health Coverage

## Los Angeles County

There are very few counties in the United States that are comparable to Los Angeles in terms of its size, diversity, and level of need. With a population of 9.6 million, it is larger than 42 states. Its economy is equivalent to the 18th largest in the world. Health care represents a chronic and unsolved problem in Los Angeles County. There is a general consensus that providing health care to the county’s large uninsured population is the most worrisome issue for county government.<sup>1</sup> Due to chronic funding shortages, the Board of Supervisors is currently considering the creation of an independent health authority to manage the health department.

The county as a whole is racially and ethnically diverse. Nearly half of the population (44 percent) is Latino, 34 percent is White, 13 percent is Asian/Pacific Islander, and nine percent is African American.<sup>2</sup> Many communities in Los Angeles are multi-ethnic, with no ethnic group comprising more than 50 percent. The county contains a large immigrant community with fully one-third of the adult population born in foreign countries. Nearly half (45 percent) of the population speaks a language other than English in the home.<sup>3</sup> Numerous research studies have demonstrated links between the poor health status of certain ethnic groups and barriers to access related to language and culture.<sup>4</sup>

Children represent a large and vulnerable segment of the county’s population. The county is home to 2.2 million children under 15, accounting for nearly one-quarter (23 percent) of the total population. A disproportionate percentage of children live in poverty with more than 700,000 children (33 percent) under age 15 living in households with incomes less the Federal poverty level.<sup>5</sup> Many of these children live in non-traditional arrangements. Only 64 percent of children live in families headed by married couples. Twenty-one percent live with one parent and 15 percent live with grandparents, relatives or other caretakers.<sup>6</sup>

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<sup>1</sup> Public Policy Institute of California. “The Organizational and Fiscal Challenges of Providing Public Services in Los Angeles County.” Research Brief #33. June 2000.

<sup>2</sup> Los Angeles County Chief Administrative Office, Urban Research Division, P.E.P.S.

<sup>3</sup> Russell Sage Foundation (1996) “Ethnic Los Angeles” in The Health of Angelenos. Department of Health Services Los Angeles, CA. 2000.

<sup>4</sup> The Health of Angelenos. 2000.

<sup>5</sup> United Way of Greater Los Angeles, 1999. State of the County Report: Los Angeles 1998–99.

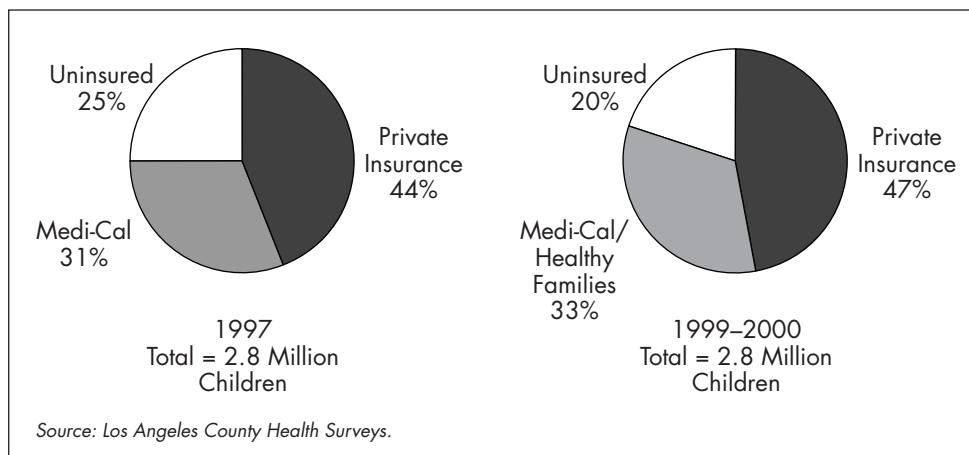
<sup>6</sup> The Health of Angelenos. 2000.

## Children's Health Insurance

Lack of health insurance among children represents a major policy issue for the county. A 1997 household survey found that one out of every four children in Los Angeles County had no health insurance (Figure 1). These 700,000 uninsured children represented 7 percent of all uninsured children in the United States. Nearly one-third (31 percent) of children had Medi-Cal coverage and 44 percent had private health insurance. Of the estimated 700,000 uninsured children in the county, 81 percent lived in families with incomes below 200 percent of poverty and were likely to be eligible for Medi-Cal or Healthy Families.<sup>7,8</sup> As seen in numerous other studies, lacking health insurance has negative implications for children's access to health care services in the county. More than one in three (37 percent) of uninsured children did not have a regular health care provider compared to only 13 percent of children with Medi-Cal and 6 percent with private insurance.<sup>9</sup> Nearly two-thirds (62 percent) of parents of uninsured children reported having difficulty paying for medical expenses compared to 26 percent with Medi-Cal and 10 percent with private insurance.<sup>10</sup>

Between 1997 and 1999–2000, the number of uninsured children declined from 700,000 to 570,000. These declines are attributable to gains in Medi-Cal and Healthy Families coverage among children living in families earning between 100 and 200 percent of poverty and gains in private insurance coverage for children earning more than 200 percent of poverty.<sup>11</sup> During this period, enrollment grew by 80,000 children for both types of coverage and the number of uninsured children decreased by 130,000.

