



MEMORANDUM

July 27, 2004

To: Honorable Edward A. Chow, MD, President and Members of the Health Commission
Through: Mitchell H. Katz, M.D., Director of Health
Through: Anne Kronenberg, Deputy Director of Health
From: Frances Culp and Jim Soos, Office of Policy and Planning
Re: Annual Children's Health Coverage Report

Following is the Annual Children's Health Coverage Report for 2004, which will be presented at the August 3, 2004 meeting of the Health Commission.

The Annual Children's Health Coverage Report highlights the past, present and future issues related to the three main programs available to children and youth ages 0 to 24 in San Francisco: Medi-Cal, Healthy Families, and Healthy Kids, and the new Healthy Kids expansion for 19- through 24-year-olds. These programs intersect to create universal health insurance coverage for children and youth in San Francisco living in low to moderate-income families. This report shows that 51,532 of San Francisco's 126,591 children and youth (41%) are enrolled in Medi-Cal, Healthy Families, or Healthy Kids. The expansion initiated by Mayor Newsom and approved by the Board of Supervisors is set to start in the winter of 2004.

The State has been dealing with unprecedented budget deficits, putting health and human services programs in jeopardy. Fortunately, many of the cuts to Medi-Cal and Healthy Families proposed by the State in FY 2004-05 were rescinded or modified to be less detrimental to families. However, one significant question mark remains: the State's proposed Medi-Cal Redesign. Though the impact of any restructuring to Medi-Cal will not be seen in the next fiscal year, there will likely be serious changes to the program by FY 2005-2006.

The good news, however, is that even with the dire budget situation, enrollment in the programs has grown and will continue to grow, particularly in light of the Healthy Kids expansion.

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I. Background

A. Program Summaries

1. *Medi-Cal History*

Congress created Medicaid in 1965 as a partnership between the federal and state governments. That same year, the California Legislature established the Medi-Cal program based on the federal guidelines. Like other Medicaid programs, Medi-Cal is funded through the State and federal governments. Each state's match rate is based on the Federal Medicaid Assistance Percentages (FMAP), and the rate for California is currently 47 percent State funds to 53 percent federal funds.

Although Medi-Cal is managed by the State of California through the California Department of Health Services (CA-DHS), the federal government establishes new requirements and monitors issues such as the delivery and quality of services, funding, and eligibility standards. The Centers for Medicare and Medicaid Services (CMS) oversees the program on the federal level. Each of California's 58 counties is responsible for administering the Medi-Cal program, including enrolling and disenrolling beneficiaries, and each county interprets State guidance on policies and procedures. In San Francisco, this is done by the Department of Human Services. More than 6.7 million Californians of all ages rely on Medi-Cal for their health coverage.

2. *Healthy Families History*

Congress created the State Children's Health Insurance Programs (S-CHIP) in 1997. In 1998, California established Healthy Families, the State's S-CHIP program. Healthy Families provides low-cost comprehensive health insurance to children and youth in low to moderate-income families. The S-CHIP match rate is 35 percent State funds to 65 percent federal SCHIP funding. The California Managed Risk Medical Insurance Board (MRMIB) has administrative responsibility for Healthy Families. Unlike Medi-Cal, counties have no administrative responsibilities.

3. *Healthy Kids History*

Healthy Kids is the San Francisco-only portion of universal health coverage for children and was developed jointly by the San Francisco Department of Public Health (DPH) and the San Francisco Health Plan (SFHP) in 2001. In FY 02-03, Mayor Brown and the Board of Supervisors approved a \$3.9 million General Fund allocation (including \$3.0 million from the Children's Baseline Budget – Proposition D) to support Healthy Kids. Enrollment began in January 2002, with coverage beginning February 1, 2002. For FY 03-04, SFHP received \$4.0 million in General Fund and \$860,000 in Proposition 10 support for the program. Despite the current budget crisis, Healthy Kids is proposed for full funding at \$5.9 million for FY 2004-05 with \$4.7 million committed in General Fund through Mayor Newsom's budget and \$1.2 million coming from the local and State Proposition 10 Commissions to fully cover the premium costs of the age 0 through 5 population. Healthy Kids continues to be a joint program of DPH and SFHP, with DPH providing funding and oversight, and SFHP providing coverage and benefits.

On September 30, 2003, Supervisors Newsom, Dufty, Ma, and Daly introduced Resolution 031635 urging DPH to advance universal health care coverage in San Francisco by extending health insurance coverage to uninsured young adults ages 19 through 24 through Healthy Kids. Since his election, Mayor Newsom has continued to pursue this expansion in spite of the City's severe budget crisis.

In response, DPH and SFHP developed a proposal to cover youth who are aging out of Medi-Cal, Healthy Families, or Healthy Kids, or who had aged out during 2004. This expansion will offer the same comprehensive medical, dental, and vision coverage as the current Healthy Kids program for the same cost to members, \$4 per member per month (pmpm). However, the monthly premium paid by the City will rise to \$132.37 for adolescents age 19 to 24 from the \$94.50 for children age 0 through 18 in the current Healthy Kids program as a result of higher utilization of services by this age group.

On July 13, 2004, the Mayor announced a \$1.9 million allocation for this expansion, which, pending California Department of Managed Health Care (DMHC) approval, will begin November 1, 2004. The cost of this program is expected to rise to \$4.8 million in FY 2005-06 and \$7.5 million in FY 2006-07 as additional individuals age out of one of the three programs and into the expansion program.

This health insurance expansion is consistent with Proposition J, which was passed by San Francisco's voters in 1998 and directed the City to explore the provision of universal health care to all San Franciscans. DPH and SFHP believe this incremental approach is a better option than opening a program to all income- and age-eligible residents because it:

- Represents a modest and sustainable commitment on the part of the City to extend coverage to young adults up through age 24, particularly in tight budget times.
- Targets scarce City dollars to young adults from low-to-moderate income City families, who are likely to be the ones most in need of the services.
- Encourages parents to enroll their children into coverage before the age-out deadline so that they may retain coverage into young adulthood.
- Promotes continuing relationship with providers for the most vulnerable young adults.
- Avoids "crowd out" by enrolling only young adults due to age out of one of the public programs. Those looking to switch from private or school-based coverage based on price would not be eligible to enroll.
- Mitigates concern about adverse selection because the eligible population is drawn from a pool that has aged out of previous insurance coverage and not from a pool that can select into coverage based on knowledge of its need for medical care.
- Encourages families and young adults to stay in San Francisco.

B. Eligibility by Program & Age

Eligibility for any of the publicly financed health insurance programs is determined by age, family income, and documentation/citizenship status. For Medi-Cal and Healthy Families, children must be either U.S. citizens or documented immigrants. Medi-Cal covers those children age 0 to 1 in families with incomes up to 200 percent of the federal poverty level (FPL), children age 1 to 6 in families with incomes up to 133 percent FPL, and children 7 to 18 in families with incomes up to 100 percent FPL. Healthy Families covers those children above Medi-Cal family income limits up to 250 percent of the FPL. Healthy Kids fills in the coverage gaps, insuring undocumented children age 0 to 19 in families with incomes from 0 percent to 300 percent of the FPL and U.S. citizen/documentated immigrant children from 250 percent to 300 percent of the FPL. Access for Infants and Mothers (AIM) covers children age 0 to 2 in families between 200 percent of the FPL and 300 percent of the FPL whose mothers are enrolled in AIM prior to their births; otherwise those children are eligible for either Healthy Families or Healthy Kids based on family income.

