THE URBAN INSTITUTE

How Far Can the Healthy Kids Program Go in Closing Coverage Gaps for Children in Los Angeles County?

A Baseline Analysis With the 2002/2003 Los Angeles County Health Survey

Children's Health Initiative of Greater Los Angeles

Prepared for:

The California Endowment

Prepared by:

Genevieve Kenney
Joshua McFeeters
Justin Yee

October 3, 2006

How Far Can the Healthy Kids Program Go in Closing Coverage Gaps for Children in Los Angeles County?

A Baseline Analysis with the 2002/2003 Los Angeles County Health Survey

Executive Summary

One in every ten children in Los Angeles County lacked health insurance coverage in 2002/2003. This brief uses L.A. County Health Survey data to assess how these children could be reached. Findings suggest that the Healthy Kids Program and L.A.'s Children's Health Initiative have the potential to substantially reduce uninsurance rates for L.A.'s children without eroding private coverage. A renewed push to enroll more children in public health programs could also reduce the uninsurance rate variations — especially with respect to citizenship status.

Results

Variations in Uninsured Rates

- ***Citizenship status.*** Fully 42 percent of the non-citizen children were uninsured compared to 7.3 percent of citizen children. Children whose parents were interviewed in a language other than English and those whose parents were born outside of the U.S. or were not citizens were uninsured at higher rates than other children.
- ***Children's age.*** Uninsured rates for children age 5 or younger were about half the size of the rates found among school-age children.
- ***Income.*** The uninsured rate among children living below the federal poverty was 16.3 percent compared to 1.3 percent for children with family incomes above three times the poverty line.
- ***Parent's Mental Health.*** Children living with parents who reported feeling depressed were more likely to be uninsured than other children.
- ***Children's Health Status.*** Nearly 7 percent of children in excellent health lacked insurance while 16 percent of those in fair or poor health had no coverage.
- ***Location.*** Children in the Metro and South Service Planning Areas (SPAs) appear to have the highest uninsured rates within L.A. County while children in the West SPA have the lowest rates, likely due to socio-economic factors.

Healthy Kids' Potential Reach

- Fully 93 percent of uninsured non-citizen children could have qualified for Medi-Cal or Healthy Families based on low-income. Undocumented children denied coverage before would now qualify for the Healthy Kids program, particularly those ages 5 or younger.
- About 83 percent of uninsured citizen children could have qualified for Medi-Cal or Healthy Families based on low-income. Those at slightly higher incomes can now qualify for Healthy Kids.

THE URBAN INSTITUTE

Reasons Uninsured Children Ages 0-17 Are Not Enrolled in Public Programs in L.A. County, 2002/2003

	Share of Uninsured Children	Share of Uninsured Citizen Children^	Share of Uninsured Non-citizen Children
Currently Uninsured: Have Tried Applying			
Yes	41.9%	44.0%	38.3%
No	57.4%	55.2%	61.1%
Don't Know	0.7%	0.8%	0.6%
Sample Size	*566*	*381*	*183*
AMONG THOSE WHO TRIED APPLYING, REASONS CHILD NOT ENROLLED			
Forms too Complicated			
Yes	30.7%	30.1%	32.1%
No	61.0%	64.6%	53.1%
Don't Know	8.3%	5.3%	14.8%
Was Told Child Not Eligible			
Yes	50.1%	44.2%	63.2%**
No	43.8%	49.5%	31.2%
Don't Know	6.1%	6.3%	5.6%
Language Barriers[1]			
Yes	51.7%	53.0%	50.0%
No	45.0%	44.3%	45.9%
Don't Know	3.3%	2.7%	4.1%
Able to Complete the Application			
Yes	63.8%	68.4%	53.6%*
No	34.1%	29.2%	45.1%
Don't Know	2.1%	2.5%	1.3%
AMONG THOSE WHO DID NOT TRY APPLYING, REASONS DID NOT APPLY			
Child in Good Health and Didn't Need Insurance			
Yes	42.8%	42.1%	44.9%
No	53.7%	54.4%	51.6%
Don't Know	3.5%	3.5%	3.6%

Executive Summary

	Share of Uninsured Children	Share of Uninsured Citizen Children^	Share of Uninsured Non-citizen Children
Thought Medi-Cal or Healthy Families was Not a Good Program			
Yes	19.8%	18.7%	22.0%
No	70.6%	71.3%	69.8%
Don't Know	9.7%	10.0%	8.3%
Afraid Immigration Status Might be Affected			
Yes	26.0%	14.3%	46.9%**
No	71.2%	85.5%	46.8%
Don't Know	2.8%	0.2%	6.4%
Didn't Know Where to Go or Apply			
Yes	49.5%	42.3%	61.1%
No	49.1%	55.4%	38.9%
Don't Know	1.5%	2.3%	---
Didn't Think They'd be Treated Fairly at Medi-Cal/HF Office			
Yes	25.9%	23.9%	28.9%**
No	66.0%	68.0%	62.6%
Don't Know	8.1%	8.1%	8.4%
Could Afford to Pay Health Care as Needed			
Yes	35.5%	36.8%	32.9%
No	59.4%	59.1%	60.0%
Don't Know	5.2%	4.1%	7.1%
Didn't Think Child Was Eligible			
Yes	40.1%	35.2%	49.3%*
No	50.9%	54.8%	44.3%
Don't Know	9.0%	10.0%	6.4%
Didn't Apply because Other Children in Family Weren't Eligible			
Yes	24.5%	20.1%	32.7%*
No	66.0%	71.2%	56.3%
Don't Know	9.5%	8.8%	11.0%

Source: Urban Institute calculations of the 2002/2003 Los Angeles County Health Survey.

Notes: Public Health Insurance: Medi-Cal for adults, Medi-Cal and Healthy Families for children.

[1] Only respondents who were interviewed in a non-English language received this question.

^ Tests of significance performed on respondents who answered yes to the question, by citizenship status with "Citizen Children" as the reference category.

* $p < .05$; ** $p \leq .01$

How Far Can the Healthy Kids Program Go in Closing Coverage Gaps for Children in Los Angeles County?

A Baseline Analysis with the 2002/2003 Los Angeles County Health Survey

Acknowledgements

The authors appreciated the assistance provided by Susie Baldwin, Amy Lightstone, Gigi Mathew, and Cheryl Wold at the Los Angeles County Department of Public Health and the suggestions of Ian Hill of the Urban Institute, Michael Cousineau of USC, Will Nicholas of First 5 LA, and Astrid Hendricks and Bonnie Midura of The California Endowment.

THE URBAN INSTITUTE

I. Introduction

According to the Los Angeles County Health Survey, one in every ten children in Los Angeles County — about 270,000 children — lacked health insurance coverage in 2002/2003 (LA Health Department of Health Services 2004). Concerns about the access problems experienced by these uninsured children and the concentration of coverage problems among undocumented children (Jhawar et al. 2004) led to the launch of the Healthy Kids program in Los Angeles County in July 2003. The Healthy Kids program was designed to cover low-income uninsured children who do not qualify for Medi-Cal or Healthy Families — i.e, undocumented children with family incomes below 300 percent of the federal policy level (FPL) and citizen and documented children with family incomes between 250 and 300 percent of the FPL. It extended coverage to uninsured children ages 5 years or younger in July 2003 and to children ages 6 to 18 ten months later in May 2004. In June 2005, however, a moratorium was placed on new enrollment in the older age category due to funding shortfalls.[1] Along with the Healthy Kids program, Los Angeles County invested in new outreach and enrollment assistance efforts through a broader Children's Health Insurance Initiative (CHI) aimed at increasing participation among uninsured children who were already eligible for coverage under the existing Medi-Cal and Healthy Families programs in the state.