**Figure 1: Health Insurance Coverage for Children, Los Angeles County, 1997 and 1999–2000**



<sup>7</sup> 1997 Los Angeles County Health Survey. Department of Health Services, Los Angeles, California. 1998.

<sup>8</sup> In California, legal immigrant children are eligible to participate in Medi-Cal and Healthy Families. Services for these children are financed with state funds. Uninsured children, who are undocumented immigrants, are ineligible for these programs except for emergency medical services under Medi-Cal if their families have low incomes.

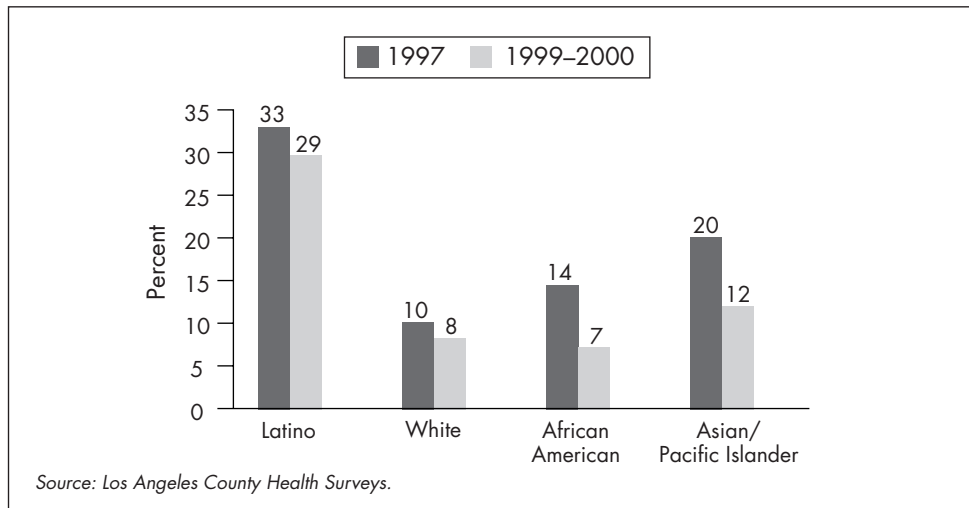
<sup>9</sup> 1997 Los Angeles County Health Survey.

<sup>10</sup> 1997 Los Angeles County Health Survey.

<sup>11</sup> Los Angeles County Department of Health Services. "Recent Trends in Health Insurance Coverage among Los Angeles County Children." *L.A. Health*, Volume 3, Issue 1. October 2000.

Within the county, uninsured rates differed dramatically by race and ethnicity. In 1997, one in three Latino children in the county were uninsured compared to only 10 percent of white children (Figure 2). One in five Asian and Pacific Islander children and fourteen percent of African American children were uninsured.<sup>12</sup> All races experienced declines in their uninsured rates between 1997 and 1999–2000, but the uninsured rates for Latino children remained considerably higher than other races at 29 percent.

**Figure 2: Percent of Children Uninsured in Los Angeles County, by Race/Ethnicity, 1997 and 1999–2000**



## Efforts to Increase Health Insurance Coverage Among Low-Income Children

### History

In 1996, the Children’s Planning Council (CPC), a public-private organization dedicated to improving children’s health and development, put the issue of children’s health insurance onto the political agenda. The Council convened eight separate working groups to examine critical issues for children living in Los Angeles County. The health group, co-chaired by Ron Hansen, an aide to County Supervisor Zev Yaroslavsky, and Ann Monroe, an executive with Blue Cross at the time, determined that lack of health insurance was the single most important issue. They based their assessment on the number of children who lacked health insurance and the negative consequences of being uninsured. In 1997, the Council recommended increasing enrollment in health insurance for children as a top priority and set a goal to increase Medi-Cal enrollment by 100,000 in the next year.

<sup>12</sup> 1997 Los Angeles County Health Survey.

As a result of the passage of national welfare reform, the Department of Public Social Services (DPSS) was in the process of changing its primary focus from eligibility determination to customer service and job placement. DPSS also was concerned about declining Medi-Cal enrollment. In 1995, the Department of Health Services (DHS) faced a severe funding crisis. To maintain its solvency, the county negotiated a Section 1115 waiver with the Centers for Medicare and Medicaid Services (CMS) (formerly the Health Care Financing Administration HCFA. Medi-Cal was seen as an important revenue source for DHS. During 1997, representative from these agencies began to meet informally with local non-profits and child health advocates to coordinate efforts to increase insurance coverage among low-income children.

