

Feds provide relief for children's health care in California

SANTA CRUZ -- Parents worried about their children losing health care coverage due to the state budget crisis can breathe a little bit easier, thanks to two end-of-the-year decisions by the federal government.

Five days before Christmas, federal officials told the state that the Healthy Families program could continue to operate until mid-2011 with funds from a 2.35 percent tax on managed care organizations serving the poor. The plan, approved as AB 1422 and signed by the governor, had been under federal regulatory scrutiny.

Then the day before New Year's Eve, federal officials approved the state's request for \$12.5 million to cover 16,500 immigrant children living legally in California.

Alan McKay, executive director of the Central California Alliance for Health in Scotts Valley, welcomed the news.

The alliance is a nonprofit that operates Healthy Families locally, offering low-cost insurance to children who do not qualify for free Medi-Cal, and Healthy Kids, a locally funded healthcare plan for those who don't qualify for other programs.

The first decision "creates more breathing room," McKay said, describing the second decision as a breakthrough.

"Covering children is always good -- it's good for all of us," he said. "We've got close to 2,000 children in Healthy Kids, many of them undocumented. Regardless of citizenship, we're providing good health care for them."

The state has been paying the full cost of covering legal immigrant children, but when the Children's Health Insurance Program was re-authorized by Congress in February, federal officials agreed to expand eligibility to those children.

he federal government pays two-thirds of the cost of the Healthy Families program, and the state pays the rest.

Sentinel wire services contributed to this report.