It has been three years since the launch of the Healthy Kids program. In that time, enrollment in the new program has grown to 42,600 ("Los Angeles Healthy Kids Evaluation, Semi-Annual Process Monitoring Report: Third and Fourth Quarters 2005" 2006). While no definitive information is available, it appears that the outreach component of Healthy Kids may be leading to higher enrollment in other programs, since 80 percent of the applications completed by outreach workers are for children who appear to be eligible for Medi-Cal or Healthy Families.[2]

This brief uses the L.A. County Health Survey (LACHS) to examine coverage patterns in 2002/2003 prior to the roll out of the Healthy Kids Program, and to assess what would be required to dramatically reduce uninsurance among children in L.A. County. Subsequent issue briefs will examine the 2005 LACHS data to quantify the extent to which the Healthy Kids program and the broader Children's Health Initiative have begun to reduce uninsurance among Los Angeles County children. In this brief, we use the LACHS to assess how uninsured rates varied across different subgroups of children in the county, whether there appeared to be particular groups of uninsured children who appeared harder to enroll in the Medi-Cal/Healthy Families programs, which enrollment barriers limited participation in public programs, how these efforts might reduce the number of uninsured children in the county and the extent to which they may substitute for employer-sponsored coverage.

This analysis is part of the Healthy Kids Program Evaluation, a four-year effort directed by The Urban Institute, which is supported by First 5 LA and The California Endowment. The evaluation has multiple components, including case studies, focus groups and a longitudinal survey of enrollees. The link to studies already published as part of the evaluation is http://www.first5la.org/ourprojects/healthykids.php4.

II. Results[3,4]

Variation in Uninsured Rates for Children.

Table 1 shows how insurance coverage patterns (i.e., uninsured, public and private coverage rates) vary for different subgroups of children in the county, and Table 2 shows how the composition of the uninsured varies with respect to these subgroups. Overall, 10.1 percent of all children age 17 or younger lacked insurance coverage at the time of the survey (Table 1).[5] However, uninsured rates varied with the citizenship status, race/ethnicity, health status, age of the child, the family's income, the respondent's background (i.e., citizenship status, birthplace, and interview language) and mental health status.

Table 1. Insurance Coverage Distribution of Children Ages 0-17 in L.A. County, Overall and by Key Characteristics, 2002/2003

	Uninsured %	Public Insurance %	Private Insurance %
Family Income			
0 to 99% FPL	16.3%**	63.4%**	20.4%**
100% to 199% FPL	14.4%**	47.0%**	38.6%**
200% to 299% FPL^	6.4%	17.1%	76.5%
300% and above	1.3%**	2.6%**	96.2%**
Age			
0-5	5.7%**	40.6%**	53.7%**
6-11	11.1%*	36.1%**	52.8%**
12-17^	13.3%	26.8%	59.8%
Race-Ethnicity			
Latino	13.8%**	44.5%**	41.7%**
White^	3.7%	12.0%	84.4%
African-American	3.3%	29.6%**	67.1%**
Asian-Pacific Islander	8.6%**	27.6%**	63.8%**
Other	4.1%	26.4%*	69.5%*
Health Status			
Excellent[a]	6.9%	24.5%	68.6%
Very Good	9.0%*	34.2%**	56.8%**
Good	14.1%**	45.0%**	40.9%**
Fair/Poor	16.2%**	51.3%**	32.5%**
Functional Limitations			
Yes^	5.0%	37.6%	57.5%
No	10.3%**	34.2%	55.6%
Citizenship			
U.S. Citizen^	7.3%	34.8%	57.9%
Non-Citizen	41.9%**	31.3%	26.8%**

	Uninsured %	Public Insurance %	Private Insurance %
Parent Citizenship			
U.S. Citizen^	5.3%	23.0%	71.7%
Non-Citizen	18.2%**	54.6%**	27.3%**
Parent Foreign-Born Status			
Foreign Born	15.2%**	46.6%**	38.2%**
U.S. Born^	3.9%	20.3%	75.8%
Marriage Status of Respondent			
Married^	9.4%	28.0%	62.6%
Not Married	11.4%*	47.0%**	41.6%**
Parent Mental Status			
Depressed	14.4%**	42.3%**	43.3%**
Not Depressed^	8.1%	31.2%	60.7%
Parent Education			
Less than High School^	17.4%	56.9%	25.7%
High School	8.9%**	40.1%**	51.0%**
Some College or trade school	7.5%**	24.1%**	68.4%**
College or Postgrad degree	3.9%**	10.6%**	85.5%**
Work Status of Respondent			
Employed^	8.6%	26.9%	64.5%
Unemployed	12.0%**	44.6%**	43.4%
Language of Interview			
English^	4.8%	20.0%	75.2%
Not English	18.0%**	56.1%**	25.9%**
Number of Children in Household			
2 or fewer^	9.4%	31.8%	58.7%
3 or more	12.1%**	42.6%**	45.3%**
SPA			
Antelope Valley	8.3%	31.9%**	59.8%**
San Fernando	9.1%	28.1%**	62.8%**
San Gabriel	8.1%	30.9%**	61.0%**
Metro	13.4%**	43.9%**	42.7%**
West^	6.3%	16.6%	77.1%
South	15.2%**	50.3%**	34.5%**
East	9.3%	37.1%**	53.7%**
South Bay	9.7%	31.1%**	59.2%**
Total	10.1%	34.5%	55.4%

Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

Notes: * p <.05; ** p ≤ .01
^ denotes reference category

Forty-two percent of the non-citizen children in the sample were uninsured at the time of the survey, compared to 7.3 percent of citizen children in this time period. While uninsured rates also varied according to the race and ethnic background of the children, the differences were not as dramatic as those associated with citizenship status — 13.8 percent of Latino children were uninsured compared to 8.6 percent of Asian-Pacific Islanders and 4.1 percent or less for other children (including Whites, African-American, and other race children).

Interestingly, Latino and non-citizen children have much lower rates of private coverage relative to other groups of children — just 41.7 percent of Latino children and 26.8 percent of non-citizen children had private coverage compared to 55.4 percent for all children in the sample. Even higher rates of private coverage were reported for citizen children and those of non-Latino racial and ethnic backgrounds. About two-thirds of all uninsured children in the county appear to be citizens and one third appear to be non-citizens (Table 2).

Table 2. Composition of Uninsured Children Ages 0-17 in L.A. County by Key Characteristics, 2002/2003

	Share of Uninsured Children
Family Income	
0 to 99% FPL	42.4%
100% to 199% FPL	43.9%
200% to 299% FPL	10.4%
300% and above	3.4%
Age	
0-5	17.8%
6-11	39.3%
12-17	42.9%
Race-Ethnicity	
Latino	80.4%
White	7.4%
African-American	3.4%
Asian-Pacific Islander	8.8%
Other	0.1%
Health Status	
Excellent	29.7%
Very Good	20.4%
Good	27.1%
Fair	21.0%
Poor	1.8%
Functional Limitations	
Yes	1.9%
No	98.1%

	Share of Uninsured Children
Citizenship	
U.S. Citizen	66.0%
Age 0 to 5	19.7%
Age 6 to 11	42.3%
Age 12 to 17	38.0%
Non-Citizen	34.0%
Age 0 to 5	13.8%
Age 6 to 11	34.0%
Age 12 to 17	52.3%
Parent Citizenship	
U.S. Citizen	33.6%
Non-Citizen	66.4%
Parent/Adult Foreign-Born Status	
Foreign Born	82.3%
US Born	17.7%
Marriage Status of Respondent	
Married	61.2%
Not Married	38.8%
Parent/Adult Mental Status	
Depressed	44.1%
Not Depressed	55.9%

	Share of Uninsured Children
Parent's/Adult's Education	
Less than High School	53.6%
High School	18.9%
Some College or trade school	18.7%
College or Postgrad degree	8.9%
Work Status of Respondent	
Employed	48.6%
Unemployed	51.4%
Language of Interview	
English	28.2%
Not English	71.8%
Number of Children in Household	
2 or fewer	70.1%
3 or more	29.9%
SPA	
Antelope Valley	3.2%
San Fernando	18.0%
San Gabriel	14.4%
Metro	13.7%
West	2.6%
South	18.8%
East	14.0%
South Bay	15.3%

Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

Children werelikely to be uninsured if their parents were interviewed in a language other than English, were born outside of the United States or were not citizens. For example, children whose parents were not interviewed in English were more than three times as likely to be uninsured compared to other children (18.0 percent versus 4.8 percent, respectively) and these children account for 71.8 percent of all uninsured children.

