

# ISSUE BRIEF

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*The California Children and Families First Act, enacted by California voters as Proposition 10 in 1998, created the California Children and Families Commission, and local Commissions in all 58 California counties. The act funds the state and local Commissions through a tax on cigarettes and other tobacco products. Each county's First 5 Commission works in partnership with individuals and organizations to provide all children prenatal to five years of age with a comprehensive, integrated system of early childhood development services.*

*In March 2005 IHPS-CA surveyed local First 5 executive directors and program staff about their activities and investments with regard to local Children's Health Initiatives. This brief presents the findings from this survey. The development and publication of this issue brief were supported by a grant from the David and Lucile Packard Foundation.*



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## First 5 Commissions: Key Partners in Children's Health Initiatives

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California counties have the primary responsibility for providing health care to the state's uninsured and underinsured residents, including uninsured children. Gaps in the state's children's coverage programs have prompted local coalitions in more than half of California's 58 counties to come together and create Children's Health Initiatives (CHIs). Since the first CHI began in Santa Clara County in January 2001, these local collaboratives of aligned private and public interests and concerned citizens have created a nationally recognized model for expanding health coverage and creating systems change. Due in part to CHI efforts, the number of uninsured children in California has decreased from approximately one million in 2001 to 800,000 in 2003.<sup>1-2</sup>

Children's Health Initiatives have two components:

- A new insurance product called Healthy Kids (HK) that provides health insurance coverage to children in families with incomes up to 300% of the federal poverty level (\$56,050 for a family of four) who are ineligible for the Medi-Cal or Healthy Families programs due to income or immigration status.
- A comprehensive approach to outreach and enrollment that helps all children below 300% FPL enroll in health coverage, including those eligible for Medi-Cal and Healthy Families. The CHIs share a vision of providing coverage for all children in their local communities.

The CHI movement is supported by a growing body of scientific evidence that comprehensive coverage for children provides more community-wide benefit than expanding or creating direct services for children without health insurance.<sup>3</sup> Counties with operational CHIs have developed innovative ways to complement direct service provision efforts to ensure that children in their community get the services they need through insurance coverage.

## CHI Progress and Results

Santa Clara County's CHI launched the first Healthy Kids insurance product in 2001. Its core financial support came from the local First 5 Commission, tobacco settlement funds from the County of Santa Clara and the City of San Jose, the local Medi-Cal managed care plan, and private foundations.

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CHIs in eight counties have followed Santa Clara's example and created HK programs, and another twenty counties are poised to launch similar programs. To date, CHIs have cumulatively enrolled more than 73,000 previously uninsured children (ages 0-18) in HK programs in nine counties,<sup>4</sup> and have steered a similar number of children into Medi-Cal and Healthy Families. All active CHIs have benefited from partnerships between local First 5 Commissions and other community stakeholders, including Boards of Supervisors, foundations, health plans, providers, employers, educators and community-based organizations.<sup>5</sup> The State First 5 California Children and Families Commission also makes matching funds available to every county for insuring children birth to age 5 who are ineligible for state and federally funded programs. This support consists of matching \$1 for every \$4 of local First 5 Commission investment in HK programs.

CHIs with established HK programs are documenting their efforts through multi-year comprehensive evaluations and other types of program effectiveness assessments. Mathematica Policy Research, in collaboration with The Urban Institute and The University of California San Francisco, is currently conducting a three-year evaluation of the Santa Clara County Children's Health Initiative. Initial results from that study showed that Medi-Cal and Healthy Families enrollments increased by 28% from 2001-2002.<sup>6</sup> More recently reported findings show four important trends among HK enrollees:<sup>7</sup>

- Unmet medical and dental need has been reduced by 50% (22% to 10% and 20% to 9%, respectively);
- The percentage of children with a usual source of care has nearly doubled for medical care (50% to 89%) and nearly tripled for dental care (29% to 81%);
- Use of medical care has increased significantly for well-child, sick-child and specialty visits (24% to 43%, 16% to 30% and 4% to 11%, respectively; 30% to 54% overall for any type of visit); and
- Parents' confidence in their ability to get their children needed care nearly doubled (43% to 75%).

This compelling evidence of the importance and efficacy of Healthy Kids is of interest to members of the Legislature and the Schwarzenegger Administration considering sustained state-level funding of children's coverage initiatives. However, even as the creation of a state-level financing mechanism premised on the CHI model may be on the horizon, continuing local commitment remains critical.

### Survey Findings

#### ► Local First 5 Commissions Provide Essential Leadership and Financial Support for CHIs and Healthy Kids Programs

Local First 5 Commissions' involvement in CHIs occurs along a broad continuum. The types and duration of participation depend on the strategic priorities outlined by the Com-

missions, level of engagement by Commissioners and staff, existing program commitments and available funding. While there is a clear relationship between First 5 involvement and likelihood of getting to HK program implementation, the ways in which First 5 Commissions have participated in the CHIs vary by locality.

Local First 5 Commissions have partnered with other local groups in many ways, most significantly as a planning catalyst and convener and as a funder of HK premiums for children 0-5 and other CHI activities.