Based on the recommendations of CPC and the results of a county health survey, in 1997 the County Board of Supervisors (BOS) set an enrollment goal of 100,000 additional eligible children in Medi-Cal by September 1999. Although there was some debate about which agency should lead the effort, the Board designated DPSS as the lead agency to create and administer the Child Medi-Cal Enrollment Project (CMEP) because they had primary responsibility for Medi-Cal enrollment. The Board instructed DPSS to coordinate their activities with other government agencies that serve children such as the DHS, CPC, and the Department of Children and Family Services. In addition, DPSS was instructed to collaborate with external agencies such as the National Health Foundation's Children's Health Access Medical Programs (CHAMP).

The Board instructed DPSS to set specific enrollment targets for each of the County's eight Service Planning Areas (SPAs). SPAs represent geographic regions within the county with populations of about 1.2 million persons. SPAs were established for planning purposes by the CPC and approved by the Board in November 1993. The county's eight SPAs include Antelope Valley, San Fernando, San Gabriel, Metro, West, South, East, and South Bay.<sup>13</sup>

In January 1998, DPSS submitted its strategic plan. The agency requested county appropriation of \$3.8 million, which would be offset by Federal and state funds allocated for Medi-Cal administration and the authority to hire 225 additional outreach positions to implement the plan. The Board of Supervisors unanimously approved the request and declared 1998 as the year of children's health. In April 1998, DPSS was instructed to add the newly created Healthy Families, the state's S-CHIP program, to its expansion efforts.

DPSS served as the lead agency from 1997 through 1999. They supervised outstationed Medi-Cal eligibility workers and coordinated community-based organizations while DHS was responsible for eligibility screening and enrollment activities at county hospitals and comprehensive health centers and the training of application assisters and non-profit agencies about different health insurance programs available for children. During this period, more than 40 non-profit agencies participated in these expansion efforts including schools, non-profit clinics, WIC agencies, and health plans.

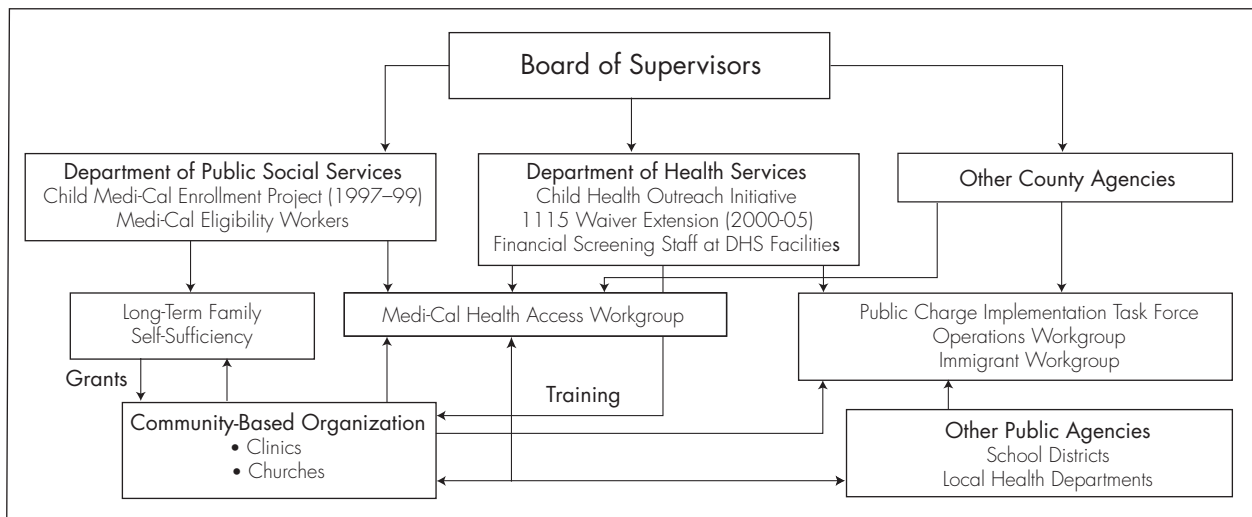
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<sup>13</sup> Los Angeles Department of Health Services. 1996–1997 Service Planning Area (SPA) and Health District Profile Report. 1998.

In June 2000, DHS, CMS, and the state of California finalized an extension to the Section 1115 waiver through June 30, 2005. As part of that agreement, DHS agreed to enroll 200,000 additional persons in Medi-Cal during the five-year waiver period. The waiver extension set the first Medi-Cal enrollment target at 950,000 by June 30, 2001. Thereafter, Medi-Cal enrollment is scheduled to increase by approximately 50,000 persons each year. If the enrollment targets are not met, DHS faces financial sanctions and could forfeit up to ten percent of its Federal payments under the waiver.

The Board of Supervisors serves as the principle authority for county agencies and an important source of revenues for non-profits. All county agencies report directly to the Board and receive the majority of their funding through the Board (Figure 3). Although the initiatives have involved multiple county agencies at different times, the two biggest stakeholders have been DPSS and DHS. Multiple structures have been created to coordinate the efforts of the different departments and community-based organizations. The primary working group, the Medi-Cal Health Access Workgroup, is comprised of staff from the DHS, DPSS, CPC, Los Angeles Unified School District (LAUSD), LA Care, and approximately 40 community-based agencies.<sup>14</sup> It meets on a monthly basis. In addition, there are a number of sub work groups that are focused on particular issues such as immigration, operations at the community level, and the implementation of LTFSS program.