Uninsured rates for children ages 5 or younger were about half the size of the rates found among school-age children (5.7 percent versus 11.1 and 13.3 percent for children ages 6 to 11 and those ages 12 to 17, respectively). While there is some variation in rates of private coverage across these three age groups, the differences in rates of public coverage are more dramatic. Only 26.8 percent of children ages 12 to 17 had public coverage in 2002/2003 compared to 40.6 percent of children age 5 or younger. More than 80 percent of all uninsured children in Los Angeles County are school-age and just 17.8 percent are age 5 and younger.

Higher uninsured rates were found among low-income children; the uninsured rate among children living below the federal poverty level was 16.3 percent compared to 1.3 percent for children with family incomes above 300 percent of the federal poverty level and 6.4 percent for children with family incomes between 200 and 299 percent of the federal poverty level. Rates of private coverage increase with income and rates of public coverage decrease with income, but the higher rates of public coverage are not sufficient to offset the lower rates of private coverage among children living in low-income families.

Children living with parents who reported feeling depressed were more likely to be uninsured than other children (14.4 percent versus 8.1 percent). The large gap in private coverage between children whose parents reported feeling depressed and other children (43.4 percent versus 60.7 percent) was partially offset by higher rates of public coverage for these children (42.3 percent versus 31.2 percent). This analysis is exploratory, as the mental health data for parents has not been fully validated for the 2002/2003 LACHS. However, several studies have shown that parental depression may have negative effects on various aspects of children's health (Kenney et al. 2005; Fairbrother et al. 2005; Olfson et al. 2003). This issue will be revisited with the 2005 LACHS, which included more comprehensive information on mental health status.

Sixteen percent of the children who were reported to be in fair or poor health were uninsured at the time of the survey compared to 6.9 percent for children reported to be in excellent health. The opposite pattern was observed with respect to functional limitation or special health care needs, as children without functional limitations or special health care needs were more than twice as likely as those with functional limitations to be uninsured (10.3 percent versus 5.0 percent, respectively).

Children in the Metro and the South Service Planning Areas (SPAs) appear to have the highest uninsured rates within Los Angeles County while children in the West SPA have the lowest uninsured rates, likely due to differences in the socio-economic characteristics of the families living in these SPAs. Their uninsured rates are 13.4 percent and 15.2 percent, respectively, compared to 10.1 percent overall and 6.3 percent in the West SPA.

Interestingly, rates of public coverage are highest among children living the Metro and South SPAs (at 43.9 percent and 50.3 percent, respectively) and lowest among children living in the West SPA (at 16.6 percent), while the reverse patterns are observed with respect to private coverage.

Determinants of Uninsured Rates Among Low-Income Citizen Children

Among the children who appear to have been eligible for public coverage at the time when the data were collected in 2002/2003 (i.e., citizen children with family incomes below 200 percent of the federal poverty level), certain child and family characteristics are associated with higher uninsurance rates in the multivariate models, when we control for other factors (data not shown). For example, it appears that, other things equal, children in the youngest age group — those age 5 or younger — are 9 percent more likely to be insured than children in the 12- to 17-year-old age group and 6 percent more likely to be insured than children in the 6 to 11 age group. It also appears that African-American children and children in large families are more likely to be insured than to children in other race or ethnic groups and smaller families. Finally, children whose parents appear to be depressed are 3 percent more likely to be uninsured than other children, controlling for other factors.

Potential Barriers to Enrolling Children in Public Programs

Parents with uninsured children cited numerous reasons for not enrolling their children in Medi-Cal or Healthy Families (Table 3). In particular, many parents expressed concerns about the application process. Roughly 42 percent had actually applied for public coverage on behalf of their children at some point in the prior year. Among that group, many were told that their children were not eligible for coverage or indicated that they experienced language barriers or that the forms were too complicated for them. For example, 52 percent of parents who applied for public coverage for their children said that language barriers prevented them from successfully enrolling their children in public coverage.

Table 3. Reasons Uninsured Children Ages 0-17 Are Not Enrolled in Public Programs in L.A. County, 2002/2003

	Share of Uninsured Children	Share of Uninsured Citizen Children^	Share of Uninsured Non-citizen Children
Currently Uninsured: Have Tried Applying			
Yes	41.9%	44.0%	38.3%
No	57.4%	55.2%	61.1%
Don't Know	0.7%	0.8%	0.6%
Sample Size	*566*	*381*	*183*
AMONG THOSE WHO TRIED APPLYING, REASONS CHILD NOT ENROLLED			
Forms Too Complicated			
Yes	30.7%	30.1%	32.1%
No	61.0%	64.6%	53.1%
Don't Know	8.3%	5.3%	14.8%
Was Told Child Not Eligible			
Yes	50.1%	44.2%	63.2%**
No	43.8%	49.5%	31.2%
Don't Know	6.1%	6.3%	5.6%
Language Barriers[1]			
Yes	51.7%	53.0%	50.0%
No	45.0%	44.3%	45.9%
Don't Know	3.3%	2.7%	4.1%

	Share of Uninsured Children	Share of Uninsured Citizen Children^	Share of Uninsured Non-citizen Children
Able to Complete the Application			
Yes	63.8%	68.4%	53.6%*
No	34.1%	29.2%	45.1%
Don't Know	2.1%	2.5%	1.3%
AMONG THOSE WHO DID NOT TRY APPLYING, REASONS DID NOT APPLY			
Child in Good Health and Didn't Need Insurance			
Yes	42.8%	42.1%	44.9%
No	53.7%	54.4%	51.6%
Don't Know	3.5%	3.5%	3.6%
Thought Medi-Cal or Healthy Families was Not a Good Program			
Yes	19.8%	18.7%	22.0%
No	70.6%	71.3%	69.8%
Don't Know	9.7%	10.0%	8.3%
Afraid Immigration Status Might be Affected			
Yes	26.0%	14.3%	46.9%**
No	71.2%	85.5%	46.8%
Don't Know	2.8%	0.2%	6.4%
Didn't Know Where to Go or Apply			
Yes	49.5%	42.3%	61.1%
No	49.1%	55.4%	38.9%
Don't Know	1.5%	2.3%	---
Didn't Think They'd be Treated Fairly at Medi-Cal/HF Office			
Yes	25.9%	23.9%	28.9%**
No	66.0%	68.0%	62.6%
Don't Know	8.1%	8.1%	8.4%
Could Afford to Pay Health Care as Needed			
Yes	35.5%	36.8%	32.9%
No	59.4%	59.1%	60.0%
Don't Know	5.2%	4.1%	7.1%

	Share of Uninsured Children	Share of Uninsured Citizen Children^	Share of Uninsured Non-citizen Children
Didn't Think Child Was Eligible			
Yes	40.1%	35.2%	49.3%*
No	50.9%	54.8%	44.3%
Don't Know	9.0%	10.0%	6.4%
Didn't Apply because Other Children in Family Weren't Eligible			
Yes	24.5%	20.1%	32.7%*
No	66.0%	71.2%	56.3%
Don't Know	9.5%	8.8%	11.0%

Source: Urban Institute calculations of the 2002/2003 Los Angeles County Health Survey.

Notes: Public Health Insurance: Medi-Cal for adults, Medi-Cal and Healthy Families for children.

[1] Only respondents who were interviewed in a non-English language received this question.

^ Tests of significance performed on respondents who answered yes to the question, by citizenship status with "Citizen Children" as the reference category.

