CHILDREN'S ALLIANCE

A Voice for Washington's Children, Youth & Families

Lost in the shuffle: 15,000 children lose health insurance

A status report on the immigrant health insurance transition

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"This is devastating for kids. They are losing health care insurance and dental coverage, both of which are vital to helping kids be ready to learn and reach their full potential."

--Dr. Kyle Yasuda, M.D., Pediatrician

Introduction

Last week, nearly 29,000 of Washington's very low income children and their parents lost their state funded health insurance. A budget cut enacted in the 2002 state legislative session went into effect on October 1, 2002, eliminating state-funded medical programs that provided health insurance coverage to immigrant children and their parents (Senate Bill 6833). A related budget proviso and appropriation provided an opportunity for these individuals to enroll in the state's Basic Health Plan.

Nine out of ten (25,906) of those affected are children under the age of 18, most of whom live in families with incomes below the federal poverty level.

The legislature intended for those who lost benefits to obtain Basic Health coverage. The State agencies responsible for the transition (the Medical Assistance Administration and Health Care Authority) took multiple steps to inform clients of the changes and help them enroll in Basic Health.[i] Unfortunately, many clients have not yet enrolled in Basic Health. This brief report provides information about the status of the transition and identifies barriers to enrollment and consequences of the changes.

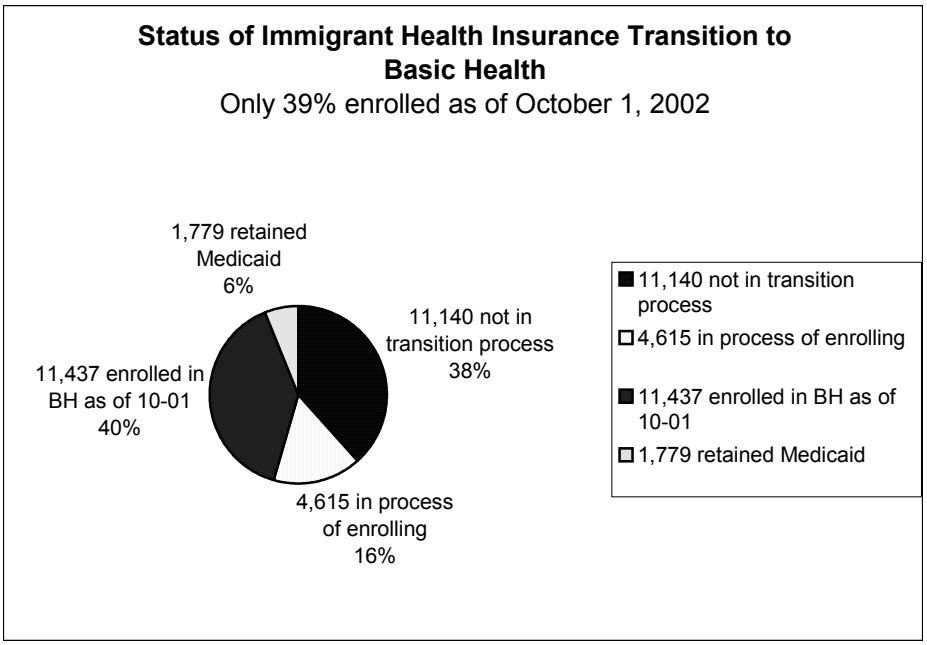
Results[ii]

- **Only 39% of transition clients (11,437 individuals) currently have health insurance through Basic Health.**

- **An additional 6% of the transition clients (1,779 individuals) have retained Medicaid coverage as a result of at least five years of residency in the U.S.[iii]**

- **39% of the transition clients (11,140 individuals) have not even begun the process of enrolling in Basic Health.**

- **Approximately 16% of the transition clients (4,615 individuals) are attempting to enroll in Basic Health.** **Because they have not completed the process, they will not receive Basic Health coverage until November 1st at the earliest.**



Barriers to enrollment

While there are many reasons that over 15,000 (15,755 is the estimated number) individuals have not been able to enroll in Basic Health, reports from clients and other stakeholders reveal several common barriers:

***Financial**:* The Basic Health monthly premiums are unaffordable for many families. For example, typical premium costs for a family of three (1 adult, 2 children) are between $30 and $118 per month. Most affected families live on far less than $1,200/month. Although financial sponsorships are available to help some clients with premium payments, sponsorship availability is not adequate. Out of the 39 counties in Washington, 19 counties do not have any sponsors. Many clients early in the transition submitted their completed applications with every intent to enroll into Basic Health. When they received bills for their premiums, however, they were unable to pay and therefore did not receive coverage on October 1, 2002.

***Language**:* The affected clients speak 21 different languages. Two-thirds, 19,441 individuals, are Spanish speaking; 6%, 1,810 individuals, are Russian speaking. While the notification letters were translated into other languages, much of the Basic Health enrollment information is available only in English.