As Table 1 below shows graphically, programs are both mutually exclusive and seamless. Families do not choose which program they enroll their children in, but they are placed in a program based on family income, child’s age, and child’s citizenship/documentation status. At the same time, San Francisco guarantees that every child regardless of age or documentation in a family under 300 percent of the FPL is eligible for comprehensive medical, dental, and vision benefits. Table 2, on the following page, shows federal poverty income guidelines, which are based upon family size.

Table 1: Program Eligibility by FPL and Age

Age 21 – 25	Healthy Kids (Expansion)				
Age 19 – 21	Medi-Cal				
Age 7 – 18					
Age 1 – 6	Medi-Cal		AIM/Healthy Families		AIM/Healthy Kids
Age 0 – 1	Medi-Cal		AIM/Healthy Families		AIM/Healthy Kids
	100% FPL	133% FPL	200% FPL	250% FPL	300% FPL

Table 2: 2004 FPL by Family Size (Annual Income)

	Family Size				
Percent of FPL	1	2	3	4	5
100% of FPL	\$ 9,312	\$12,492	\$15,672	\$18,852	\$22,032
133% of FPL	\$12,384	\$16,620	\$20,844	\$25,080	\$29,304
200% of FPL	\$18,624	\$24,984	\$31,344	\$37,704	\$44,064
250% of FPL	\$23,280	\$31,236	\$39,180	\$47,136	\$55,080
300% of FPL	\$27,936	\$37,476	\$47,016	\$56,556	\$66,096

II. Program Updates and Changes

A. 2004-05 State Budget

Governor Schwarzenegger released his budget proposal in January, which included his initial proposals to fill a \$14 billion deficit. His ideas involved a combination of strategies, including \$4.6 billion in cuts with \$2.6 billion in Health and Human Services. By the release of the May Revise last month, many of the cuts to Health and Human Services that would have been most detrimental to children’s health coverage programs were rescinded. The Governor was able to abandon cuts in some areas as a result of the improving economy, and multi-year agreements with local governments

and higher education. An additional windfall of \$1.2 billion came from an amnesty program that let taxpayers avoid penalties if they paid taxes owed because they used illegal shelters.¹

The Governor's January budget proposal recommended the following significant cuts to children's health coverage programs that were withdrawn in the May Revise:

- Enrollment caps in Healthy Families, Medi-Cal for Immigrants, and California Children's Services (CCS).
- Medi-Cal provider rate reduction of 10 percent.

A sizable budget deficit remains for the State, however, and children's health coverage programs will be impacted. Specifically, the May Revise recommends that in FY 2005-06 there be additional Healthy Families cost sharing, proposing that monthly premiums for families with incomes from 201 percent to 250 percent of the FPL pay \$15 per child and \$45 for three or more children per month. (Currently these families pay \$9 per child and \$27 for three or more children.) This proposal replaces the Governor's January budget proposal to create a two-tiered benefit structure for Healthy Families. Under that proposal, families with incomes between 201 percent and 250 percent would have been forced to choose between paying the current lower premium for basic coverage that would exclude dental and vision or paying a higher premium for comprehensive coverage.

B. Medi-Cal Redesign

The Medi-Cal Redesign was first proposed in the January budget proposal, and is now in development by the State. Governor Schwarzenegger has said that he intends to seek federal approval to reform the Medi-Cal program in order to contain costs while retaining the State's commitment to providing necessary medical services to eligible low-income populations. The State plans to seek a federal Section 1115 Medicaid Demonstration Waiver, which would enable the State to use federal funds in ways that would not otherwise be permitted. Generally, states have implemented Section 1115 waivers to test strategies for expanding coverage. More recently, though, states have sought these waivers to reduce state spending by changing their Medicaid programs and using Medicaid or S-CHIP funds to refinance existing coverage. The types of reforms and changes being considered by the State represent fundamental changes to the Medi-Cal system.

Any changes to Medi-Cal will have a large impact on the State's residents. Medi-Cal provides health insurance to one in six individuals in California, including people with disabilities, low-income children and their families, and members of other vulnerable populations. Compared to other states Medi-Cal is cost-efficient coverage since California spends fewer Medicaid dollars per person than most other states. In fact, Medi-Cal accounts for a smaller portion of California's budget than the national Medicaid average (12.7% versus 16.0%). However, the State spends a significant amount of General Fund on Medi-Cal and is seriously concerned about the annual increases in the cost of the program. The State budgeted \$10.9 billion in FY 2003-2004 and is proposing to budget \$11.9 billion in FY 2004-05. (Any savings from the Medi-Cal Redesign would not begin until FY 2005-2006 at the earliest.)

The California Health and Human Services Agency (CHHS) published the following principles as a framework for the Redesign:

- Protect eligibility for those who are currently eligible;
- Maintain essential services and align coverage with the private sector;
- Continue services to children as a Medi-Cal priority;

¹ Halper, Evan and Salladay, Robert. "Budget Puts Off Tough Choices." Los Angeles Times May 14, 2004.

- Increase personal responsibility for certain categories of Medi-Cal beneficiaries by requiring them to share in the cost of services;
- Promote work participation by continuing coverage of the working poor and allowing people to continue to maintain Medi-Cal coverage while their work income increases; and
- Improve program effectiveness.

CHHS also published the following objectives:

- Simplify Medi-Cal eligibility;
- Implement a tiered benefit structure;
- Incorporate beneficiary cost-sharing;
- Expand organized delivery systems; i.e., managed care, disease management; and
- Identify new sources of federal funding participation and potential efficiencies in the system.

CHHS created a stakeholder process to provide an opportunity for a wide range of stakeholders to respond to concepts for change presented by the California Department of Health Services and to suggest Medi-Cal program and policy changes. The workgroups began meeting in March 2004. The stakeholder process involved the creation of five workgroups that were aligned with the above objectives. The following workgroups began meeting in March 2004:

- Aging and Disability Issues
- Benefits and Cost Sharing
- Eligibility Simplification
- Finance and Cost Savings
- Organized Delivery Systems and Managed Care

In April, DPH brought together City departments or agencies interested in Medi-Cal for a discussion about the Medi-Cal Redesign and how to best participate in the stakeholder process. DPH, the Department of Human Services, the Department of Aging and Adult Services, and SFHP agreed that attending each of the workgroup meetings was prohibitive due to travel requirements. (Meetings were held in Sacramento and Los Angeles and participants were strongly encouraged to attend all meetings in both locations.) The group also agreed that because of the large size of the meetings (meetings had an average of 104 in-person attendees) meaningful interchange was difficult. Instead, the group decided that it would work together to develop and submit the City of San Francisco's comments on the Medi-Cal Redesign (Attachment A). The letter focused not only on the City's concerns with increased cost-sharing for beneficiaries and other possible ideas for the Redesign, but also recommended creative ways to bring additional funds into the Medi-Cal program.

