

Santa Cruz County Healthy Kids program once a model plan

Santa Cruz County started its Healthy Kids program in 2004, the ninth county in the state to take concrete steps toward universal health care coverage for all children.

The idea was born after a countywide summit the previous year highlighted the problems of the county's uninsured. A steering committee was formed that included representatives from the county, local hospitals and foundations, the county medical society, the local First 5, which administers tobacco tax money, the nonprofit Central California Alliance for Health and others who worked directly or indirectly with the uninsured.

While the group concluded it was impossible to find sufficient local funding to cover all uninsured adults in the county, the program's founders made it their goal to insure every Santa Cruz County child whose parents earned less than 300 percent of the federal poverty line now about \$66,000 for a family of four. By hiring outreach workers, they thought they could get most children covered simply by enrolling them in already existing state and federal low-income programs -- Medi-Cal for the poorest, Healthy Families for those who earned a bit more.

For those children whose immigration status denied them access to those programs, and for those whose families earned more than the Healthy Families cutoff 250 percent of the federal poverty line, about \$55,000 for a family of four, Santa Cruz decided to create its own insurance product, called Healthy Kids, and to fund it with local donations.

In most ways, Healthy Kids, which is administered through the public, nonprofit health plan Central California Alliance for Health at a cost of \$1,025 per child, works like any other insurance plan. But children who meet the income guidelines aren't excluded for having pre-existing conditions, and their co-pays and premiums are largely subsidized by donors. Currently, Healthy Kids covers about 1,950 Santa Cruz County children.

In creating the program, county leaders consulted with the organizers of similar ventures in Santa Clara and San Mateo counties. Santa Clara launched its program in 2001 -- the first in the state to do so. San Mateo rolled out its version in early 2003, placing a major emphasis on winning support from the local community.

Santa Cruz, which had a strong tradition of collaboration among the private, public and nonprofit sectors, followed suit. Rather than simply leaning on big foundations and the county for help, the program's leaders also actively solicited support from local hospitals, philanthropists and individual donors. For example, Palo Alto Medical Foundation and Sutter Maternity & Surgery Center have collectively contributed more than \$1 million to the program.

Leaders hoped to run the program locally for a few years, prove its value, and eventually have the state take over and expand it to other counties.

Within a few years, the California Health Interview Survey, a biannual report conducted by the UCLA Center for Health Policy Research, showed impressive results -- as of 2007, some 98 percent of the county's children had some kind of coverage. A 2008 study released by USC showed that, between 2000 and 2005, Santa Cruz and eight other counties with Healthy Kids programs saw a 25 percent decrease in children being hospitalized for preventable conditions ranging from asthma to pneumonia to dehydration.

In recent years, the financial outlook for Santa Cruz's Healthy Kids program has grown less rosy. The state faces a \$19.9 billion deficit, even after making major cuts at the county level. In the past two years, Santa Cruz County's Health Services Agency has cut a third of its staff. And like many of the other 28 Children's Health Initiatives scattered across the state, Santa Cruz's leaders are worried about the withdrawal of funding by the California Endowment, Blue Shield of California Foundation and the Packard Foundation.

Starting in June, Santa Cruz Healthy Kids froze entry into the program and instituted a waiting list, which as of mid-January included 150 children.

Although the program's administrators are concerned about its long-term future, they say the large amount of local support should allow them to continue for the next year or two. Recently, the Central California Alliance for Health pledged \$500,000 to help make up the funding shortfall that will result from the foundations' pullback. Still, they say, the projected poor economic outlook -- and the governor's recent threat to reduce or eliminate the state's Healthy Families program -- will almost certainly push demand far beyond their ability to insure the county's children in need.

Jocelyn Wiener works for the California HealthCare Foundation Center for Health Reporting.