

## UNIVERSAL INSURANCE FOR CHILDREN

# Kids' health plan saves big bucks

The study comes at a good time — proposed budget cuts could threaten chances to guarantee coverage for local kids

By Sarah Arnquist

### QUICK LOOK

- **ABX1 1** is a reform bill that advanced in the state Assembly and is now awaiting approval in the Senate. The bill calls for insuring all children regardless of income or immigration status by July 1, 2009.
- **Children's Health Initiatives** save California taxpayers in nine counties \$7 million.
- **Pneumonia, asthma and dehydration** were the most common causes of preventable childhood hospitalizations from 2000 to 2005.
- **The SLO County Children's Health Initiative** insures about 600 children and has 700 on a wait list.

A new study found that providing health insurance to children through the local Children's Health Initiatives saves California taxpayers in nine counties \$7 million a year by preventing more than 1,000 unnecessary hospitalizations.

The study comes at an advantageous time for supporters of universal children's health insurance, who fear momentum for guaranteeing coverage to all children may be waning in light of a \$14 billion state budget shortfall and fading enthusiasm for comprehensive statewide health reform.

"It's exactly the thing we need," said Kena Burke, director of the San Luis Obispo County Children's Health Initiative. "It demonstrates that when you put your dollars in the beginning, the kids stay healthier."

Children's Health Initiatives in 25 counties, including San Luis Obispo, boost enrollment in public programs, Healthy Families and Medi-Cal, in addition to offering their own insurance, Healthy Kids.

Healthy Kids is for children in families who don't qualify for state and federal programs because their families earn too much or because of their immigration status.

The study released Monday by the Center for Community Health Studies at USC's Keck School of Medicine compared preventable childhood hospitalizations in nine counties before and after the implementation of the Children's Health Initiatives.

The study was funded by The California Endowment and First 5 Association of California.

### Decline in hospital stays

Pneumonia, asthma and dehydration were the most common causes of preventable childhood hospitalizations from 2000 to 2005. If managed properly, asthma should not put a child in the hospital, pediatricians said.

Researchers found that preventable hospitalizations for low-income children dropped 25 percent five years after the implementation of the children's health programs.

Hospitalization rates for higher-income children, who most likely have insurance, did not change. So the decline in hospitalizations was not because of any trend, but more likely because children had access to preventive care, researchers concluded.

The researchers estimated the children's health initiatives helped prevent 1,050 hospitalizations per year during the six-year study. They assumed a hospitalization cost of \$7,000 for a total savings of more than \$7 million in state and federal tax dollars.

Extrapolating those results to all California counties, the researchers estimated state and federal governments could save up to \$30 million annually by helping children access necessary care and avoid hospitalizations.

"This study links expanding coverage through local Children's Health Initiatives to quantifiable savings to California's health care system and the taxpayers," said Dr. Michael R. Cousineau, coauthor of the study and director of the Center for Community Health Studies at the Keck School of Medicine.

### **The SLO program**

The San Luis Obispo initiative is funded through foundation grants, private donations and the county. It now insures about 600 children and has 700 on a waiting list. The program also helps enroll children in state and federal programs, Healthy Families and Medi-Cal.

The California Endowment gives \$200,000 to provide 160 local children health insurance. The county matches that grant to insure an additional 160 children. First 5 Association and private donations fund the remaining children.

Burke doesn't know how much longer the endowment funding will be available. The endowment and other foundations that support children's health insurance announced they will re-evaluate their funding priorities if statewide health reform doesn't happen.

The reform bill, ABX1 1, advanced in the state Assembly and is now awaiting approval in the Senate. The bill calls for insuring all children regardless of income or immigration status by July 1, 2009.

"If it doesn't work at the state level, we are dedicated to try to ensure (local) children have access to the care they need," Burke said.

But, she said, raising \$1.3 million locally each year would be a significant challenge.