* $p < .05$; ** $p \leq .01$

Parents gave various reasons for not trying to apply for Medi-Cal or Healthy Families coverage on behalf of their children. For instance, parents said they did not know where or how to apply, they thought their children would be ineligible for coverage because other children or family members were not eligible, they were afraid that they would not be treated fairly at the Medi-Cal or Healthy Families office, and they were concerned that the application could affect their family's immigration status. Altogether 79 percent of these parents gave one or more of these reasons for not applying for coverage. For example, almost half said they did not apply because they did not know where to apply and 40 percent said they did not apply because they did not think their children were eligible for coverage.

In addition, 62 percent of parents who did not apply for Medi-Cal or Healthy Families coverage said either that their children were in good health and did not need health insurance, that they could afford to pay for their child's health care as it was needed, or that Medi-Cal or Healthy Families was not a good program. For example, 43 percent said that their children were in good health and did not need health insurance coverage.

In 2002/2003, families with non-citizen children appeared to face a different set of barriers than families with citizen children. They were less likely to have tried applying for coverage, and for those who applied, they were more likely to say that their children were not enrolled because the forms were too complicated, their children were not eligible, or they experienced language barriers. For the parents who did not apply for public coverage on behalf of their children, those with non-citizen children were more likely than those with citizen children to say that they did not apply because they were afraid their immigration status might be affected, they didn't know where to go to apply, they didn't think their children would be eligible, or because other children in the family were not eligible for coverage.

Potential Reach of the Healthy Kids and Children's Health Initiative on Coverage

Based on the information provided in the LACHS, it appears that the Children's Health Initiative — encompassing both the new Healthy Kids program and an outreach system designed to promote enrolling more eligible uninsured children in Medi-Cal and Healthy Families — has the potential to dramatically reduce uninsured rates for children in the county (Table 4). It appears that the majority (82.6 percent) of citizen children who were uninsured in 2002/2003 had incomes below 200 percent of the federal poverty level, which qualified for Medi-Cal or Healthy Families. Another 12.6 percent had incomes between 200 and 300 percent of the federal poverty level, which could qualify them for Healthy Families (if their incomes are below 250 percent of the federal poverty level) or the new Healthy Kids program.[6]

In 2002/2003, 93 percent of uninsured non-citizen children lived in families with incomes below 200 percent of the federal poverty level. Within that group, those who were documented could have qualified for Medi-Cal or Healthy Families at the time that the survey was fielded. The introduction of the Healthy Kids program provided a new coverage source for the non-citizen children who were undocumented, particularly for those age five or younger. Almost all the undocumented children age five or younger in Los Angeles County who were uninsured would now qualify for coverage under the new Healthy Kids program. However, 86 percent of the uninsured, non-citizen children in Los Angeles County were between the ages 6 and 17 and many in this group may not be able to gain coverage through the Healthy Kids program, given that enrollment was capped for children ages 6 to 17 in June of 2005.

Potential for Healthy Kids and the CHI to Substitute for Employer-Sponsored Insurance

Table 4 shows how the composition of privately-insured children varied by income and citizenship status in 2002/2003. Overall, just 4 percent of the children in the county who had private coverage

Table 4. Health Insurance Composition of Children Ages 0-17 in L.A. County by Citizenship Status and Income, 2002/2003

	Share of Uninsured Children	Share of Children with Private Insurance	Share of Children with Public Insurance
Citizenship and Income			
U.S. Citizen	**66.0%**	**96.1%**	**92.6%**
<200% FPL	82.6%	29.4%	89.9%
200% to 299% FPL	12.6%	22.8%	8.0%
300% and above FPL	4.8%	47.8%	2.2%
Non-Citizen	**34.0%**	**4.0%**	**7.4%**
<200% FPL	93.2%	67.1%	91.6%
200% to 299% FPL	6.2%	17.1%	8.4%
300% and above FPL	0.5%	15.9%	0.0%
Age 0 to 5	*13.8%*	*12.0%*	*15.9%*
<200% FPL	96.2%	64.3%	84.2%
200% to 299% FPL	3.9%	11.0%	15.8%
300% and above FPL	0.0%	24.8%	0.0%
Age 6 to 17	*86.3%*	*88.0%*	*84.1%*
<200% FPL	92.8%	67.4%	93.0%
200% to 299% FPL	6.6%	17.9%	7.0%
300% and above FPL	0.6%	14.7%	0.0%

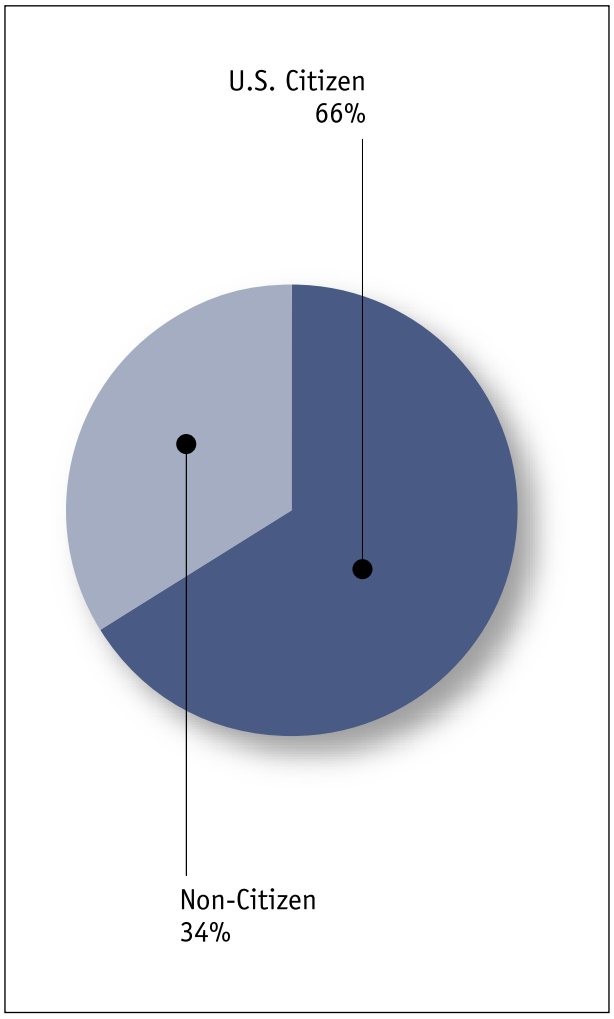
Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

were non-citizens. Therefore, to the extent that Healthy Kids and the CHI primarily target non-citizen children, it should have very little impact on rates of private coverage for children in the county. There is greater potential for substitution among citizen children as 96 percent of the privately-insured children are citizens and citizen children are more than five times as likely to have private coverage compared to non-citizen children. However, almost half (47.8 percent) of citizen children with private coverage live in households with incomes that are 300 percent of the FPL or above, which makes them ineligible for public coverage. Just 29.4 percent live in households with family incomes below 200 percent of the FPL. Moreover, within the low-income citizen group (households with family incomes below 200 percent of the FPL), private coverage is concentrated within the households that have incomes between 100 and 200 percent of the FPL, many of whom would be eligible for Healthy Families and would therefore face a three-month waiting period after dropping employer coverage before they could enroll in the program.