The Medi-Cal Redesign's stakeholder process has officially concluded and a report was released summarizing the outcomes entitled "Medi-Cal Redesign Stakeholder Report" (Attachment B). As part of the May Revise, the Governor released an update on the Medi-Cal Redesign process (Attachment C). The State's plan is to submit a waiver proposal and legislative bill language on August 2. According to the Medi-Cal Redesign update: "Submitting a separate proposal for the Legislature's consideration will allow the 2004 Budget Bill to move forward on schedule and will provide the Administration, Legislature and stakeholders the time necessary to fully explore and develop a comprehensive waiver proposal. In particular, the Administration intends to focus on the issue of hospital financing, which is central to supporting the State's safety net hospitals and to enabling broader reform in the Medi-Cal delivery system."

C. State Administrative Changes – New and Updates

1. *MRMIB Enrollment Contractor Vendor Transition*

On January 1, 2004, MRMIB transitioned from one enrollment subcontractor, Electronic Data Systems (EDS), to another, Maximus. Maximus took over the processing of applications through Single Point of Entry (SPE) and customer service related to applications. Unfortunately the transition was less than seamless. By March it was clear that a large number (specific numbers unknown) of applications received by the previous vendor in October, November and December had been lost in the transition. This problem with lost applications (which included checks from the families to pay for premiums) was attributed to the data changeover, and while a serious issue, has not impacted families applying after December 2003.

An ongoing problem reported to MRMIB regarding Maximus concerned the toll-free line for customer service. MRMIB reports that the new vendor has not been meeting toll-free line performance standards due to increased call volume. The result has been that callers receive a busy signal or that increased wait times, and after five minutes are forced into a voice mail system. This has increased caller frustration and complaints from callers and other stakeholders. According to MRMIB, the increased call volume is due to a number of issues, including:

- Vendor transition issues (e.g., data conversion problems, processing errors, etc.);
- Increased interest in the program due to California's economic decline;
- Questions about the Healthy Families enrollment cap proposed in the Governor's January budget;
- Elimination of application assistance funding; and
- CHDP Gateway implementation (see section IVB below).

MRMIB does not believe that the increased call volume seen in early 2004 necessarily indicates a lasting trend. However, they have instituted an action plan to address these issues and to improve telephone customer service.

2. *Health-e-App/One-e-App*

Health-e-App is the first fully automated Internet-based application in the United States designed to enroll children and pregnant women into a state's free and low-cost health insurance programs. One-e-App is a similar Internet-based application for Medi-Cal and Healthy Families, but is tailored to include local county-specific programs like San Francisco's Healthy Kids, and can be designed to include other entitlement programs such as WIC, food stamps, and General Assistance, among others. An online application allows a parent (through a home computer), a community-based application assistant, or a county eligibility worker to determine eligibility immediately and to identify the most appropriate form of health coverage for each family member, eliminating processing delays and multiple applications.

Though Health-e-App has been piloted successfully in San Diego County and is now being used with success in other counties throughout the State, it became clear that counties launching Healthy Kids programs would need a more inclusive application. Currently, San Mateo, Alameda, and Santa Clara counties are trying to get the One-e-App system to work in their counties. In October 2003, San Francisco applied for and received a California HealthCare Foundation grant to determine the financial feasibility of undertaking One-e-app locally. Although SFHP is the recipient of the grant, the DHS is the lead agency for this effort. DPH is working with DHS and SFHP to complete the work. Based on the outcome of this feasibility study and the three-county pilot project, DHS, DPH,

and SFHP will make a recommendation by early 2005 as to whether San Francisco should proceed with the purchase and installation of One-e-App locally.

3. *Parental Expansion – Healthy Families*

Despite CMS approval of California’s waiver request in 2002, parental expansion of the Healthy Families program is not scheduled to begin until at least July 2006. This is unchanged from plans announced under the Gray Davis administration prior to his departure from office in 2003. The reason for the delay is budgetary; the State does not have available the matching funds required to draw down the federal portion.

This waiver proposes to cover parents with incomes up to 200 percent of the FPL (a yearly income of \$31,344 for a family of three). This is lower than the level for children, whose eligibility extends to 250 percent of the FPL (a yearly income of \$39,180 for a family of three). When the waiver was first proposed, the State received an outpouring of written and verbal requests (including a request from DPH) to increase the maximum allowable family income to 250 percent of the FPL so that it would be the same for children and adults. In 2001, the State agreed to increase parents’ eligibility to match the children’s. Before this can happen, however, the State is required to submit and receive approval for a second federal waiver request in order to enroll parents at the higher income level.

4. *AB 495*

Assembly Bill (AB) 495, signed by then Governor Davis in October 2001, provides a mechanism for counties with locally funded children’s health care initiatives, like San Francisco’s Healthy Kids, to use local public funds in place of the State’s share of the S-CHIP match requirement. As with Healthy Families, the federal match rate is 65 percent to the County’s 35 percent. Under the auspice of MRMIB, the State began implementation of AB 495 in the summer of 2002, and submitted a State Medicaid Plan Amendment to CMS in March 2003. On June 10, 2004, after a series of questions back to MRMIB and the participating counties, CMS approved California’s State Medicaid Plan Amendment opening the door to federal funding for local Healthy Kids programs. With CMS approval, San Francisco will be able to submit retroactively to January 1, 2003 for reimbursement for U.S. citizen and documented immigrant children with incomes between 250 percent and 300 percent of the FPL. With roughly 20 percent of Healthy Kids enrollees estimated to be eligible, this represents approximately \$600,000 per year for San Francisco’s program.

D. Pending State Legislation

DPH tracked more than 100 State bills related to children’s health and Healthy Families and Medi-Cal programs. As this second year of the Legislature’s two-year session winds down, many of these bills have either been signed, vetoed or have died in the Legislature. Table three below shows those bills related to Medi-Cal for children or Healthy Families that remain pending in the Legislature.

Table 3: Pending State Bills Regarding Medi-Cal and/or Healthy Families

Bill Number	Author	Summary
CA AB 30	Richman	Requires the Managed Risk Medical Insurance Board to expand the Healthy Families program to provide coverage to employed childless adults of a qualified employer, who are uninsured for health care coverage and who meet certain household income requirements, subject to approval of a federal waiver and appropriation of state matching funds. Provides the conditions under which the program will be

		expanded to employed childless adults.
CA AB 343	Chan	Relates to assisting applicants for the Healthy Families Program. Specifies that no individual or organization may solicit or receive any compensation from an applicant or subscriber for offering or providing program application assistance. Makes a violation of this provision subject to a civil penalty that would be deposited into the Healthy Families Fund.
CA AB 1892	Haynes	Declares the intent of the Legislature to enact legislation relating to the Healthy Families Program.
CA AB 2307	Richman	Relates to the Child Health and Disability Prevention Program, the Medi-Cal Program, the Perinatal Services Program, and comprehensive clinical family planning services. Requires the department to implement a process that allows an applicant for licensure as a primary care clinic to be enrolled or certified or both, as a provider in those programs.
CA SB 29	Figueroa	Relates to Medi-Cal accelerated enrollment. Requires the department to implement each electronic enrollment within 12 months after the date upon which the conditions with respect to funding and sufficient staff have occurred. Provides for the Prenatal Gateway and the Newborn Hospital Gateway.
CA SB 323	Soto	Declares that is the intent of the Legislature to enact legislation that would establish a strategy for providing Medi-Cal beneficiaries with disease management programs and services.
CA SB 785	Ortiz	Authorizes the Department of Health Services to modify the Medi-Cal mail-in application form and single point-of-entry application form to inform applicants in counties served by managed health care plans of their option to enroll directly in a managed care plan and how they may exercise that option.
CA SB 1196	Cedillo	Authorizes the sharing of the school lunch program application for purposes of the Healthy Families Program and any other applicable county- or local-sponsored health insurance program if a pupil is determined to be ineligible for Medi-Cal coverage and if the parent or guardian has consented to the sharing of information.
CA SB 1783	Dunn	Eliminates the termination of the prohibition against California Children's Services covered services being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994. Extends the exception from that prohibition to include Medi-Cal managed care contracts entered into after August 1, 1994, for regional health authorities in the specified counties.

