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GOVERNOR'S PROPOSED BUDGET COULD CAUSE MORE THAN 1 MILLION CHILDREN TO LOSE HEALTH BENEFITS OR COVERAGE

Governor Schwarzenegger proposes to significantly reduce, and potentially eliminate, the Healthy Families Program (HFP). The HFP provides low-cost health, dental, and vision coverage to children in families with incomes of up to 250 percent of the federal poverty line – \$45,780 for a family of three.¹ If the HFP were eliminated, 1,041,100 children would lose access to affordable health coverage. The federal government pays about two-thirds of the program's cost. Eliminating the HFP would reduce General Fund spending by \$222.0 million, but result in a loss of \$826.3 million in federal matching funds.²

The Governor proposes a number of reductions: three would apply under all circumstances and one – the elimination of the HFP – would occur if the state does not receive the \$6.9 billion in federal funds assumed in the Governor's Proposed Budget. Specifically, the Governor proposes to:

- Reduce the income eligibility limit from 250 percent to 200 percent of the poverty line, resulting in 203,300 children losing access to affordable health coverage.
- Eliminate routine vision care for children enrolled in Healthy Families.³
- Increase families' cost for premiums for those families with monthly incomes between 151 percent and 200 percent of the poverty line. Premiums would rise from \$16 per month per child to \$30 per month per child. Families with three or more children would see premiums increase from \$48 per month to \$90 per month. When combined with two recently enacted premium increases, this proposal would cause premiums to more than triple for families in this income range since increases began in February 2009.
- Eliminate the HFP, resulting in more than 1 million children in California losing access to affordable coverage, if the state fails to receive the level of federal funding assumed in the Governor's budget.

¹ The HFP covers children with somewhat higher incomes than is allowed under Medi-Cal. HFP eligibility begins above 200 percent of the poverty line for infants, above 133 percent of the poverty line for children ages 1 to 5, and above 100 percent of the poverty line for children ages 6 to 18.

² These estimates do not include the impact of the Governor's proposals on approximately 5,600 children who qualify for the California Children's Services (CCS) Program through the HFP. CCS provides health services for children with special health care needs. Approximately 5,000 children would lose eligibility for CCS under the Governor's proposals, for net state savings of \$4.1 million and \$21.6 million in lost federal matching funds, according to the Legislative Analyst's Office.

³ Treatment for eye injuries and surgery would still be covered.

Estimated County Impact of Governor's Healthy Families Program Proposals

County	Number of Children Losing Coverage Due to Restricted Eligibility*	Lost State and Federal Funds Due to Restricted Eligibility*	Number of Children Losing Vision Coverage**	Number of Children Affected by Increased Premiums	Number of Children Losing Coverage if Healthy Families Is Eliminated	Lost State and Federal Funds if Healthy Families Is Eliminated
Alameda	5,000	\$6,138,000	19,050	8,720	24,050	\$24,217,000
Alpine	2	\$600	2	1	2	\$2,400
Amador	90	\$115,000	360	160	450	\$455,000
Butte	910	\$1,117,000	3,470	1,590	4,380	\$4,407,000
Calaveras	170	\$204,000	630	290	800	\$805,000
Colusa	370	\$453,000	1,410	640	1,770	\$1,786,000
Contra Costa	3,060	\$3,761,000	11,670	5,350	14,740	\$14,840,000
Del Norte	130	\$159,000	490	230	620	\$628,000
El Dorado	720	\$885,000	2,750	1,260	3,470	\$3,490,000
Fresno	5,260	\$6,459,000	20,050	9,180	25,310	\$25,484,000
Glenn	320	\$398,000	1,240	570	1,560	\$1,570,000
Humboldt	860	\$1,054,000	3,270	1,500	4,130	\$4,157,000
Imperial	1,240	\$1,520,000	4,720	2,160	5,960	\$5,998,000
Inyo	70	\$90,000	280	130	350	\$357,000
Kern	6,080	\$7,466,000	23,170	10,610	29,260	\$29,458,000
Kings	990	\$1,216,000	3,770	1,730	4,770	\$4,799,000
Lake	400	\$486,000	1,510	690	1,900	\$1,916,000
Lassen	60	\$78,000	240	110	300	\$306,000
Los Angeles	55,230	\$67,796,000	210,410	96,340	265,650	\$267,482,000
Madera	1,070	\$1,313,000	4,080	1,870	5,150	\$5,181,000
Marin	730	\$901,000	2,800	1,280	3,530	\$3,553,000
Mariposa	50	\$59,000	180	80	230	\$233,000
Mendocino	570	\$705,000	2,190	1,000	2,760	\$2,781,000
Merced	2,180	\$2,671,000	8,290	3,790	10,460	\$10,536,000
Modoc	40	\$47,000	150	70	180	\$186,000
Mono	110	\$136,000	420	190	530	\$537,000
Monterey	4,660	\$5,722,000	17,760	8,130	22,420	\$22,575,000
Napa	930	\$1,147,000	3,560	1,630	4,490	\$4,524,000
Nevada	580	\$709,000	2,200	1,010	2,780	\$2,796,000
Orange	20,520	\$25,187,000	78,170	35,790	98,690	\$99,374,000
Placer	1,160	\$1,430,000	4,440	2,030	5,600	\$5,640,000
Plumas	60	\$80,000	250	110	310	\$314,000
Riverside	18,390	\$22,570,000	70,050	32,070	88,440	\$89,047,000
Sacramento	6,470	\$7,940,000	24,640	11,280	31,110	\$31,328,000
San Benito	460	\$567,000	1,760	810	2,220	\$2,235,000
San Bernardino	15,900	\$19,510,000	60,550	27,730	76,450	\$76,977,000
San Diego	18,280	\$22,442,000	69,650	31,890	87,940	\$88,545,000
San Francisco	2,780	\$3,417,000	10,600	4,860	13,390	\$13,481,000
San Joaquin	4,880	\$5,989,000	18,590	8,510	23,470	\$23,628,000
San Luis Obispo	1,280	\$1,566,000	4,860	2,230	6,140	\$6,180,000
San Mateo	2,490	\$3,057,000	9,490	4,340	11,980	\$12,059,000
Santa Barbara	2,620	\$3,210,000	9,960	4,560	12,580	\$12,666,000
Santa Clara	7,720	\$9,474,000	29,400	13,460	37,120	\$37,377,000
Santa Cruz	1,560	\$1,916,000	5,950	2,720	7,510	\$7,559,000