**Figure 3: Organizational Relationships for Children Health Insurance in Los Angeles County**



<sup>14</sup> LA Care is the county’s local initiative. Under the state’s two-plan managed care model, counties could establish an independent public health plan (local initiative) to compete against one private health plan for eligible Medi-Cal beneficiaries.

## Major Outreach and Enrollment Activities

From the outset, the county employed a series of traditional outreach and enrollment strategies on a large scale to increase Medi-Cal enrollment. Between 1997–1999, key DPSS outreach and enrollment strategies included:

- Publishing an informational guide to health programs for consumers in multiple languages;
- Increasing the number of outstationed workers at non-traditional sites such as clinics, churches, and schools;
- Establishing a toll-free information line that could initiate Medi-Cal applications;
- Advertising insurance programs through community media and marketing materials;
- Providing additional training for Medi-Cal eligibility workers and increasing awareness among DPSS line staff; and
- Participating in enrollment fairs and events.<sup>15</sup>

As a result of these efforts, the county successfully enrolled 112,699 additional children in Medi-Cal between February 1998 and July 1999. Medi-Cal enrollment dipped below 850,000 in February 1998, but increased to 957,000 by July 1999. A formal evaluation of these efforts has not been conducted so it is not possible to determine with certainty which activities were successful. Further analysis of Medi-Cal enrollment data during this period, however, provides some clues. Given the fact that two-thirds of new Medi-Cal enrollees applied for the program through community sites, it appears that the outstationing of eligibility workers proved to be an effective enrollment strategy.

During this period, two-thirds of the new Medi-Cal enrollees were Hispanic, suggesting that outreach efforts to these communities were successful. Educational efforts to address immigration issues such as “public charge” also appeared to have some success as 29 percent of the Medi-Cal enrollment growth was by non-citizens.<sup>16</sup> Finally, each of the eight SPAs met its target, suggesting that DPSS was able to stimulate enrollment growth throughout the county (Figure 4). South Los Angeles increased by 21,000 children while Medi-Cal enrollment in the sparsely populated Antelope Valley grew by only 3,700 and the relatively affluent Westside by 4,100.

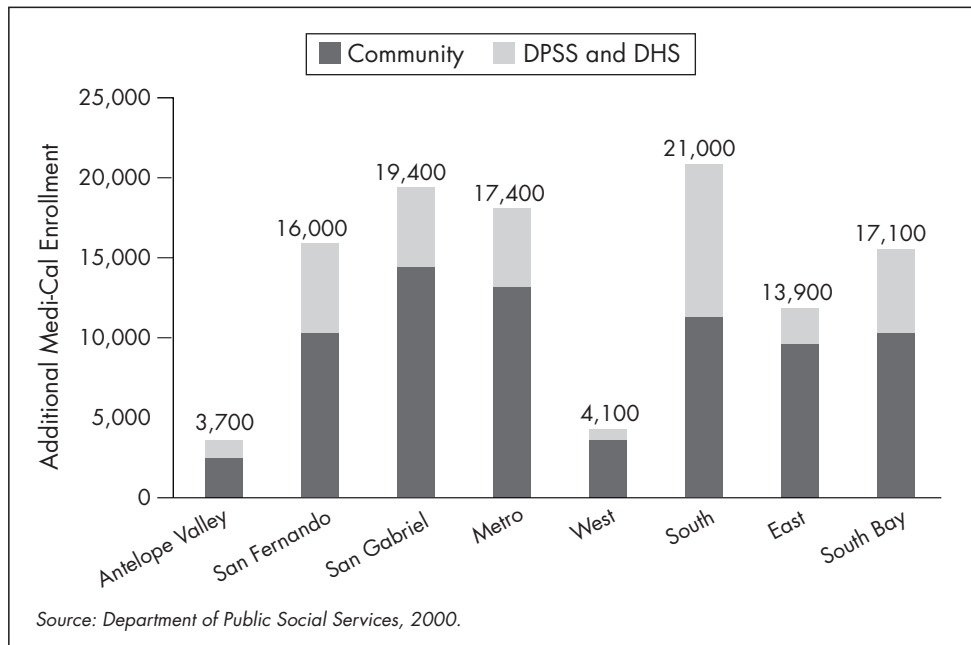
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<sup>15</sup> County of Los Angeles Department of Public Social Services. “We’ve Got You Covered-Los Angeles County.” 2000.

<sup>16</sup> County of Los Angeles Department of Public Social Services. 2000.