III. Enrollment, Disenrollment and Retention

A. The Application Process

Families apply for Medi-Cal, Healthy Families and Healthy Kids by completing an application and submitting documentation of their income, residency, immigration status, assets (for Medi-Cal) and a birth certificate (for Healthy Families) to verify citizenship. The application process varies:

- Medi-Cal: Parents may apply at the local DHS Medi-Cal offices, in person or by mail.
- Healthy Families and/or Medi-Cal: Parents complete the joint Medi-Cal/Healthy Families application and mail to MRMIB’s Single Point of Entry (SPE) processing unit (those deemed eligible for Medi-Cal are forwarded back to the county of origin for processing).
- Healthy Kids: Parents must enroll through a Certified Application Assistor (CAA). CAAs complete the Healthy Kids paper or online application and mail to SFHP.

The CHDP Gateway, which launched in 2003, now offers children a more streamlined enrollment process that leads to temporary enrollment in Medi-Cal and a chance to apply for permanent enrollment in either Medi-Cal or Healthy Families. Please see Section V of this report for more detailed information about the CHDP Gateway.

B. Enrollment Information

Medi-Cal, Healthy Families, and Healthy Kids intersect to create universal health insurance coverage for children and youth in San Francisco living in low-to moderate-income families. Table 4 shows that in 2004, 41 percent (51,532) of San Francisco’s children and youth are enrolled in one of these three programs. In 2001, the California Health Interview Survey (CHIS) reported that between 57 percent and 77 percent of San Franciscans in this same age range were covered through employer-based or other private health insurance. This indicates (though the CHIS data is several years old) that a majority of families were able to secure private health insurance for their children and that efforts toward universal health coverage for this age group have been successful.

Table 4: 2004 Enrollment of Ages 0 to 19 by Program Statewide and in San Francisco

	Medi-Cal Enrollment	Healthy Families Enrollment	Healthy Kids Enrollment	Health Programs Enrollment Total	Overall Population 0-19²
Statewide	3,246,196	692,798	n/a	3,938,994	10,200,983
San Francisco	36,839	10,901	3,792	51,532	126,591

² According to Census 2000 data.

C. San Francisco Enrollment Data – All Programs

1. *Enrollment by Ethnicity*

Table 5 presents health program enrollment by race and ethnicity as it compares to the total population in San Francisco.³ Medi-Cal enrollment is fairly evenly distributed among Latino (29%), Asian-Pacific Islanders (32%) and African Americans (27%). Healthy Families enrollment in San Francisco is strongest in the Asian-Pacific Islander population (72%). In San Francisco, Asian-Pacific Islanders have always made up the majority enrollment in Healthy Families. Asian-Pacific Islander enrollment comprised 73 percent of Healthy Families enrollment in June 2003, and 82 percent in October 2001. Among Healthy Kids members, a majority (61%) is Latino, with the second largest group (37%) being Asian Americans. This is not surprising, as Healthy Kids was designed to cover children who are ineligible for the other two programs due largely to their immigration status. While Healthy Kids does cover U.S. citizen and legal immigrant children, only those with incomes between 250 percent and 300 percent of the FPL are eligible, a very narrow band with few children.

When evaluating the enrollment by ethnicity of the three programs combined, designed to provide near-universal coverage for children in San Francisco, it is noteworthy that nearly 80 percent of African-American children are enrolled in public health insurance coverage. This is followed by Latino children at 52 percent, Asian-Pacific Islander children at 51 percent, and white children at 11 percent. In total, 42 percent of San Francisco's children are covered by one of the three public coverage programs.

³ In order to be consistent with the racial and ethnic categories presented by the various programs, it is necessary to use the most recent Department of Finance data rather than Census 2000 data for this section, though numbers are quite similar.

Table 5: Health Programs Membership by Race and Ethnicity (0-19 years old)

	Medi-Cal Enrollees	Healthy Families Enrollees	Healthy Kids Enrollees	Total Enrollment	% of Total Enrollment	Population San Francisco	% of Total Population Enrolled
Latino	10,678	1,584	2,287	14,549	30%	28,000	52%
Asian-Pacific Islander	11,816	7,746	1,405	20,967	43%	41,000	51%
African American	10,092	186	19	10,297	21%	13,000	79%
White	3,157	286	39	3,482	7%	33,000	11%
Totals^A	<i>35,743</i>	<i>9,802</i>	<i>3,750</i>	<i>49,295</i>	<i>100%</i>	<i>116,000</i>	<i>42%</i>

Table 6 highlights the enrollment by ethnicity of other Bay Area counties in Medi-Cal, Healthy Families and local initiatives. Several Bay Area counties, including Alameda, San Mateo, and Santa Clara have local coverage programs similar to San Francisco’s Healthy Kids. Like San Francisco, Alameda and Santa Clara show very high percentages of Latino and Asian-Pacific Islanders and low enrollment of African Americans in the Healthy Kids equivalent programs. This reflects the eligibility requirements of the programs, which allow undocumented children and youth to enroll in Healthy Kids, but not in Healthy Families or Medi-Cal.

⁴ Totals do not include “other” or “unknown” categories because these categories do not match across different programs, all of which conduct data collection differently.

Table 6: Enrollment by Ethnicity in Neighboring Bay Area Counties

County	Ethnicity	Alameda	San Mateo	Santa Clara	San Francisco
Medi-Cal	Latino	32%	61%	60%	30%
	Asian-Pacific Islander	17%	13%	22%	33%
	African American	34%	9%	5%	28%
	White	12%	12%	11%	9%
Healthy Families	Latino	36%	55%	49%	16%
	Asian-Pacific Islander	33%	19%	30%	79%
	African American	8%	2%	2%	2%
	White	7%	8%	7%	3%
Local Coverage Initiatives	Latino	54%	Unknown ⁵	84%	61%
	Asian-Pacific Islander	38%	Unknown	12%	37%
	African American	1%	Unknown	.3%	1%
	White	4%	Unknown	1%	1%

2. Enrollment by Neighborhood

Table 7 shows the enrollment distribution of children and youth in the different programs by neighborhood. The neighborhoods with the highest concentration of children enrolled in public programs are the Excelsior/OMI, the Mission/Bernal Heights, Visitacion Valley and Bayview.