III. Policy Implications

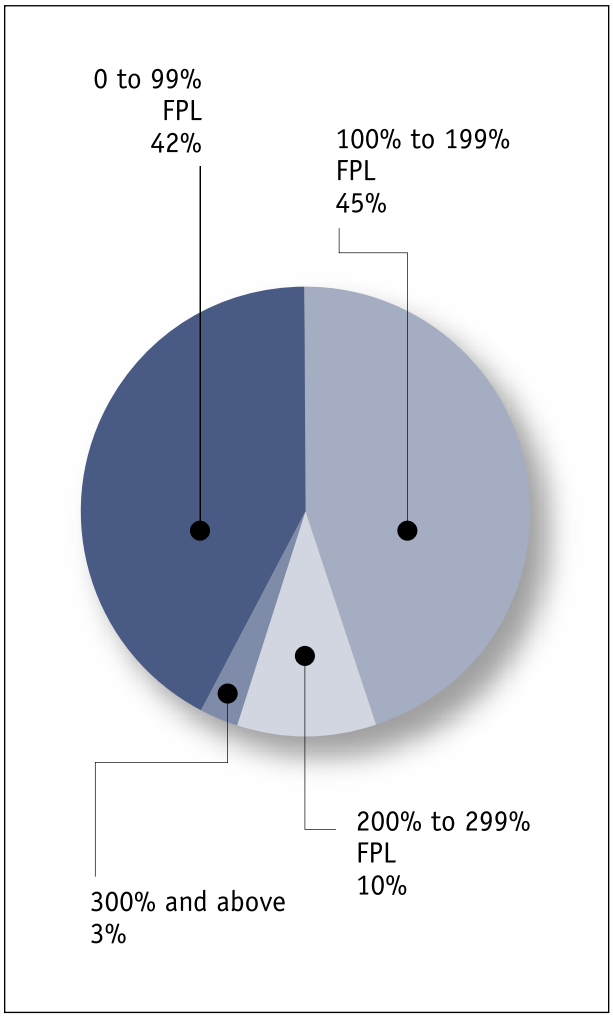
Potential Coverage Impacts. This analysis has demonstrated that the Healthy Kids Program and the CHI together have the potential to substantially reduce uninsurance rates for children in Los Angeles County and also to also reduce the variation in uninsurance rates that had existed with respect to income and citizenship status. The introduction of the Healthy Kids Program, which is targeted at undocumented children, should narrow gaps in uninsured rates between citizen and non-citizen children (Figure 1), particularly among those who are preschool-age. With 42,600 children now covered under the Healthy Kids program, we expect that subsequent analyses will find substantial declines in uninsurance among non-citizen children in the county. In addition, we expect that the outreach and enrollment efforts that have been implemented along with Healthy Kids as part of the CHI will also lower uninsured rates among other children with family incomes below 300 percent of the federal poverty level (Figure 2) and bring them closer to those found among higher-income children in the county. This analysis suggests that achieving dramatic reductions in uninsurance will hinge on reducing uninsured rates among the children whose parents are foreign-born or who were not interviewed in English (Figure 3 and 4).

Figure 1. Uninsured Children Ages 0-17 in L.A. County by Child Citizenship Status, 2002/2003



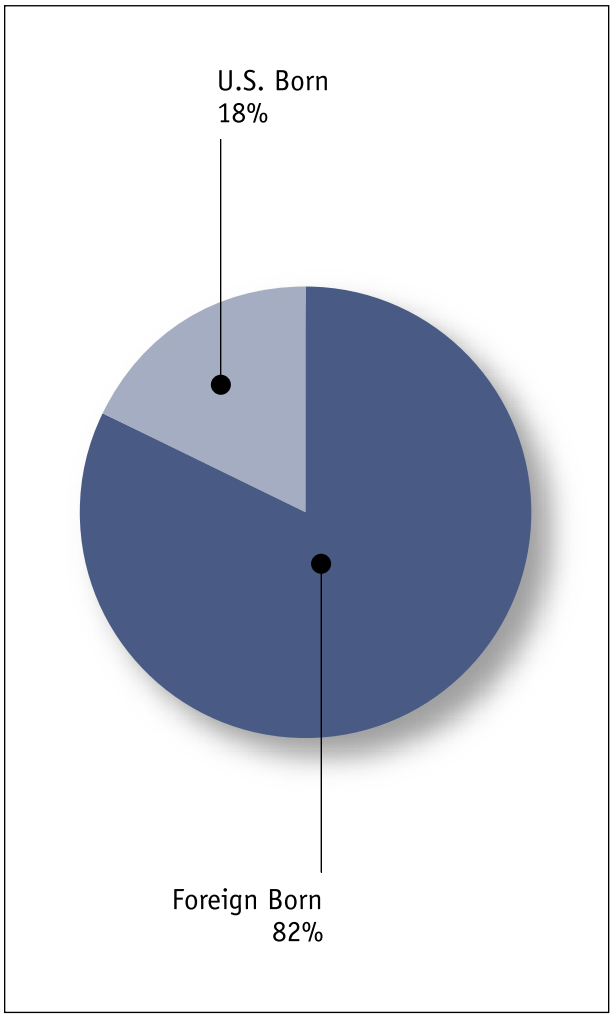
Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

Figure 2. Uninsured Children Ages 0-17 in L.A. County by Family Income, 2002/2003



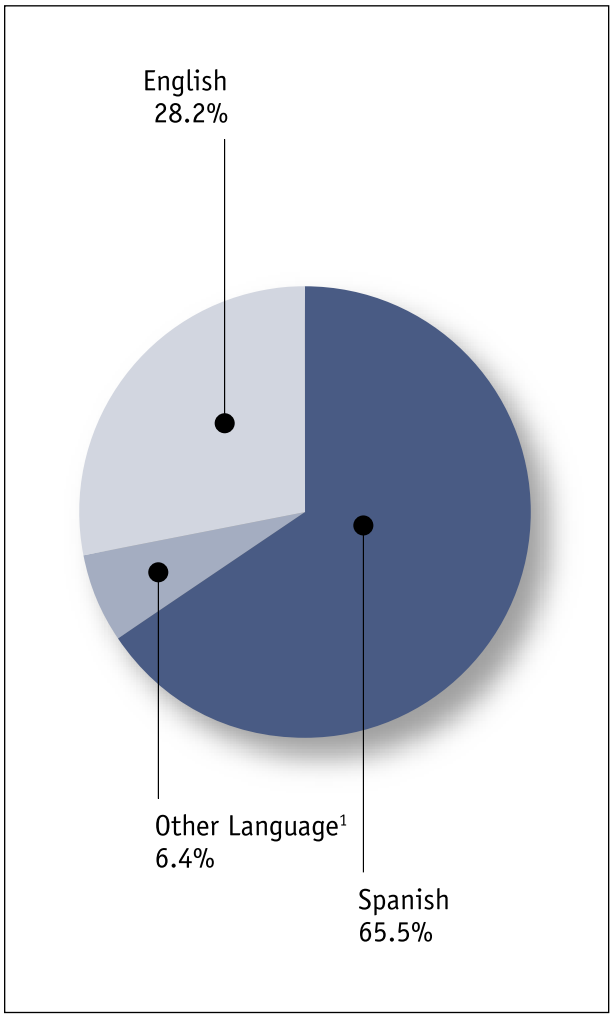
Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

Figure 3. Uninsured Children Ages 0-17 in L.A. County by Parents' Birthplace, 2002/2003



Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

Figure 4. Uninsured Children Ages 0-17 in L.A. County by Language of Interview, 2002/2003



Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.
Notes: [1] These interviews were conducted in Korean (3.4%), Mandarin and Cantonese (2.2%), and Vietnamese (0.8%).

Reducing uninsurance among the children who are citizens will depend on successfully reaching and enrolling children who are already eligible for coverage through either Medi-Cal or Healthy Families. The vast majority (82.6 percent) of all uninsured citizen children living in the county have family incomes below 200 percent of the federal poverty level, which would qualify them for coverage under one of these programs (Figure 5). A fully-funded Healthy Kids program has the potential to almost eliminate uninsurance among undocumented children, since 99 percent of uninsured non-citizen children live in households with incomes that are below 300 percent of the federal poverty level (Figure 6). However, without adequate funding to cover undocumented children in the 6 to 18 age group, the program will have a much more limited impact since the vast majority (86 percent) of non-citizen children who are uninsured are in that age group.