#### **Planning Catalyst and Convener**

In several CHIs with operational HK programs, local Commissions have provided core leadership and convened local stakeholders in early planning meetings. For example, San Mateo's and Santa Cruz's First 5 Commission staffs were active early CHI supporters. They helped to initiate the planning process and rally support within their communities on the importance of health coverage for all children. As the CHI coalitions in these counties became more established, local First 5 Commissions and staff remained active participants and supporters of the initiative. In addition, First 5 Commissions in Sonoma, Marin and Fresno have provided planning grants for CHIs to build their coalitions and develop the organizational infrastructure necessary to create local systems change and coordinate a new coverage program.

First 5 Commissions in seven operational HK counties report serving as a leader in creating community support and broadening interest among community stakeholders. Commissions in roughly two-thirds of pre-launch HK counties also report serving as leaders for community support. Interestingly, more Commissions in pre-launch mode (10 of 15) report serving as a convener of CHI community events and meetings than in the initial nine counties with operational HK programs (2 of 9). Finally, 22 of the 24 Commissions in counties with operational or pre-launch HK programs report active participation in CHI planning.

#### **Funder of Healthy Kids Premiums for Children 0-5 and Other CHI Activities**

Local First 5 Commissions have committed a total of \$34 million annually to finance Children's Health Initiatives in the nine operational HK counties. This funding pays for premiums for all HK enrollees age 0-5, as well as other CHI activities. Annual allocations range from \$900,000 from First 5 Santa Cruz to \$20 million from First 5 Los Angeles. Duration of support from local First 5 Commissions varies, ranging from two years in San Bernardino to ten years in San Mateo and Santa Cruz (see Table 1). In San Mateo, Los Angeles, and Kern Counties, Commissions' early pledge or matching funds formally launched each county's CHI and HK program.

All survey respondents with CHIs, including those in planning and pre-launch mode, were asked to specify additional CHI activities in which they invest beyond providing premium subsidy support. Local First 5 Commissions generally recognize their role in funding multiple components of the CHIs as critically important to overall program success and viability.

**Table 1. Local First 5 Commission CHI Allocations in Operational HK counties, January 2005<sup>8</sup>**

County	Annual CHI Allocation (in Millions)	Duration of Grant (in Years)	Cumulative Allocation (in Millions)
Kern	\$ 1.8	3	\$ 5.4
Los Angeles	\$ 20.0	5	\$ 100.0
Riverside	\$ 2.0	3	\$ 6.0
San Bernardino	\$ 2.0	2	\$ 4.0
San Francisco	\$ 1.0	2	\$ 2.0
San Joaquin	\$ 1.0	3	\$ 3.0
San Mateo	\$ 2.3	10	\$ 23.0
Santa Clara	\$ 3.0	5	\$ 15.0
Santa Cruz	\$ .9	10	\$ 9.0
TOTAL	\$ 34.0	4.8 avg.	\$ 167.4

Outreach, Enrollment and Retention. Identifying, enrolling, and maintaining coverage for children are critical program components of a successful CHI. In CHIs with HK programs, outreach workers bridge program gaps for families with children 0-18, particularly in families with mixed immigration status and public charge concerns. Offering to enroll *all* of a family’s children in coverage increases their interest in obtaining coverage, including families with children ages 0-5. For this reason, outreach, enrollment and retention activities are the second most frequently funded activities by First 5 Commissions in counties with operational HK programs, after premium subsidy support.

Commissions in most operational HK counties (7 of 9) report funding outreach and enrollment activities through community-based organizations to identify and enroll children in Medi-Cal and Healthy Families. Similarly, most Commissions in pre-launch HK counties (13 of 15) also report investing in outreach, enrollment and retention-related activities. Further, two of the four Commissions in counties either in very early stage planning or without the intent to create a CHI also report funding outreach and enrollment activities.

Commissions also report working to retain enrollees by investing in hardship funds developed to ensure that eligible children are not disenrolled due to their families’ inability to pay premium contributions. Commissions in slightly less than half of all operational HK counties (4 of 9) report contributing to hardship funds. A similar proportion of Commissions in pre-launch HK counties (7 of 15) will also contribute to hardship funds.

Fundraising/Identification Sources of Additional Premium Dollars. Commissions in nearly half of all operational HK counties (4 of 9) and most Commissions in pre-launch HK counties (13 of 14) are also investing in fundraising and related activities to secure additional premium subsidy support.

Evaluation/Research. Evaluation and related research activities are another area of considerable local Commission investment. Commissions in roughly half of all operational HK

counties (5 of 9) have invested in evaluation research. Two-thirds of Commissions in pre-launch HK counties (10 of 15) are also investing in evaluation research. First 5 Commissions rely on empirical evidence of the value of their investment in children’s coverage both because accountability is a component of the First 5 mission and because Commissions are also looked to as a source of funding for other types of initiatives. Further, evaluation findings are critical to the development of a statewide financing mechanism and securing ongoing support from stakeholders and partners.