⁵ San Mateo's Healthy Kids program has not, until very recently, tracked members by race/ethnicity.

Table 7: Enrollment by Neighborhood

	Medi-Cal	Healthy Families	Healthy Kids	Overall Distribution (All Programs)
Excelsior/OMI (94112)	4,331 (12%)	2,221 (20%)	739 (19%)	7,291 (15%)
Mission/Bernal Heights (94110)	4,815 (14%)	939 (9%)	818 (22%)	6,572 (13%)
Visitacion Valley (94134)	3,336 (10%)	1,385 (13%)	312 (8%)	5,033 (10%)
Bayview (94124)	4,883 (14%)	831 (8%)	297 (8%)	6,011 (12%)
Nob Hill (94109)	1,409 (4%)	494 (4%)	209 (6%)	2,112 (4%)
Sunset (94122)	1,191 (3%)	853 (8%)	183 (5%)	2,227 (4%)
Chinatown/North Beach (94133, 94120 & 94108)	2,116 (6%)	1,099 (10%)	154 (4%)	3,369 (7%)
Parkside (94116)	1,012 (3%)	838 (8%)	135 (4%)	1,985 (4%)
Tenderloin/Hayes Valley (94102)	1,502 (4%)	184 (2%)	163 (4%)	1,849 (4%)
Richmond (94121 & 94118)	1,672 (5%)	902 (8%)	199 (5%)	2,773 (6%)
South of Market (94103)	1,264 (4%)	222 (2%)	163 (4%)	1,649 (3%)
Park Merced (94132)	780 (2%)	354 (3%)	102 (3%)	1,236 (2%)
Western Addition (94115)	1,287 (4%)	99 (1%)	83 (2%)	1,469 (3%)
Potrero (94107)	816 (2%)	85 (1%)	31 (1%)	932 (2%)
West Portal (94127)	196 (.5%)	69 (1%)	26 (1%)	291 (1%)
Haight-Ashbury (94117)	631 (2%)	80 (1%)	41 (1%)	752 (2%)
Treasure Island	317 (1%)	9 (.1%)	10 (.3%)	336 (1%)
Noe Valley/Castro (94114)	191 (.5%)	75 (1%)	20 (1%)	286 (1%)
Other SF Zip Codes	3,310 (9%)	151 (1%)	107 (3%)	3,568 (7%)

3. Enrollment by Health Plan

Children enrolled in Medi-Cal, Healthy Families, and Healthy Kids are required to join a health plan. Medi-Cal and Healthy Families offer a choice of health plans; Healthy Kids is provided exclusively by SFHP.

As is shown in Table 8, even when enrollees are given a choice among several plans, more enrollees choose SFHP than other plans. SFHP has 54 percent of the Healthy Families enrollees (the same percentage as last year) and 73 percent of the Medi-Cal enrollees (an increase of seven percent from last year).

SFHP has consistently maintained a majority of members in these two programs. It is a notable achievement that SFHP, the small, local initiative health plan, continues to succeed in attracting and retaining a majority membership in both Medi-Cal and Healthy Families. However, there are ways in which each program builds a preference toward the local initiative plan. For Healthy Families, SFHP is designated the Community Provider Plan. This means that enrollees have more community providers to choose from in the network (providers they may well have been seeing before) and families receive a discount in the monthly payment. Should families not like their initial choice, Healthy Families allows them to switch plans during the first three months of enrollment and annually during open enrollment in June.

Additionally, SFHP is the “default” plan for Medi-Cal. This means that when a family does not actively choose a health plan after joining Medi-Cal, they will be enrolled in SFHP. Approximately 65 percent of all enrollees do choose a health plan; among those who choose approximately 65 percent choose SFHP.

In Medi-Cal, members may switch plans at any time. In addition, Medi-Cal members who are not required to choose a plan (aged, blind and disabled members) may leave a health plan at any time.

Table 8: Health Plan Enrollment (ages 0 to 19) by Program

	San Francisco Health Plan	Blue Cross	Kaiser	Health Net	Blue Shield
Medi-Cal	26,850 (73%)	9,989 (27%)	<i>not offered</i>	<i>not offered</i>	<i>not offered</i>
Healthy Families	5,869 (54%)	3,735 (34%)	580 (5%)	512 (5%)	197 (2%)
Healthy Kids	3,792 (100%)	<i>not offered</i>	<i>not offered</i>	<i>not offered</i>	<i>not offered</i>

4. Disenrollment/Retention

Keeping children enrolled in these programs is a challenge. Sometimes families drop out of the programs for good or neutral reasons – they get private insurance, they get higher paying jobs, the children age out of the program, or they move away. In most cases, families simply fail to respond to the annual renewal mailing.

Getting accurate and comparable data on retention rates in the program is a challenge in itself. (Definitions of “retention” vary.) For example, a report produced by MRMIB⁶ in 2000 notes that Healthy Families has a 76 percent retention rate, meaning that 76 out of 100 enrolled children retain

⁶ MRMIB, *Retention in the Healthy Families Program*. http://www.mrmib.ca.gov/MRMIB/HFP/Retention_HFPPPlan.html

coverage after one year. This compares favorably with retention rates in the private individual insurance market, which range from 60 to 76 percent. However, according to more recent findings, up to 40 percent of enrolled children lose Medi-Cal and Healthy Families after a year of coverage.⁷

Unfortunately, due to data system constraints, detailed information regarding disenrollments from Medi-Cal is not available. Healthy Families disenrollment data are available in detail by month. Table 9 shows how many children enroll and disenroll each month. Though this does not show where enrollees are in their year of eligibility, they may be losing eligibility during or at the end of the year. In the months between February 2003 and December 2003, when new enrollee numbers are compared to disenrollees, San Francisco had a net gain of 22 percent. The comparable statewide average net gain for this same time period is 21 percent. While San Francisco’s net gain has slightly improved since last year’s report, when it was 20 percent, the State’s net gain has declined from 35 percent last year to 21 percent this year. Though the reasons for this decline are unclear, a contributing factor is the lost applications during MRMIB’s application processing vendor transition. On average San Francisco lost 205 members per month, while gaining 265.

Table 9: Healthy Families Monthly Enrollment and Disenrollment

	Feb 2003	Mar 2003	Apr 2003	May 2003	Jun 2003	July 2003	Aug 2003	Sep 2003	Oct 2003	Nov 2003	Dec 2003
SF New Enrollments	230	272	292	256	305	297	211	300	273	255	229
SF Disenrollments	146	183	223	195	211	231	206	245	235	232	157

⁷ Finocchio, L, Horner, D., Lazarus, W., Testa, K., and Richards, J. *Children Falling Through the Health Insurance Cracks*. A publication of the 100% Campaign, a collaboration of Children Now, Children’s Defense Fund, and The Children’s Partnership, Jan. 2003: p. iv.

Locally, the Healthy Kids program has had a similar experience with retention as Healthy Families. Table 10 demonstrates that most children who are disenrolled are disenrolled during the Annual Eligibility Review (AER) process, meaning that families did not return the reenrollment package required to receive an additional year of coverage. Although the data do not indicate why families fail to return their children’s reenrollment information, possible explanations include moving out of county and obtaining coverage through another source.