County	Number of Children Losing Coverage Due to Restricted Eligibility*	Lost State and Federal Funds Due to Restricted Eligibility*	Number of Children Losing Vision Coverage**	Number of Children Affected by Increased Premiums	Number of Children Losing Coverage if Healthy Families Is Eliminated	Lost State and Federal Funds if Healthy Families Is Eliminated
Shasta	990	\$1,211,000	3,760	1,720	4,740	\$4,777,000
Sierra	10	\$13,000	40	20	50	\$51,000
Siskiyou	170	\$212,000	660	300	830	\$835,000
Solano	1,300	\$1,598,000	4,960	2,270	6,260	\$6,307,000
Sonoma	2,960	\$3,631,000	11,270	5,160	14,230	\$14,327,000
Stanislaus	3,250	\$3,983,000	12,360	5,660	15,610	\$15,715,000
Sutter	860	\$1,053,000	3,270	1,500	4,120	\$4,153,000
Tehama	360	\$442,000	1,370	630	1,730	\$1,743,000
Trinity	60	\$76,000	240	110	300	\$301,000
Tulare	3,390	\$4,163,000	12,920	5,920	16,310	\$16,424,000
Tuolumne	250	\$310,000	960	440	1,220	\$1,224,000
Ventura	4,980	\$6,115,000	18,980	8,690	23,960	\$24,127,000
Yolo	940	\$1,159,000	3,600	1,650	4,540	\$4,574,000
Yuba	470	\$575,000	1,780	820	2,250	\$2,268,000
Total	216,470	\$265,700,000	824,630	377,580	1,041,100	\$1,048,300,000

* The Governor's proposal would limit eligibility to children in families with incomes less than 200 percent of the poverty line, or \$36,620 for a family of three.

** Assumes the Governor's proposal to restrict eligibility is approved.

Note: County estimates were derived by determining each county's share of the statewide Healthy Families caseload, averaged over October, November, and December 2009. Each county's share was then multiplied by the total estimated number of children who would be affected, or the total amount of dollars that would be lost under each proposal. The estimated number of children affected reflects the number of children projected to be enrolled as of June 30, 2011, with the exception of those affected by premium increases, which reflects the projected enrollment as of July 1, 2010. A small number of Healthy Families children who were not identified by county in state reports were excluded from the analysis. The estimated loss of funds includes General Fund and federal funds. Estimates of affected recipients are rounded to the nearest 10, except for Alpine County, and estimates of loss of funds are rounded to the nearest \$1,000, except for Alpine County, which is rounded to the nearest \$100. County estimates do not sum to totals due to rounding.

Source: CBP analysis of Managed Risk Medical Insurance Board and Legislative Analyst's Office data