***Outreach**:* Limited funds were provided to nonprofit organizations to assist clients in enrolling in Basic Health, but the scope of the transition has been beyond the capacity of limited outreach efforts. Many affected children live in highly mobile families and are part of the migrant workforce in Washington. These hard working families can be difficult to reach via postal mail, and time and concerted outreach efforts are needed for them to successfully enroll in Basic Health.

***Application process**:* The Basic Health enrollment process is lengthy, complicated, and involves multiple steps by both the client and Health Care Authority staff. Verification of income can be difficult. The transition would have been much more successful if clients had been automatically transferred to Basic Health, using their information already on file with the state as verification. However, clients were required to go through the lengthy Basic Health enrollment process.

***Timing**:* In order to receive Basic Health coverage for the month of October, clients had to indicate an interest to enroll in early September. Yet as late as August, clients were being advised of their continuing eligibility for DSHS programs, leading them to believe they were eligible for another year. Given the complexity of this transition (with two state agencies responsible for different parts of the process), many clients simply have not had sufficient advance notice to complete the enrollment process.

Consequences

With less than half of the transition population having continuous health insurance, this change has created over 15,000 *newly uninsured* individuals. Some of the early consequences of the immigrant health transition are identified below.

***Lack of insurance**:* The loss of health insurance for over 15,000 people means the loss of regular preventive health care, loss of regular contact with a physician, and increased likelihood of clients turning to emergency rooms for health care. Children may miss vital immunizations, regular check-ups, and early identification of serious conditions.

***Loss of benefits**:* Even those who receive Basic Health coverage will find that many services are not covered. Basic Health, for example, does not cover hearing, vision, and dental services. Furthermore, many services for children with special health care needs (such as tube feeding, medical equipment, and therapies) are also not covered by Basic Health.

***Financial hardship for families**:* In addition to monthly premiums, Basic Health members have to pay co-pays for each office visit and prescription drugs. Basic Health also has stringent criteria for staying enrolled. If two consecutive payments are missed, the member is not only disenrolled, but also barred from Basic Health for one year.

***Instability for health care system**:* The loss of insurance for thousands of people will force more patients to seek care in emergency rooms, which will raise costs for health providers (and ultimately consumers, businesses and insurers as costs are shifted to those who pay). Individuals who do not receive preventive care and delay treatments will be sicker longer. In the cases of infectious diseases, lack of treatments could potentially compromise the health status of the population at large.

***Uncertainty about medical interpretation services**:* Quality of health care is significantly dependent on effective communication between the provider and patient. With such a high percentage of this population needing translation services, medical interpreters are often necessary. Many of the health plans that participate in Basic Health, however, have indicated that providing interpreter services is not their responsibility. It remains to be seen how the interpretation needs of many clients (particularly those needing specialty care) will be met.

Conclusion

With the promise of Basic Health coverage still unmet for over 15,000 individuals, it is imperative that state officials responsible for the transition redouble their efforts to identify and enroll many more of those who lost health coverage on October 1st.

This will require additional outreach and flexibility by the state agencies responsible for the transition. The Health Care Authority has stated that clients will be able to enroll in Basic Health (without being placed on a waiting list) until June of 2003. Thus, there is still time for children and their parents to enroll in Basic Health.

Policymakers and state legislators should maintain the goal of ensuring that health coverage is available to this population. Areas that may need to be addressed include simplifying the Basic Health application process, increasing financial sponsorships, adding benefits to the Basic Health package, and instituting more flexible policies to help Basic Health members retain their insurance coverage.

In light of the considerable loss of health insurance, policymakers should identify impacts on the clients and the health care system, particularly community clinics and hospital emergency rooms. While this change was adopted as a cost-savings measure, legislators should examine whether there are really long term cost savings with so many newly uninsured individuals.

State legislators and Governor Locke should carefully consider the consequences of any further reductions or changes in health care coverage as the state faces a budget crisis.

The Children's Alliance will continue to monitor the progress of this transition through its Immigrant Health Transition Workgroup, a group of stakeholders who are advocating for a full and fair transition to Basic Health.[iv] For more information, contact Jon Gould at (206) 324-0340 x19 or jon@childrensalliance.org

Endnotes:

[i] The following website provides excellent information about the transition: http://fortress.wa.gov/dshs/maa/bhptransition/

[ii] These results are based on data provided by the Health Care Authority to the Children's Alliance on 10/4/02. For the purposes of this report, we assumed a total of 28,971 clients (the number on the transition website in September).

[iii] It is probable that more clients will be determined eligible for federal Medicaid, but data was not available for this report.

[iv] The next meeting of the Immigrant Transition Workgroup will be Thursday, October 17th, 10am-12pm, at the Children's Alliance office in Seattle, 2017 E. Spruce St.