Table 10 – Healthy Kids Disenrollment by Month

	Age Out	Move Out	No Payment	Dual Coverage	Voluntary	Failed to Complete AER	Total Disenrolled
May 2003	3		9			111	123
June	6	7				82	95
July	4		3	7		49	63
August	3		6			55	64
September	7	3		1		79	90
October	9		1			72	82
November	11	7				70	88
December	2	1				45	48
January 2004	11	4		2		105	122
February	20	7	7	1		106	141
March	13	8		3		120	144
April	11	4				92	107
Total	100	41	26	14	0	986	1,167

Despite the difficulties families experience with the AER process, table 11 shows that 70 percent of children that go through the AER process retain coverage after one year.

Table 11 – Healthy Kids AER Detail

	Children Due for Renewal	AER Approved (On Time)	Children Denied	No Response	Termed (No Response+ Denied)	Reinstated (AER Received After Deadline)	Total AER Members Retained (Approved+ Reinstated)	Member Renewal Rate
June 03	230	141	12	77	89	22	163	71%
July	176	127	2	47	49	14	141	80%
Aug	145	90	5	50	55	17	107	74%
Sept	180	100	8	72	80	27	127	71%
Oct	197	112	10	72	82	29	141	72%
Nov	189	121	5	63	68	13	134	71%
Dec	115	74	1	44	45	18	92	80%
Jan 04	326	221	16	89	105	20	241	74%
Feb	295	167	22	106	128	40	207	70%
March	298	173	10	85	95	38	211	71%
April	297	196	19	82	101	20	216	73%
May	378	241	17	76	93	N/A	241	64%
Total	1,268	777	68	349	417	98	875	70%

D. Medical Group Enrollment

Members of managed care plans are required to choose a primary care provider (PCP). Each of SFHP's PCPs is affiliated with a medical group (in some cases more than one), which offers a network of specialists and a local hospital. When parents choose a PCP for a family member, they are also joining a medical group, like the Community Health Network (CHN). CHN's provider network incorporates community-oriented primary care clinics, hospital-based clinics, San Francisco Community Clinic Consortium clinics, and independent affiliated providers. Table 12 shows all of the medical groups that work with SFHP, and the enrollment in each one by program. Given that enrollees choose their physician/medical group, it is notable that CHN has 36 percent of all SFHP

enrollment in Medi-Cal, Healthy Families and Healthy Kids, more than two times as many as any other medical groups working with SFHP.

Table 12: SFHP Medical Group Enrollment (all ages)

	Medi-Cal	Healthy Families	Healthy Kids	Total	Total by Percent
Community Health Network	11,272	1,398	2,125	14,795	36%
St. Luke's Medical Group	5,344	427	484	6,255	15%
NEMS Medical Group	4,372	2,053	345	6,770	17%
Chinese Community Health Care Association	3,586	1,762	571	5,919	14%
UCSF Medical Group	3,926	249	226	4,401	11%
Kaiser	2,722	<i>not offered</i>	<i>not offered</i>	2,722	7%

Table 13 shows membership (including Medi-Cal, Healthy Families and Healthy Kids) among the CHN providers by type of practice. As of May 2004, a total of 20,980 members of health plans (including SFHP and Blue Cross) were assigned to CHN PCPs. Of those, 53 percent (11,084) were aged 0 to 18. The table below shows to whom these members were assigned by type of practice.

Table 13: CHN Members (SFHP and Blue Cross) 0-19 Years Old by PCP Location

	Enrollees 0-19 years old	Percentage
Hospital-Based Clinics	4,385	40%
DPH Community Clinics	2,798	25%
Consortium Clinics	2,648	24%
Affiliated Providers	1,253	11%

IV. Outreach, Enrollment and Retention Efforts

A. State Efforts

Beginning in FY 2002-03, State budget cuts began dismantling the outreach, enrollment and retention efforts. Funding that used to be set aside for enrollment and outreach activities was deleted from the budget. Effective July 1, 2002, all advertising campaigns, all outreach contracts with community-based organizations (CBOs), and all payments for enrollment assistance were cancelled.

To mitigate impact on outreach efforts, the State contracted with two additional organizations to train CAAs. These contractors helped the State to reduce the training request backlog and trained CAAs in the Los Angeles area and more rural Northern California counties. These contracts expired on June 2003. To sustain CAA training in the absence of state funding, MRMIB solicited CAA master trainers from enrollment entities. Interested organizations now provide training to potential CAAs at no cost to the State.

As a consequence of these changes, fewer families receive application assistance. Two years ago, 60 percent of the applications received were from families helped by CAAs. Last year, only 50 percent of the applications received were from families helped by CAAs. The consequences of this are that more applications and annual renewals are deemed ineligible by the State.

B. CHDP Gateway

The Child Health and Disability Prevention (CHDP) program is a health promotion and disease prevention program serving California's infants, children and teens. Children eligible for CHDP services are from low-income families making less than 200 percent of the FPL. CHDP provides periodic preventive health services.

In 2003, the State created the CHDP Gateway as a way to get all children eligible for comprehensive health coverage programs enrolled thus eventually reducing the reliance on CHDP. The CHDP Gateway launched in July 2003 is a computerized program located in each CHDP provider office or clinic. It allows providers to temporarily enroll families into Medi-Cal for 60 days. Within this time period, the State mails families the joint Medi-Cal/Healthy Families application with instructions to complete the application to be permanently enrolled. In San Francisco efforts have been made to capture families at the provider office or clinic to encourage them to complete the application onsite. This allows not only for families to be helped in the application process, but also allows Healthy Kids applications to be given to families who would not otherwise be made aware of this program.

Since its launch in July 2003 through March 2004, the CHDP Gateway in California has processed temporary Medi-Cal enrollment for 474,677 children. San Francisco has enrolled 3,945 children in temporary Medi-Cal (with an average per month of 394.5). Of these, 3,101 children (79%) were sent a joint application. The remaining 21 percent were not mailed applications because the parents asked to not be sent an application.

The State has found that approximately 14 percent of those sent an application are later enrolled in Medi-Cal or Healthy Families through the Single Point of Entry. Local data show that San Francisco's enrollment through the Gateway, at 14.5 percent, is very similar to the State's average. Therefore, we can assume that 450 children were enrolled through the Gateway in the last year. In addition to these 450, more children were enrolled through the local Medi-Cal office (though specific data are not available). This happens because staff from SFHP, CHDP and the local DHS Medi-Cal office created a collaborative system among major CHN sites to allow for processing of Medi-Cal applications without going through Single Point of Entry.