**Figure 4: Medi-Cal Enrollment Growth by Service Planning Area, February 1998–July 1999**



Based on these experiences, the county developed an integrated work plan to coordinate activities among county agencies and external partners during the fall of 2000. The draft work plan retains and refines the successful elements and expands the focus to include access to care, retention of benefits, and program evaluation. The major strategic directions in the draft plan include:

- Expanding the scope of community-based outreach efforts through non-traditional means and emphasizing all available programs for low-income children and not just government programs;<sup>17</sup>
- Monitoring and supporting existing programs in schools, improving enrollment systems, and reaching out to small businesses that do not provide coverage;
- Integrating financial screening at medical facilities so that beneficiaries experience efficient and seamless process;
- Expanding training programs for eligibility workers, financial screeners, providers, and other staff on all available programs and customer service;
- Identifying and eliminating remaining enrollment barriers that lie within the county’s control;
- Focusing attention on the retention of benefits over time;

<sup>17</sup> The County promotes enrollment in Medi-Cal, Healthy Families, and Access for Infants and Mothers (AIM), as well as two programs that offer subsidized private insurance to low-income children, California Kids and Kaiser Permanente Care for Kids.

- Advocating for changes in state and Federal policies that inhibit enrollment;
- Better coordinating activities, data, and communication between DHS, DPSS, and collaborative agencies;
- Developing indicators to monitor progress; and
- Conducting an independent impact evaluation of outreach and enrollment efforts.<sup>18</sup>

## **School-Based Efforts**

Early in this process, the county recognized that schools represented a promising mechanism to find uninsured children because the vast majority of children (1.6 million) are enrolled in public schools. Many of these children live in low-income families. Six in ten children (59 percent) in the county participate in the free and reduced school lunch program.<sup>19</sup> Los Angeles schools, however, face a number of other challenges beyond health insurance as less than half of all students graduate from high school and the number of “at-risk” children has increased dramatically because of the high rates of poverty and limited English proficiency.<sup>20 21</sup> In order to get the attention of overworked teachers and administrators, health advocates linked the lack of health insurance to poor school performance. For example, analysis of screening data revealed that one in four middle school students in LAUSD, failed their vision-screening test last year.<sup>22</sup> Health advocates argued that it is difficult for a child to learn effectively if they cannot see the black board.

One of the county’s major outreach efforts in the schools involves collaboration between DHS, DPSS, and the LAUSD/CHAMP program.<sup>23</sup> LAUSD is home to more than 730,000 students. CHAMP was created by the National Health Foundation in 1997 to increase health insurance coverage in the district. Using county general revenues, grant funding, and Medi-Cal administrative dollars, LAUSD/CHAMP has employed two full-time staff members in district to coordinate marketing, outreach, and enrollment activities. The superintendent supports the program and has allocated 16 staff members dedicated to promote health insurance throughout the district. DPSS also has outstationed workers in the schools during the school day and provides staff for enrollment events.

The program has employed a number of outreach and enrollment strategies. They have conducted numerous health fairs in collaboration with Health Care Options, DPSS, and the California Association of Health Plans. This summer health insurance fliers were mailed out to parents along with the free and reduced price school lunch applications. Response to these mailings has been very positive to date. If parents request information about health insurance coverage, they

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<sup>18</sup> County of Los Angeles. “Draft Outreach and Enrollment Plan for Health Insurance Programs.” 2001.

<sup>19</sup> Los Angeles County Office of Education.

<sup>20</sup> California Basic Education Data System, Educational Demographics Unit, California Department of Education Los Angeles County Office of Education.

<sup>21</sup> *The Health of Angelenos*. 2000.

<sup>22</sup> Personal communication with B De la Rocha, July 2001.

<sup>23</sup> For more information about LAUSD/CHAMP, please visit [www.healthykidsproject.org/strategies/lausd-champ.html](http://www.healthykidsproject.org/strategies/lausd-champ.html).

are referred to a local community-based organization to receive assistance in completing an application. LAUSD/CHAMP hires parents from the community to serve as health care community representatives, training them to educate other parents about children's health insurance programs and to help families enroll in these programs at school sites. In spite of support and dedicated efforts, enrollment directly attributable to LAUSD/CHAMP amounted to 2,200 children last year out of more than 220,000 potentially eligible children in the district. Data are collected and maintained using a manual tracking system so it is not clear whether this modest total reflects the limited effectiveness of these efforts or deficiencies in the reporting system. Currently, the project is working to computerize its data systems.