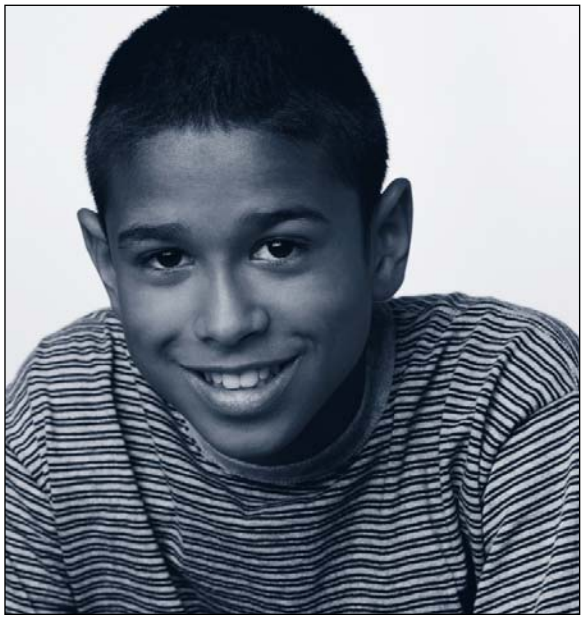
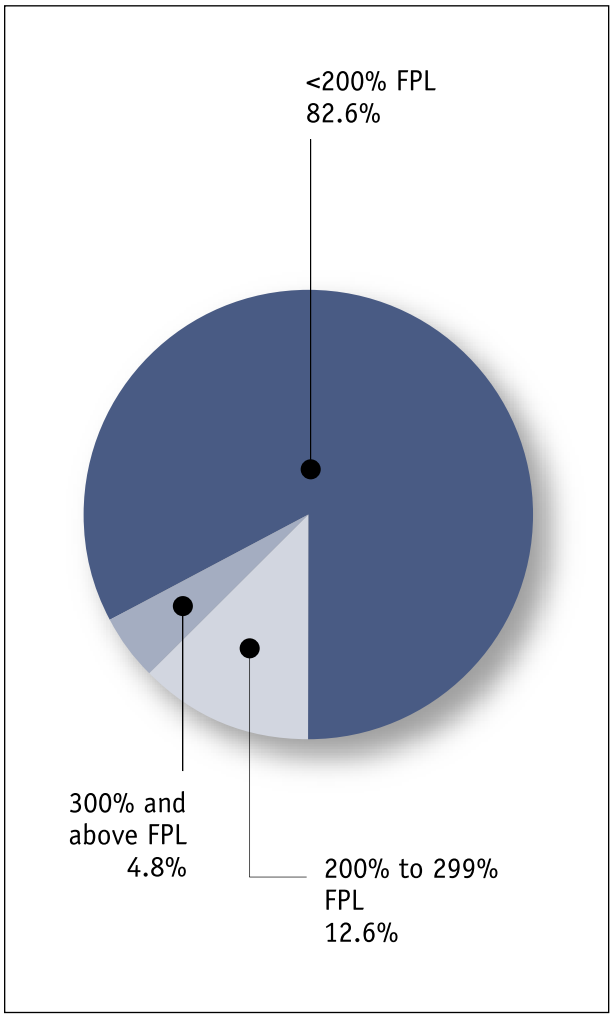
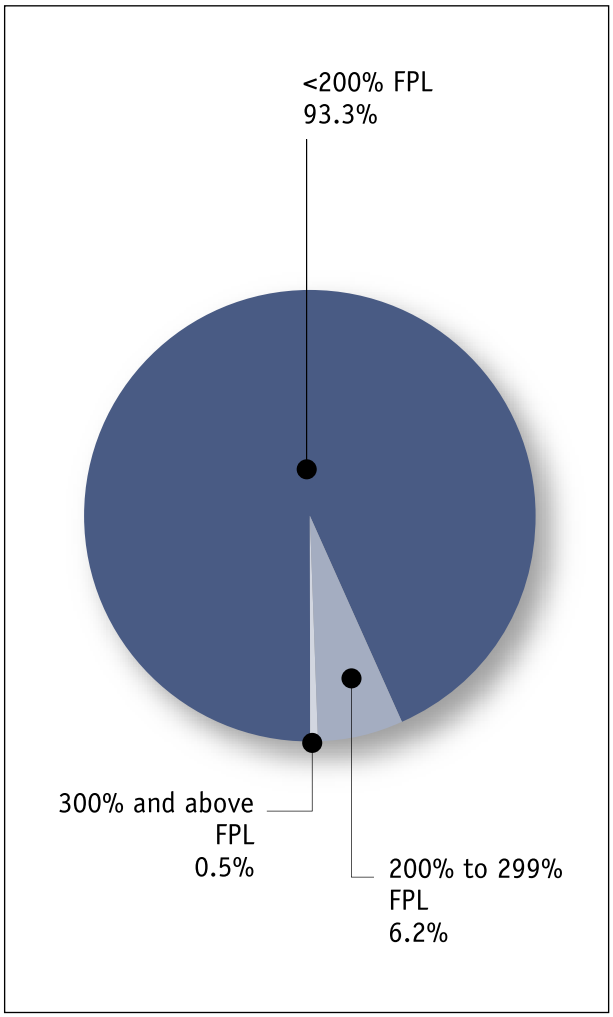


Figure 5. Uninsured Citizen Children Ages 0-17 in L.A. County by Income, 2002/2003



Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

Figure 6. Uninsured Non-Citizen Children Ages 0-17 in L.A. County by Income, 2002/2003



Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

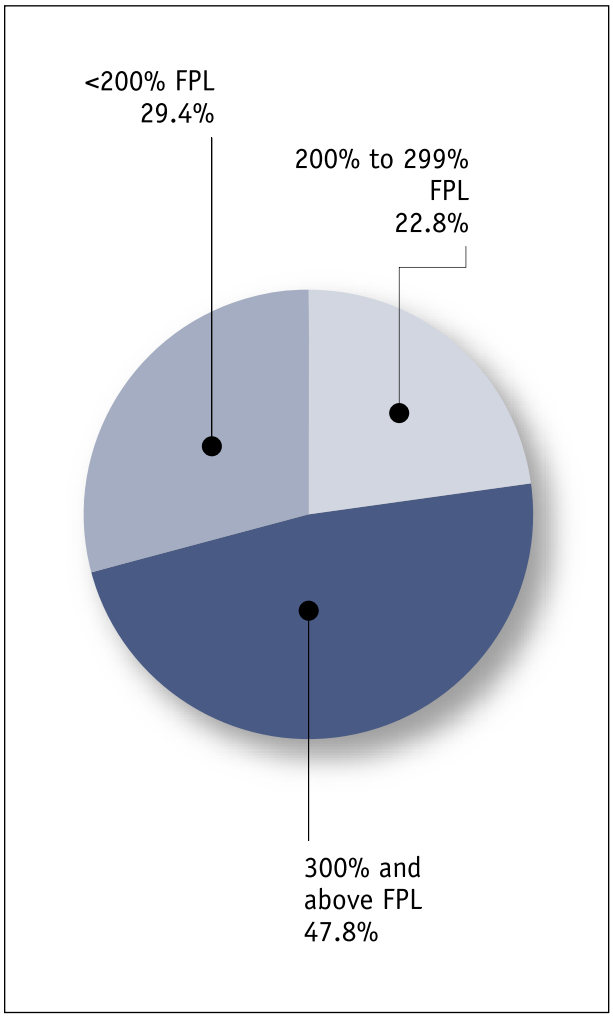
Outreach Efforts. This analysis suggests that in 2002/2003, there may have been several deficiencies in how outreach and application assistance were conducted. In particular, we found that the following steps were needed to address enrollment barriers:

- Target families with school-age children;
- Address the mental health needs of parents;
- Provide multilingual assistance at the time of application;
- Address concerns about parental immigration status;
- Provide more application assistance to families;
- Provide information that addresses misconceptions about eligibility policies;
- Reduce program fragmentation by aligning enrollment processes and by helping families coordinate coverage across different programs;
- Provide outreach messages that emphasize the benefits of ongoing, preventive care, even for healthy children; and
- Address quality concerns in Medi-Cal and Healthy Families.