C. Local Efforts

1. *SFHP Efforts*

Throughout FY 2003-04, SFHP has continued its outreach and enrollment efforts, particularly for the Healthy Kids program, but also as part of a larger message of "universal coverage for all children," thereby enrolling children into Medi-Cal and Healthy Families as well as Healthy Kids. Since enrollment into Healthy Kids began in January 2002, SFHP has consistently enrolled more

than 50 percent of the enrolled children into the Healthy Kids program. In FY 2003-04 to date, SFHP has pursued a number of outreach avenues, including:

- **Outreach in the schools as the new school year began.** SFHP participated in the San Francisco Unified School District's (SFUSD) annual Open Enrollment where children who are new or transferring come to a specified SFUSD site to enroll and get their shots. This has proved to be an ideal location for SFHP application assistance as families are coming with most of the required documentation and usually face a long wait for their school appointment, so they have time to apply on site or set up an appointment. At this year's event, SFHP assisted 91 uninsured children into one of the three public programs. In addition, this event serves to open doors for future school-based activities including invitations to do Healthy Kids presentations at back-to-school nights and PTA meetings.
- **Outstations and enrollment events at DPH and community clinics.** During FY 2003-04, SFHP expanded its outstation activities, and is now outstationed at SFGH, St. Luke's Hospital, Excelsior Clinic, and Mission Neighborhood Health Center. Outstations at Castro-Mission and Silver Avenue Health Centers were dropped due to the low numbers of uninsured children referred. However, periodic enrollment events at these clinics have been very successful. During the first three quarters of the fiscal year, a total of 774 children were assisted at one of these outstations.
- **Coordinating with the CHDP Gateway.** SFHP has been working with the CHDP staff and Medi-Cal CHDP liaison to streamline the Gateway process. A collaborative workgroup was formed to assist providers with the new Gateway. The workgroup co-sponsored a conference in early 2004 for providers and CHDP front-line staff to train and educate them on the new process and to share best practices and resources – all with the goal of creating a seamless process to identify and directly enroll uninsured children.
- **Media coverage through newspapers, television, and radio.** Newspaper coverage has included *Sing Tao*, *Chinese Newcomer*, *World Journal*, *International Daily News*, and *San Francisco Chronicle*. Television coverage has included stories on KRON (Channel 4 – independent), KGO (Channel 7 – ABC), KNTV (Channel 11 – NBC), Channel 29 TV Health Matters, Telemundo, and Univision. Radio coverage has included KSOL, KVTO, Radio Unica, 1450 Chinese Radio, and Sincoast Radio.
- **Community events throughout San Francisco.** SFHP has participated in a number of community events, including an enrollment event at Albertson's grocery store in the Richmond, Latino Behavioral Health Fair, Russian Consulate enrollment event, Chinese Newcomer Center, Asian Pacific American Community Center, the Bi-National Health Week event, Chinatown Health Fair, and Instituto Familiar de la Raza enrollment event.
- **Two-year anniversary events held in January in Chinatown and the Mission.** Overall, 105 children were assisted with applications at these two events.
- **Participation in the national "Cover the Uninsured Week" the week of May 10, 2004.** In addition to participating in many of the week's events, SFHP co-sponsored and coordinated an enrollment event on Sunday, May 16 at Charity Cultural Services Center in Chinatown.

2. *Bringing Up Healthy Kids (BUHK) Coalition*

BUHK is a public-private partnership, which includes providers, government entities (including DPH), health advocates, and social service agencies. The Coalition strives to ensure the health and well-being of San Francisco children, youth, and their families by advocating and promoting health

care coverage and appropriate access to health care services for those without coverage. BUHK is the only entity working in this capacity in San Francisco, as a collaborative with contacts throughout the City and an established outreach program that involves several community-based organizations.

The outreach program is known as the Family Centered Collaborative and involves several community-based organizations, which provide outreach, enrollment, advocacy and retention services. In the past, when the Family Centered Collaborative was fully funded there were five organizations involved including Visitacion Valley Community Center; California Association for Health, Education, Employment and Dignity (CAHEED); the Mission Neighborhood Health Center (MNHC); NICOS Chinese Health Coalition; and Bay Area Legal Aid.

In FY 2002-2003, the State terminated all outreach contracts for CBOs, but since then BUHK has managed to find alternative sources of funding allowing NICOS and MNHC to continue their outreach efforts. The United Way has funded BUHK for \$50,000 in FY 2003-2004 and \$45,000 in FY 2004-05. From May 2003 to April 2004, NICOS and MNHC worked with 885 families to complete applications for 1,548 children.

V. Quality Assurance

A. HEDIS Rates

The main method that health plans use to evaluate the quality of care members receive is through the Health Plan Employer Data and Information Set (HEDIS). Like other health plans, each year, SFHP examines its HEDIS scores to evaluate its effectiveness in delivering key primary and preventive services. Table 14 below shows the 2004 HEDIS Rates for each Medi-Cal, Healthy Families, and Healthy Kids.

Significant this year is the inclusion of rates for Healthy Kids for the first time due to the time lapse required to collect sufficient data on utilization for a new line of business. Through its contracts with California DHS and MRMIB, SFHP reports audited HEDIS rates for Medi-Cal and Healthy Families. It monitors unaudited HEDIS-like rates for Healthy Kids. Access to Primary Care Providers (PCPs) is measured by administrative data for all SFHP child members. Well-child and well-adolescent rates are measured by supplementing administrative data with chart review for Medi-Cal and Healthy Families members. For Healthy Kids, chart reviews were conducted by taking the average of the increase that resulted from doing chart reviews for the two other programs.

Table 14: 2004 HEDIS Rates for SFHP Lines of Business

	Medi-Cal	Healthy Families	Healthy Kids
Children's access to PCPs 12-24 mo olds	92.7%	98%	96.7%
Children's access to PCPs 25 mo – 6 yr olds	83.8%	91.8%	81.7%
Children's access to PCPs 7-11 yr olds	82.4%	94.3%	90.5%
Children's access to PCPs 12-19 yr olds	79.5%	85%	88%
Well-Child Visit	77.0%	74.3%	62.9%
Well-Adolescent Visit	50.9%	38.4%	31.9%

Overall, these figures reveal that members have access to and are utilizing the services of their primary care providers. Healthy Kids' lower rates of well-child and well-adolescent visits probably demonstrate a lack of experience on the part of members with a managed care system; people, particularly those new to the U.S. health care system, are unaccustomed to taking a child who is not sick to a doctor. These rates are in fact consistent with SFHP's early experience with Healthy Families and Medi-Cal. As SFHP's quality improvement takes hold, and people begin to appreciate the value of prevention and their relationship with a primary care provider, rates for those "well visits" should increase as they have for Medi-Cal and Healthy Families.

B. Healthy Kids Member Satisfaction Survey

"You don't know what a relief it is to know that my kids have a comprehensive health plan. For my own piece of mind, it is great. For their health, it is the greatest!" –a Healthy Kids parent

In April 2004, SFHP mailed surveys in English, Spanish, and Chinese, depending upon household language, to 1,261 Healthy Kids households who were new to the Healthy Kids program anytime between January and December 2003. A total of 440 responses were received representing a 35 percent response rate. The survey queried families about satisfaction with the plan and its providers, and also asked about enrollment, coverage gaps, and program improvements.

A complete copy of the survey results is attached (Attachment D). Highlights include:

- At least 95 percent of respondents (98% English, 96% Spanish, and 95% Chinese) found it easy to enroll their child in the Healthy Kids program.
- More than 90 percent of families who utilized services were happy with the services they received (96.1% for doctor or clinic, 92.0% for dentist, 90.4% for optometrist, and 98.3% for SFHP customer service). All of these scores represent improvements over the 2003 survey.
- Thirty six percent of respondents said their children were without health coverage for at least one year. Forty two percent were without coverage for less than three months. The remainder (22%) was without coverage for between three and 12 months.