### **Grants to Community-Based Organizations**

Another key element of the strategic plan provides grant funding for community organizations to supplement the county's outreach and enrollment efforts. In 1999 using 1931(b) funds, the County established the Medi-Cal Outreach Project, which provided funding to 10 community-based organizations, LAUSD, and Los Angeles Office of Education to conduct outreach and enrollment assistance. The Long-term Family Self-Sufficiency (LTFSS) Program administered through DPSS recently awarded \$20 million through an RFP process. A portion of these funds was earmarked to continue Medi-Cal 1931(b) funding that ended in June 2001. In order to qualify for LTFSS funds, grantees had to demonstrate the ability to conduct:

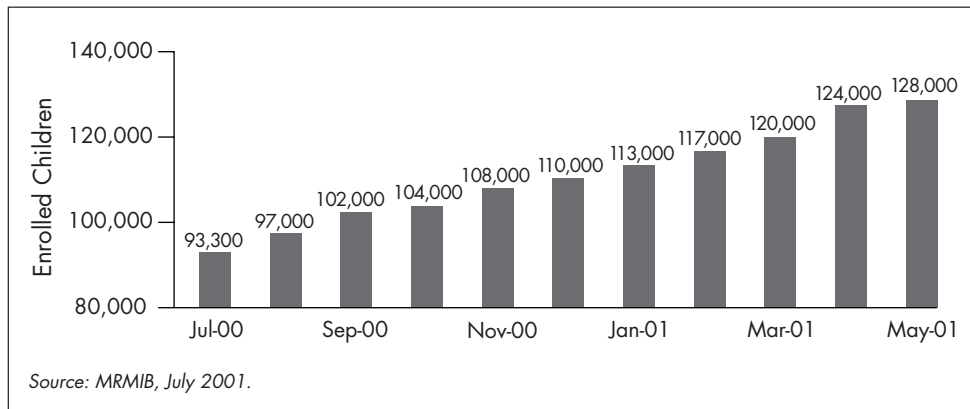
- Outreach,
- Enrollment,
- Retention, and
- Access to care.

Grantees also have to collect and forward data on these topics to DPSS to help them determine which programs and activities are successful in increasing enrollment. There have been some complaints from community organizations that multiple county agencies ask them to provide the same information. They also expressed concern about the cyclical nature of these grant funds. Because they have to be renewed every year (or two years in the case of LTFSS), there is little security for the program and its staff. They assert that long-term, secure funding options would allow community organizations to develop more sustainable outreach programs.

### **Healthy Families**

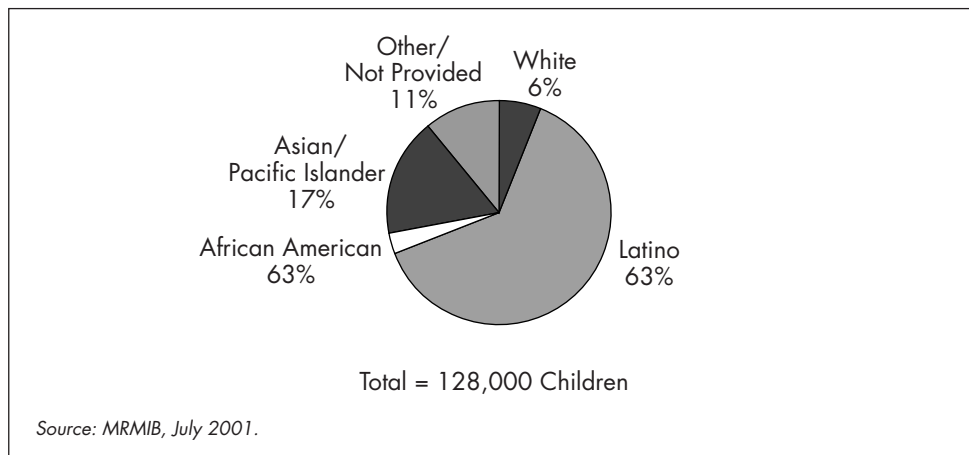
The Healthy Families program, California's State Children Health Insurance Program (S-CHIP), began enrolling children in April 1998. Over the past three years, Healthy Families enrollment in Los Angeles County has grown to 128,000 (Figure 5). In total, nearly 1.1 million children in the county are enrolled in Medi-Cal and Healthy Families.

**Figure 5: Trends in Healthy Families Enrollment, Los Angeles County, 2000–2001**



Latino children comprise the largest share of Healthy Families population at 63 percent of all enrollees (Figure 7). Asian and Pacific Islanders represent the second largest group at 17 percent. Whites comprise only six percent and African Americans only three percent of enrollees in the county. These two races are dramatically underrepresented in the program based on the racial composition of the eligible uninsured population in the county. These statistics mirror a statewide trend, where African American children comprise only three percent of total Healthy Families enrollment.<sup>24</sup>

**Figure 6: Healthy Families Enrollment, Los Angeles County, by Race, May 2001**



One hypothesis for the poor penetration of Healthy Families in African American communities is that its marketing materials are not culturally appropriate for this audience. These low enrollment numbers also may reflect the stigma associated with welfare among African Americans based on negative experiences with publicly funded programs.<sup>25</sup> Alternatively, low participation

<sup>24</sup> Enrollment data by race for Healthy Families can be found at [www.mrmib.ca.gov](http://www.mrmib.ca.gov). Site accessed on August 15, 2001.

<sup>25</sup> For more discussion of outreach and enrollment strategies for African American children, please see “Conducting Children’s Health Insurance Outreach in African American Communities” by J Patterson, Center on Budget and Policy Priorities, June 2000.

rates in Healthy Families could reflect lower incomes among African Americans, which would make more children eligible for Medi-Cal. Despite low participation rates in Healthy Families, uninsured rates for African American children in the county were halved between 1997 and 1999–2000. These data suggest that African American children obtained coverage through Medi-Cal and private insurance.