Other components of the evaluation indicate that the current outreach and application assistance processes appear to be addressing several of these deficiencies. In particular, all materials are in Spanish and almost all application assistors are bilingual. A major focus of outreach has been to dispel concerns about public charge, and families are provided with intensive support throughout the application process (Hill, Courtot, and Wada 2005). In focus groups, parents of enrollees consistently reported that they found the application process easy, that application assistors were very helpful, and that the assistors successfully dispelled parents' concerns about the public charge issue (Hill, Courtot, and Wada 2006).

Risks of Crowd Out. While this brief has focused on the prospects and challenges associated with reducing uninsurance among children in Los Angeles County, we also considered the potential for Healthy Kids and the CHI to substitute for coverage that children would have already been receiving from an employer. Increased outreach for Medi-Cal and Healthy Families could reduce rates of private coverage, particularly among citizen children. However, just 29 percent of citizen children with private coverage have family incomes below 200 percent, which is the primary target group for Medi-Cal and Healthy Families, and many of those would be subject to a waiting period in order to qualify for coverage (Figure 7). There is little scope for the Healthy Kids program to lead to substitution for private coverage among non-citizens. Rates of private coverage are very low among non-citizen children and they account for a very small share of all children with private coverage. Indeed, information from the Healthy Kids program in L.A. suggests that very few enrollees have access to employer-sponsored insurance coverage (Hill, Courtot, and Wada 2006; Howell et al. 2006).

Figure 7. Citizen Children with Private Insurance Ages 0-17 in L.A. County by Income, 2002/2003



Source: Urban Institute tabulations of the 2002/2003 Los Angeles County Health Survey.

Summary. In conclusion, the Healthy Kids program and the CHI have the potential to reduce substantially the number of uninsured children in Los Angeles County without leading to a large-scale erosion of private coverage. Indeed, in just two years, enrollment in the Healthy Kids program reached over 42,000 children, suggesting that inroads are being made into the number of uninsured children in the county. A fully-funded Healthy Kids program, along with Medi-Cal and Healthy Families, could cover the vast majority of uninsured children in Los Angeles. However, both the problems parents face when applying for public coverage and the reasons parents do not attempt to enroll their children in public coverage will need to be fully addressed in order to achieve that objective.

IV. References

Fairbrother G, G Kenney, K Hanson, L Dubay. "How Do Stressful Family Environments Relate to Reported Access and Use of Health Care by Low-Income Children." *Medical Care Research and Review*, 62, 205-230, April 2005.

Field Research Corporation. "2002-2003 Los Angeles County Health Survey: Summary of Survey Methodology." 2003.

Flores G, M Abreu, V Brown, and S Tomany-Korman, "How Medicaid and the State Children's Health Insurance Program can do a better job of insuring uninsured children: the perspectives of parents of uninsured Latino children," *Ambulatory Pediatrics*, 5, 332-340, December 2005.

Hill I, B Courtot, P Barreto, and E Wada. "What Do Parents Say about the Los Angeles Healthy Kids Program?" Los Angeles, CA: The Urban Institute, The University of California at Los Angeles, and The University of Southern California, March 2006. Available at: http://www.urban.org/UploadedPDF/410308_parents_say.pdf. Accessed June 22, 2006.

Hill I, B Courtot, and E Wada. "A Healthy Start for the Los Angeles Healthy Kids Program: Findings from the First Evaluation Case Study." Los Angeles, CA: The Urban Institute, and The University of Southern California, December 2005. Available at: http://www.first5.org/docs/Partnerships/HK/HealthyKidsCaseStudyR2.pdf. Accessed May 26, 2006.

Howell E, L Dubay, G Kenney, L Palmer, I Hill, M Inkelas, and M Kovac. "A Profile of Young Children in the Los Angeles Healthy Kids Program: Who are They and What Are Their Experiences on the Program?" October 2006.

Hudson J. "Families with Mixed Eligibility For Public Insurance." Presentation at the AcademyHealth 2005 Conference, Boston Massachusetts. June 2005.

Jhawar M et al. "Many Children Remain Uninsured and Not Eligible for Medi-Cal and Healthy Families." Los Angeles, CA: UCLA Center for Health Policy Research. December 2004. Available at: http://www.healthpolicy.ucla.edu/pubs/files/ChildUninsured_PB_113004.pdf. Accessed May 26, 2006.

Kenney G and J Haley. "Why Aren't More Uninsured Children Enrolled in Medicaid or SCHIP?" Washington, DC: The Urban Institute. *Assessing the New Federalism* Policy Brief B-35, 2001.

Kenney G, J Haley, and A Tebay. "Awareness and Perceptions of Medicaid and SCHIP Among Low-Income Families with Uninsured Children: Findings from 2001." Washington DC: The Urban Institute and Mathematica Policy Research Inc., April 2004.

Kenney G, J McFeeters, J Yee. "Preventive Dental Care and Unmet Dental Needs Among Low-Income Children." *American Journal of Public Health*, 95, 1360-1366, August 2005.

Kenney G et al. "The Experiences of SCHIP Enrollees and Disenrollees in Ten States: Findings from the Congressionally Mandated SCHIP Evaluation." Final Report. Mathematica Policy Research, Inc. and The Urban Institute, October 2005.

Chapter V. Trenholm, Christopher. "Variation in Coverage Among Children Who Leave SCHIP."

THE URBAN INSTITUTE

"L.A. Health: Children's Health Insurance." Los Angeles, CA: County of Los Angeles Department of Health Services, Public Health, February 2004. Available at: http://lapublichealth.org/wwwfiles/ph/hae/ha/lahealthchildins_0204.pdf. Accessed May 26, 2006.

"Los Angeles Healthy Kids Evaluation, Semi-Annual Process Monitoring Report: Third and Fourth Quarters 2005." Los Angeles, CA: The Urban Institute, The University of Southern California, The University of California at Los Angeles. June 2006.

Olfson, M et al. "Parental Depression, Child Mental Health Problems, and Health Care Utilization." *Medical Care*, 41, 716-721, 2003.

Trenholm C, S Orzol, and C Peeler. "The Impact of the Children's Health Initiative (CHI) of Santa Clara County on Medi-Cal and Healthy Families Enrollment." Princeton, NJ: Mathematica Policy Research, Inc., September 2004.

Appendix: Data and Methods

The data source for this analysis is the 2002/2003 Los Angeles County Health Survey (LACHS). The LACHS is a random digit-dial survey of Los Angeles County, California. The survey has two components. One component is the Adult Survey where one randomly selected adult from a household is interviewed for the survey via telephone using an unrestricted random digit dialing methodology. The 2002/2003 Adult Survey had a total sample of 8,167 respondents. The response rate was 31.1 percent and the cooperation rate was 56.7 percent.

The second component is the Child Survey where a random telephone sample of parents of children under 18 was interviewed about their children. The survey was administered only to the mother of a selected child unless the child's mother did not reside in the household. If the mother did not reside in the household, then the father or other primary caregiver for the child was interviewed. There were two phases to the survey. The first phase involved interviewing 2,460 mothers or primary caregivers who had previously been interviewed for the Adult Survey and were identified as having at least one child under age 18 in their household. The second phase involved interviewing an additional sample of 3,535 mothers or primary caregivers from households with a child under age 18. In total, there were 5,995 respondents to the survey, a response rate of 33.9 percent, and a cooperation rate of 77.5 percent. For the Child Survey, the parent provided answers to the survey for only one randomly selected child even if the household contains more than one child.

The LACHS was designed to addresses potential biases caused by language barriers and by the exclusion of non-telephone households. To improve coverage of households where languages other than English and Spanish are spoken, the LACHS was conducted in other languages including Cantonese, Mandarin, Korean, and Vietnamese. Thus, this should minimize the bias associated with language barriers since U.S. Census data show that 98 percent of adults in Los Angeles County speaks one of the six languages used by the survey (Field Research Corporation 2003). The LACHS excludes households who lack telephone landlines. However, the weights developed by the survey attempt to address this issue by collecting information on interruptions in telephone service. Data provided by respondents with intermittent telephone service are given more weight to compensate for households without telephones.