CHI Staff and Leadership Development. Many Commissions have also chosen to invest in hiring staff to coordinate planning and implementation activities. For example, San Luis Obispo, Tulare, Sacramento, and Fresno have each contributed toward a full-time program manager for their local Children’s Health Initiative. Survey responses indicate that slightly less than one fourth of Commissions in operational HK counties (2 of 9) and almost half of Commissions in pre-launch HK counties (7 of 15) have contributed funds to hire dedicated CHI personnel. These individuals provide key internal leadership that will enable a nascent program to reach maturity by recruiting and training locally-based staff in operating a children’s coverage program.

Other CHI-Related Investments by local First 5 Commissions. A small number of Commissions also report funding additional related activities, including implementation of electronic applications (One-e-App), immunization registry development, public charge parental education, and general community education about the HK program.

**► First 5 Commissions Have Realized a Broad Return on Their Investment in CHIs: Nearly 15,000 Children ages 0-5 Newly Insured**

In addition to asking local First 5 Commissions about the types and extent of their involvement in CHIs and HK programs, the survey asked about the return on local investment in these programs.

**Nearly 15,000 Newly Insured Kids Aged 0 to 5**

Nearly 15,000 children aged 0-5 are enrolled in HK through local First 5 premium support. Thus, slightly more than one-fifth of all new enrollments in HK are directly attributable to local First 5 premium investment. There are approximately 73,000 children ages 0-18 enrolled cumulatively in the HK programs; an even larger but not yet calculated number of children has been identified and enrolled into Medi-Cal and Healthy Families as a result of CHI activities.

**Leveraging First 5 Investment for Broader Financial Support**

Survey respondents report that their Commissions’ investments related to CHIs are generally acknowledged by other CHI stakeholders as “community-enhancing.” Three-fourths (17 of 23) also report that First 5 investments have encouraged other local funders to come forward with financing support. Commissions report a range of different funders who have contributed to CHI activities based on First 5’s leader-

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ship. Most frequently cited funders are state and local foundations, hospitals, health plans and United Way agencies. Other contributors include Indian gaming distribution funds, county agencies (including local education and health departments), tobacco settlement funds, and local employers.

### Other Benefits of CHI Investment

Survey results indicate that Commissions generally consider other key benefits of their involvement in CHIs to be improved collaboration among county stakeholders and increased public awareness and concern about the confusing patchwork of children's coverage programs.

### ► Local First 5 Commissions Remain Committed to Kids Coverage But Continued Funding Remains Uncertain

While local First 5 Commissions report interest in other strategic initiatives, most report continuing high levels of commitment to CHIs and HK programs. However, a number of respondents from Commissions investing in CHIs indicate uncertainty about the level of future funding allocations in light of heightened competition for local resources. For the funding period 2006 through 2008, only 3 of 22 Commissions who responded to the question report sustained levels of funding for the CHIs, 4 of 22 anticipate increased funding, and 4 of 22 anticipate decreased funding. *Half of the respondents (11 of 22) report that they do not yet know about the likelihood or level of future allocations.*

## Conclusions

These survey results provide some important insights into current local First 5 Commission participation in CHIs and HK programs.

- Commissions provided leadership and funding that led to coverage for 15,000 previously uninsured children ages 0-5 now enrolled in Healthy Kids, and remain strongly committed to the CHIs. Local Commissions must continue to partner with other public and private funders and organizations and the leverage their resources to cover the larger proportion of uninsured children ages 6-18.
- Local First 5 contributions are the linchpin for securing other CHI funding support. Combined, these contributions result in broad improvements in children's access to health and dental care and other community benefits.
- First 5 Commissions' efforts are also important because of the local systems changes they have supported. Through their participation in CHI planning and implementation, local Commissions have accomplished a great

deal in a remarkably short period of time by facilitating community partnerships, creating and enhancing infrastructure, and promoting greater general awareness of the need to provide health care coverage to all children.

- Local First 5 Commissions' longer term commitment to these programs will hinge on the findings of evaluations such as those underway in Santa Clara, San Mateo and Los Angeles counties. These findings will be critical not only to First 5 Commission funding continuation decisions but also to allocation decisions for counties poised to launch Healthy Kids programs.
- Finally, First 5 Commissions have also been instrumental in building momentum for the creation of a statewide policy initiative to cover all children in California. Local First 5 Commission participation and investment has been crucial to generating widespread community interest and investment in expanding health care coverage for all children.

### METHODS

Twenty-eight of 33 First 5 Commissions responded to this survey. Survey respondents included all nine local First 5 Commissions in counties with operational HK programs, fifteen Commissions in counties with an operational CHI that are actively planning HK programs ("pre-launch HK") and four Commissions in counties that are either in very early planning stages or do not have a CHI. The survey asked respondents about the extent and types of First 5 involvement in local CHIs, the involvement of other local supporters and funders, and their perceptions with regard to return on investment. It should be noted that not all respondents answered all questions – for that reason there is variation in the total number of responses for some questions.

### Endnotes:

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