- More than half (81% Spanish, 53% English, 52% Chinese) of parents of Healthy Kids members are themselves without coverage.
- Low cost and good customer service were the number one or number two things respondents in each language liked most about Healthy Kids.
- The one thing most respondents wanted to see changes included expansion of the program to parents or individuals over age 19, improvements or expansions to benefits (e.g., orthodontia, pharmaceutical formulary), and expansion of the provider network.

C. Healthy Families Consumer Survey

In January 2004, MRMIB released the results of its Healthy Families Consumer survey for SFHP. Through its contractor, DataStat, MRMIB conducted a random sample of 900 families of children enrolled in Healthy Families through SFHP continuously for at least six months as of June 30, 2003. Families were surveyed in Chinese, English, Korean, Spanish, and Vietnamese by mail with telephone follow-up between September 25, 2003 and December 8, 2003. Complete interviews were obtained from 466 members, and the overall response rate for SFHP was 56 percent.

Areas of strongest performance for SFHP include:

- No problems with delays in child's health care while awaiting approval (93.9%)
- Did not call or write to health plan with complain or problem (93.9%)
- No problem with paperwork for health plan (93.0%)
- One week or less to resolve complain (91.3%)
- Complaint or problem settled satisfactorily (87.0%)

Areas of weakest performance for SFHP include:

- Child usually or always got care needed for an illness/injury as soon as wanted (78.4%)
- Overall rating of personal doctor or nurse (74.1%)
- Overall rating of health care (71.1%)
- Overall rating of specialist (57.7%)

Of note, all of the areas of strongest performance for SFHP concern operational issues internal to SFHP, while areas of weakest performance are related to care provided by the provider network.

D. Medi-Cal Consumer Survey

There was no Medi-Cal Consumer survey performed this past year.

VI. Challenges and Next Steps

A. Outreach and Retention

Outreach and retention continually pose a challenge, especially during times of budget crisis. With these challenges, however, San Francisco managed to increase overall enrollment for children and youth in these programs by 17 percent since this same time last year. Regardless of this success, it requires constant effort to find eligible but unenrolled families and to keep currently enrolled families from losing coverage.

As noted in Section IV A of this report, the State has essentially dismantled the outreach and enrollment assistance system. Previously, MRMIB and CADHS funded individuals and entities in their enrollment efforts. Funding from the State no longer exists, thus private funding is in high

demand. This has had an impact on enrollment. In just one year there was a 10 percent increase in the number of families sending in Healthy Families applications without the assistance of a CAA. In 2002, 45 percent of the denied Healthy Families applications were incomplete, meaning the families sent them in without properly completing the paperwork. These children are then denied coverage, though they may actually be eligible for the program. In 2003, the percentage of incomplete applications increased to 54 percent. Local, community-based efforts are needed to help counteract this situation.

B. Medi-Cal Redesign

The Medi-Cal Redesign is moving forward and may present some real problems to families currently eligible for, or covered by, Medi-Cal. Though it is attractive to consider a more streamlined and efficient Medi-Cal, many of the State's ideas may lead primarily to a more restrictive Medi-Cal. Under a comprehensive Section 1115 waiver, the federal government requires a state to demonstrate budget neutrality. That is, federal Medicaid spending under the waiver must not be any higher than it would have been in the absence of the waiver. (This requirement even applies to waivers that do not propose to expand Medicaid coverage to new populations or benefits.) The chief concern with the budget neutrality requirement is that it would place a limit on the federal Medicaid funds available to the state for the entire Medi-Cal program over the next five years. Any loss of federal funding would be seriously detrimental to the health care safety net on the State and local levels.

San Francisco City departments weighed in collectively on the most problematic proposals shared by the State regarding the Medi-Cal Redesign and also shared ideas to maximize resources. At this time, it will be important to continue to follow the process closely and support efforts to improve the program. The State plans to release its Redesign proposal on August 2, 2004.

C. Improving Quality

Over the past several years, SFHP has had an aggressive quality improvement program. Quality improvement committees monitor the quality of care and services, and pursue opportunities for improvement. The committees include Governing Board members, staff, plan members, and providers. Use of primary and preventive services is the heart of SFHP's quality improvement program. Efforts to provide measurable improvements to quality begun in recent years that will continue include:

- Promoting childhood immunization
- Promoting well-baby, well-child, and well-adolescent visits
- Improving asthma care
- Providing initial health assessments

D. Healthy Kids Expansion

Expansion of Healthy Kids to the 19 through 24 year-old population provides another exciting opportunity to reach San Francisco's goal of universal coverage to its residents. This new program, as yet unnamed, will provide the same benefit and member share-of-cost structure as the current Healthy Kids program. It appears that this is the first initiative of its kind in the U.S.

As the planning and implementation continue, tremendous effort, particularly on the part of SFHP, will be required to get it up and running. While the plan call for enrollment to begin November 1, 2004, that is dependent upon State Department of Managed Health Care (DMHC) approval of the material modification of SFHP's Knox-Keene license. In addition to receiving State approval, SFHP will need to negotiate provider contracts, develop a marketing and outreach plan and

materials, and make internal changes to its information technology (IT) and other systems to accommodate this program expansion. With Mayor Newsom's July 13, 2004 announcement of the program, all of these efforts are underway.

E. Program Funding

Funding for these programs, particularly the local Healthy Kids and Healthy Kids expansion will continue to be challenging. The Department, along with SFHP will be working to ensure adequate funding through City and County General Fund, the local and State Proposition 10 Commissions, and federal S-CHIP (AB 495). In addition, the Department and SFHP will continue advocacy efforts to continue adequate funding for the Medi-Cal and Healthy Families programs.

F. Access

Patient access will continue to be of concern, particularly if the size of the network does not increase, and if Department services, community clinics, and other safety net providers continue to face cuts. It is notable that in 2003 SFHP did not pass along the five percent Medi-Cal provider cut it received and also distributed \$800,000 to local providers through its Access Enhancement Fund. The Access Enhancement Fund was established to disburse the proceeds of a one-time settlement of a dispute with the State. The Children's Health Center at SFGH was the recipient of \$135,000 from the fund to continue its weekend and evening services, designed to enhance access for working families.

G. Increases to the Healthy Families & Healthy Kids Premiums

As a part of FY 2004-05 State Budget, the Governor has proposed an increase in the premiums that families pay for Healthy Families for those children in families at or above 200% of the FPL. His proposal calls for raising the premium from \$9 per child per month (\$27 maximum per family per month) to \$15 (\$45 maximum per family). As the Community Provider Health Plan, members of SFHP currently pay only \$6 per child per month (\$18 maximum per family). The Governor's proposal does not address this, however it could reasonably be expected that if premiums rise for the commercial plans, they will rise for the Community Provider Plans as well.

If this proposed increase is accepted as part of the State Budget package (it has been rejected by the both budget committees, so its fate is unclear), SFHP will need to reevaluate the premiums it charges for Healthy Kids as well. Once the Healthy Families premium issue has been decided through the budget process, DPH staff will work with SFHP staff to craft a proposal for changes to the premium structure to be brought back to the Health Commission.