## Remaining Uninsured Children

Despite substantial reduction in the number of uninsured children, 570,000 children in the county remain uninsured. Among these uninsured children, 86 percent lived in households with incomes less than 200 percent of poverty. The remaining uninsured children are predominantly Latino (82 percent) and had at least one parent in the workforce (82 percent). Among children who were non-citizens, 63 percent (160,000 children) did not have health insurance coverage in 1999–2000. Thus, there is considerable work remains in terms of outreach, enrollment, and retention.

## Conflicting Incentives

Conflicting incentives for DHS under the 1115 waiver extension and safety net providers present obstacles to these efforts to increase enrollment. In 1996, the county implemented the public private partnership (PPP) to dramatically expand its capacity to provide ambulatory care services to its uninsured residents. The PPP represents a collaborative effort between the Los Angeles County DHS and private, community-based providers, who are committed to providing quality health services in a culturally and linguistically appropriate environment to low-income and uninsured communities. This program is part of a five-year Medicaid Demonstration Project designed to provide DHS with federal fiscal relief to preserve vital community clinic capacity, to increase primary care services, and to develop Public/Private Partnerships for the provision of geographically based primary care services.<sup>26</sup>

As a condition of the 1115 waiver extension, the county is required to provide at least three million ambulatory care visits each year at county facilities and through PPP providers. As noted, DHS is also required to enroll 200,000 additional persons in Medi-Cal by 2005. Each newly insured child reduces the pool of uninsured residents and potentially the number of visits provided. In addition, there is no guarantee that the revenues associated with newly insured children will remain in the county system. Newly insured children are free to choose one of many health plans and multiple primary care providers available under Medi-Cal and Healthy Families. Based on historic trends, less than one in ten Medi-Cal and one in five Healthy Families beneficiaries will enroll in the county's Community Health Plan.<sup>27</sup>

Under the PPP, DHS contracts with private safety net providers to provide services to indigent adults and children on a fee-for-service basis. Currently, PPP providers receive \$82 per visit. If an uninsured child visits the clinic twice during the year, this amount is approximately equal to their annual capitation payments under Healthy Families. Like the county, there is no guarantee

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<sup>26</sup> For more information on the PPP and a list of providers in the county, please see the DHS website at [www.lapublichealth.org](http://www.lapublichealth.org).

<sup>27</sup> More information on enrollment trends by health plan can be found at [www.dhs.ca.gov](http://www.dhs.ca.gov) and [www.mrmib.ca.gov](http://www.mrmib.ca.gov).

that the child will choose the clinic as their primary care provider once he obtains health insurance. As a result, PPP providers have some incentive not to enroll children in Medi-Cal and Healthy Families.

To address this concern in early 2001, DHS circulated a policy requesting proof from all PPP providers that an uninsured child had been denied coverage before it would pay for their visit under PPP. The providers challenged this policy as unworkable and punitive. The two sides negotiated a compromise whereby PPP providers agreed to screen and help all eligible children to enroll in the appropriate insurance program either through an application assister or outstationed DPSS worker. In return, DHS would continue to pay for pediatric visits under PPP. The preliminary results have been positive. In April 2001, the County met its first Medi-Cal enrollment target of 950,000 under the waiver extension with several months to spare. The percentage of total PPP visits provided to children declined from 25 percent in 1999 to only ten percent in 2000.

## Lessons Learned

Although Los Angeles County has not conducted a formal evaluation of their efforts to increase insurance coverage of children, several lessons can be drawn from its experiences.

- **Coordinated outreach and enrollment efforts can increase coverage in publicly funded programs among low-income children.**

The first and most important lesson from the Los Angeles experience is that it is possible to significantly increase enrollment in Medi-Cal and Healthy Families through sustained outreach efforts. Low-income parents of uninsured children in a number of focus groups and surveys have indicated that they would not consider enrolling their children in Medi-Cal because of the “welfare stigma” and administrative hassles.<sup>28</sup> In spite of these negative perceptions, more than 110,000 children have enrolled in Medi-Cal in Los Angeles County. More research on the parents of newly enrolled beneficiaries is needed to better understand why they chose to enroll their children.

- **Although there has been some recent progress, the administrative complexity of Medi-Cal inhibits greater participation.**

According to county officials, many of the remaining barriers to enrollment result from state administrative decisions and not federal requirements or county practices. There are multiple bills pending in the state legislature that would address remaining barriers such as express lane eligibility, removing the assets test for parents, and further simplifying the application process.<sup>29</sup> County officials spend considerable energy advocating for policy

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<sup>28</sup> From more information on why parents do not enroll their eligible children in Medi-Cal, please see publications by The Kaiser Commission on Medicaid and the Uninsured (2000), Kaiser Permanente (1997), Medi-Cal Policy Institute (1999), UCSF Institute for Health Policy Studies (2001), and the UCLA Center for Health Policy Research (1999).