This brief focuses on assessing insurance coverage patterns in Los Angeles County. The survey asks about the health insurance coverage status of a child at the time of the survey. There are three main categories of insurance coverage used in our analysis.[7] The categories are: 1) public coverage, a child is covered by Healthy Families (SCHIP) and Medi-Cal (Medicaid); 2) private insurance — a child is covered under an insurance plan, such as those provided by an employer, that is not publicly sponsored;[8] 3) no insurance — a child does not have health insurance coverage.

Parents were asked if their children had health insurance coverage at the time of the survey. If the parents said their children had current health insurance, the parents were asked about different types of health insurance policies to determine their children's type of insurance coverage. If the parents said their children did not have health insurance, the parents also were asked about different types of health insurance policies to determine if their children may be covered by an insurance policy that the parents had not previously considered to be health insurance.[9] Children were determined to be uninsured if the parents initially said the children did not have insurance coverage or did not know if the children were insured and did not indicate in subsequent questioning that the children had insurance coverage.

The child health insurance coverage variable was created based on the responses from the survey and a selection method to deal with parents who indicated that their children had more than one type of health insurance coverage.[10] The selection method used by the LACHS takes into account the types of insurance coverage mentioned by the parent, family income and the ages of the children being studied to determine the appropriate coverage category. When parents indicated that their children have private coverage and either Healthy Families or Medi-Cal, and the ages and family income of the children and show that the children are eligible for public insurance, the children were assigned to either Healthy Families or Medi-Cal. Otherwise, the children who were reported to have both public and private coverage were assigned to private coverage.[11]

Parents with uninsured children were asked a set of questions to provide insight about potential enrollment barriers. Separate questions were asked depending on whether or not the parent had attempted to apply for public coverage on behalf of their children in the prior year and parents could indicate more than reason. Parents who had attempted to apply for public coverage were asked if they failed to obtain health insurance coverage for their children because 1) the insurance forms were too complicated to fill out, 2) parents were told their children were not eligible, 3) non-English speaking parents experienced language barriers or 4) parents completed applications, but their children were not insured. Parents who had not attempted to apply for public insurance were asked if their children did not have public insurance for the following reasons: 1) parents felt their children did not need health insurance, 2) parents felt that either Medi-Cal or Healthy Families was not a good program for their children, 3) parents were afraid that applying for Medi-Cal or Healthy Families could affect their immigration status (i.e. public charge), 4) parents did not know where or how to apply for Medi-Cal or Healthy Families, 5) parents thought they would not be treated fairly at the Medi-Cal or Healthy Families office, 6) parents believed they can pay for their children's healthcare when needed, 7) parents believed their child was not eligible for public insurance and 8) other children or family members were not eligible for public insurance.

We examine how insurance rates and the composition of the uninsured varied according to a number of characteristics of the child and their family. Family characteristics included the responding parent's gender, martial status (married or not married), educational attainment (defined as: less than high school; high school; some college or trade school; college or postgraduate degree), employment status (working/non-working; part-time versus full-time) citizenship status (citizen versus non-citizen) and birthplace (United States or other country), the language in which the interview was conducted (English versus non-English), number of children in the household (two or fewer or three or more), family income as a percentage of the federal poverty level (categories are 0 to 99 percent of the FPL; 100 to 199 percent of the FPL; 200 to 299 percent of the FPL; and 300 percent of the FPL and above) and geographic location (defined according to the Service Planning Area (SPA) in which the child lived — Antelope Valley, San Fernando, San Gabriel, Metro, West, South, East, and South Bay). We also examined the mental health status of the parent (the parent is considered to be depressed if the parent said they often felt down, depressed, or hopeless or had little interest or pleasure in doing things), but this analysis is considered exploratory because the parent mental health questions for the 2002/2003 survey have not been validated. Child characteristics included: age (0 to 5; 6 to 11, 12 to 17), gender, race/ethnicity (Latino, White, African-American, Asian-Pacific Islander, Other), citizenship status (citizen versus non-citizen), health status (categories are excellent; very good; good; fair; poor), and presence of a functional limitation or other special health need (defined as: having a chronic medical, health or behavioral condition requiring prescription medication; a chronic medical, health or behavioral condition requiring either a high level of care or specialized therapy for treatment; or an emotional, developmental or behavioral problem for which the child receives counseling).

In all analyses, we used survey weights in an attempt to make the survey data representative of all of Los Angeles County. We calculated standard errors that took into account the complex nature of the survey design related to the unequal probabilities of selection and other factors used in the creation of survey weights. We present bi-variate estimates of insurance coverage status (public, private, uninsured) according the family and child-specific characteristics described above. We also examine uninsurance in a multivariate context for the children who should have been eligible for public coverage at the time of the survey — those who are reported to be citizens with household incomes that fall below 200 percent of the FPL — to indicate which subgroups may require more outreach efforts.

Study Limitations

All of the data are self-reported, and it is possible that some survey respondents may not have understood that they or their children have valid health insurance coverage, or may believe they or their children have valid health insurance coverage when they do not. In addition, we lack full information on the reasons that parents did not obtain public health insurance for their children since there was no option to state another reason other than the reasons that were listed in the questions. It is possible that parents had other reasons for not obtaining public insurance for their children that they did not express.

In addition, the reliance on a single question to define household income likely introduces downward bias into our estimates of income. Indeed the share of children under 200 percent of the FPL in the LACHS is higher than the U.S. Census and the California Health Interview Survey. Another limitation is that we do not have information that allows us to identify which children in the sample are undocumented. Our analysis therefore focuses on non-citizen children, which include both documented and undocumented children. Finally, the low survey response rates could lead to estimates of children's health insurance coverage and reasons for parents not obtaining public health insurance for their children to be different than the actual population of Los Angeles County. It is possible that the portion of the sample that did not respond may be different from those who did respond in ways that are not accounted for by the weights.

Notes

1 The Healthy Kids program includes small premiums for families with incomes above 133 percent of the FPL. As of December 2005, 89 percent of all enrollees ages 0 to 5 in the Healthy Kids program were in the non-premium paying group ("Los Angeles Healthy Kids Evaluation, Semi-Annual Process Monitoring Report: Third and Fourth Quarters 2005" 2006). Because of concerns that Healthy Kids would substitute for employer-based coverage, a three-month "waiting period" was imposed for children who had employer-based coverage at the time of application.

2 This is consistent with a similar initiative in Santa Clara County that found positive spillover effects on enrollment in Medi-Cal and Healthy Families (Trenholm et al. 2004).

3 The appendix contains a complete description of the data and methods used in this analysis.

4 Unless otherwise noted, all differences that are noted are significant at the .05 level.

5 This compares to a rate of 7.4 percent reported on the California Health Interview Survey for 2003. While the uninsured rates differ across the two surveys, the variation in uninsured rates is similar with respect to income (data not shown).

6 Unfortunately the survey does not collect sufficient information on income to permit a further income breakdown between 200 and 300 percent of the federal poverty level.

7 There also are options if parents did not know if their children had health insurance or if parents refused to provide information.

8 Valid coverage for this category includes employer-sponsored insurance or union or trade association policies, military insurance programs, California Kaiser Kids or similar programs, or any non-group insurance policy.

9 The types of insurance policies mentioned included employer-sponsored insurance and other related insurance provided through a union or trade association, Medi-Cal and Healthy Families which are public insurance programs, military insurance, and California Kaiser Kids and other similar programs. If the parents did not indicate coverage for their children under any of these types of policies, they were asked if the children were covered under a non-group insurance policy.

10 Survey data indicated that 5 percent of children surveyed had more than one type of health insurance.

11 An exception is made if the children have military coverage or coverage through California Kaiser Kids or similar programs. Then the children are assigned to private insurance without regard to their age or family income.

THE URBAN INSTITUTE

THE URBAN INSTITUTE

The California Endowment
1000 North Alameda Street | Los Angeles, CA 90012

800.449.4149 | www.calendow.org

The California Endowment