<sup>29</sup> Many advocates in California and nationally have pushed for the adoption of express lane eligibility, which would allow different Federal and state programs to share information about clients and potentially deem them eligible for programs to which they did not apply. Please see AB 59 for more information about the express lane eligibility proposal sponsored by LAUSD in the California Assembly.

changes in Sacramento that would facilitate enrollment. They are confident that the implementation of the Healthy Families waiver for low-income parents will spur greater enrollment among children once it is approved by CMS. Stakeholders in the county also are hopeful that the Health-E Apps on-line application system sponsored by the California Healthcare Foundation will reduce some of the administrative barriers to enrollment.

- **Accurate data can provide important baseline information about the target population.**

The importance of timely and accurate data to support planning cannot be overstated. DHS conducted countywide household telephone surveys in 1997 and 1999–2000. Using that data they were able to create a profile of uninsured children by age, race, income and geographic areas. Based on these estimates, the County established enrollment targets for each SPA. These health surveys were expensive to implement, but they have provided the county with valuable information on health insurance coverage, access to health care services, and health status of the population. This information continues to guide the department’s planning. In a county as large and diverse as Los Angeles, it also can be helpful to divide targets into smaller geographic units such as SPAs.

- **County agencies can provide a strong foundation to launch and sustain outreach and enrollment efforts, but they must build trusting relationships with community-based organizations to achieve success.**

Senior officials in the county, who led these efforts, had considerable experience and credibility working with community organizations. CMEP also engendered trust by incorporating community organizations into the decision-making process before funding became available. It also built on existing networks in communities such as churches and schools to implement its plans. In this case, coordination challenges stemmed from the number of agencies and organizations within and outside government that participated. These challenges were addressed through the creation of multiple action-oriented committees.

- **An evaluation of these actions is important to determine which ones are effective and which are not.**

This has been a complex endeavor developed over the course of four years. Different methods have been employed by multiple agencies to increase Medi-Cal and Healthy Families enrollment. In order to replicate this success in other counties or states, it is necessary to determine which activities or combination of activities was responsible. An impact evaluation would allow county officials to identify these elements. Further complicating matters is the fact that DHS and DPSS have not been able to share data between the agencies. They are not able to track the status of individual children as their application is processed. These data system limitations hamper future planning efforts.

- **Because of high turnover rates among outreach and enrollment staff, training efforts need to be ongoing.**

Due to low pay and lack of job security, outreach and enrollment staff leave the county and community agencies on a regular basis. In order to maintain institutional knowledge and

skills, DHS has contracted with the National Health Foundation's CHAMP program to provide training about public and private health insurance programs available to low-income children, including Medi-Cal, Healthy Families, Access for Infants and Mothers (AIM), California Kids, and Kaiser Permanente Cares for Kids. Recognizing that successful enrollment depends on the involvement of staff beyond eligibility workers, CHAMP will conduct training for volunteers, financial screeners, application assisters, agency line staff, and other interested parties.

## **Next Steps and Remaining Challenges**

- **Conducting an impact evaluation.**

A comprehensive evaluation of these outreach efforts is planned. The University of Southern California School of Public Policy and the County's internal research unit have begun this effort. The County has not yet conducted a financial analysis of its outreach and enrollment efforts. Logically, increased enrollment in Medi-Cal and Healthy Families should bring increased revenue to the county through monthly capitation payments. Many newly enrolled children do not choose the county as their health plan or primary care provider. Thus, these revenues are not captured in the county system.

- **Based on current Federal and state eligibility requirements, some children will not qualify for any of the programs offered.**

Despite significant progress, there are many remaining barriers to enrollment. The 570,000 children who remain uninsured are likely to be more difficult to reach and enroll than the 200,000 children who have enrolled during the past three years. Even if the County is fully successful in enrolling all eligible children, there will still be at least 50,000 children, who would remain uninsured. They are undocumented children and children in families with incomes above 250 percent of poverty. DHS is exploring the option of subsidizing premiums for these children through California Kids, a private insurance project targeting low-income children. California Kids enrollment is currently capped because there are insufficient resources to subsidize premiums. Recently, Kaiser Permanente launched KP Cares for Kids II, a pilot program in Los Angeles County, which markets heavily subsidized private insurance to low-income, undocumented children.

- **Another looming financial crisis for DHS could affect access to care for the newly insured children.**

DHS projects an operating deficit of \$985 million by 2004. If the funding crisis is not addressed, it could dramatically reduce the delivery of services to low-income indigent populations in the county. There may not be sufficient public providers available to provide care even if a child has health insurance through Medi-Cal and Healthy Families. In 1995–96, during the last financial crisis, patients with insurance stopped using county facilities, which left them with predominantly uninsured patients. Many insured patients did not return to county facilities after the crisis was resolved.



**Also available is the related publication, *A First Glance at the Children's Health Initiative in Santa Clara County, California, August 2001* (#2260)**

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