

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 807 Florida Kidcare Program

SPONSOR(S): Clarke-Reed

TIED BILLS: IDEN./SIM. BILLS: SB 338

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Health Care Services Policy Committee	5 Y, 0 N	Schoolfield	Schoolfield
2)	Health & Family Services Policy Council	21 Y, 0 N	Lowell	Gormley
3)	Full Appropriations Council on General Government & Health Care			
4)				
5)				

SUMMARY ANALYSIS

The bill directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to perform a study of the effectiveness of the outreach efforts of the Florida KidCare program for uninsured children. OPPAGA is directed to examine current practices of the Social Services Estimating Conference, Department of Health, Children’s Medical Services, Agency for Health Care Administration, Department of Children and Families, Department of Education and Healthy Kids Corporation related to:

- Determining expenditures,
- Coordinating with other health related programs to avoid duplication,
- Providing services to children in KidCare,
- Making information available to parents,
- Offering services to the target population, provide medical assistance, and
- Determining eligibility and increasing enrollment in KidCare.

The bill directs OPPAGA’s report to focus on:

- Local outreach in low enrollment counties,
- Examining counties with high enrollment to determine how they reach the target population,
- Deficiencies in the outreach process, and
- Options and projected cost for correcting deficiencies.

OPPAGA is required to consult with the Department of Health, Department of Children and Families and other interested entities relevant to the research. OPPAGA must submit a report by January 1, 2010 to the Speaker of the House and President of the Senate.

The bill does not appear to have a fiscal impact on state or local governments.

The bill is effective upon becoming a law.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background**

###### *Overview of Florida Kidcare*

The Legislature established the Florida KidCare Program in 1998 to reduce the number of uninsured children in Florida through a combination of Medicaid expansions and public/private partnerships. The Florida KidCare program provides health care coverage to over 1.5 million children in Florida.<sup>1</sup> KidCare is an "umbrella" program that includes: Medicaid (for children), Florida Healthy Kids Program, MediKids and the Children's Medical Services Network for children with special health care needs. Eligibility for the different program components is based on age, family income, and whether the child has a serious health condition.

###### *KidCare Funding Sources*

Medicaid is the largest source of health care support for children in Florida. Medicaid is authorized by Title XIX of the Social Security Act. The State Children's Health Insurance Program (SCHIP) is the main source of non-Medicaid, KidCare funding. The SCHIP program was established in 1997, as Title XXI of the Social Security Act, to cover children not eligible for Medicaid, whose families do not make enough money to purchase private insurance (below 200% of the Federal Poverty Level.) SCHIP is a federal/state partnership, similar to Medicaid, except that under SCHIP, the federal government provides a capped amount of funds to states on a matching basis.<sup>2</sup> Families with incomes above 200 percent of poverty may participate as a full pay participant. Kidcare funding excluding Medicaid is \$472 million for FY 2008-2009.

###### *KidCare Enrollment*

The overall enrollment in KidCare has increased just over 7 percent since June 2008 when total enrollment was 1.44 million children.<sup>3</sup> The Medicaid children's portion of KidCare has increased by just over 8.1 percent during this period while the SCHIP funded part of the program has decreased by 4.2 percent.

<sup>1</sup> Florida KidCare Enrollment Report, March 2009, Agency for Health Care Administration.

<sup>2</sup> Federal match rate for FFY 08-09 is 68.78%.

<sup>3</sup> Florida KidCare Enrollment Report-June 2008, Agency for Health Care Administration.

### Kidcare Enrollment March 2009<sup>5</sup>

<i>Program Component</i>	<i>Fund Source</i>	<i>Monthly Enrollment</i>
Florida Healthy Kids	SCHIP Title XXI	196,964
Children's Medical Services Network	SCHIP Title XXI	22,397
MediKids	SCHIP Title XX	22,471
Medicaid (under age one)	SCHIP Title XX	754
Medicaid (children)	Medicaid Title XIX	1,307,890
Total Kidcare Enrollment		1,550,476 <sup>4</sup>

#### *KidCare Program Administration*

The KidCare program is administered as a partnership among several state agencies and the private Healthy Kids Corporation. The Agency for Health Care Administration administers the Medicaid and MediKids programs. The Department of Children and Families performs Medicaid (Title XIX) eligibility determination, and administers the Behavioral Health Network, which is part of the Children's Medical Services Network for children with special needs. The Department of Health administers the Children's Medical Services (CMS) Network for children with special needs, and staffs the Florida KidCare Coordinating Council. The Florida Healthy Kids Corporation, under contract with the Agency for Health Care Administration, performs administrative functions for the overall KidCare program, and administers the Florida Healthy Kids program. The corporation handles eligibility determination, premium billing and collection, refunds, and customer service for KidCare, except for the large Medicaid component that is administered by the Agency for Health Care Administration and the Department of Children and Families.

#### *KidCare Outreach*

The Office of Program Policy Analysis and Government Accountability (OPPAGA) prepared a report on KidCare outreach and Organizational Placement in March 2007. The report provides that, from the beginning of the Florida KidCare program in 1998 until 2003, outreach in Florida was conducted by three organizations working in partnership: the Department of Health, the Florida Healthy Kids Corporation, and the Florida Covering Kids project funded by the Robert Wood Johnson Foundation.<sup>6</sup> The Department of Health had primary state responsibility for overall outreach for all KidCare program components until its funding authority ended in 2003. The Florida Covering Kids project used foundation funding from 1999 to 2006 to conduct social marketing research for the Department of Health's outreach program and provide direct outreach through its five local sites and coalitions. From 1990 to the present, the Florida Healthy Kids Corporation has continued to provide some KidCare outreach. Currently, the corporation is the only remaining state-level entity that provides KidCare outreach.<sup>7</sup>

The OPPAGA report memorandum concluded that National and Florida evaluations of SCHIP outreach efforts show mixed results regarding the effect of outreach on program enrollment, with some evaluators asserting that outreach increases enrollment and others not being able to find a quantifiable link between outreach and enrollment. In Florida, some stakeholders attribute much of the drop in SCHIP enrollment to reduced outreach funding. However, other stakeholders note that the program has undergone major changes since the reduction in state outreach funding, and these program changes have had a significant influence on enrollment declines. OPPAGA concluded that KidCare enrollment trends have likely been influenced by a combination of factors, which would include reduced outreach funding as well as a period of frequent changes in program enrollment requirements.<sup>8</sup>

#### *Social Services Estimating Conference process*

<sup>4</sup> Includes over 21,000 full pay participants in Healthy Kids and MediKids components of KidCare.

<sup>5</sup> Florida KidCare Enrollment Report- March 2009, Agency for Health Care Administration.

<sup>6</sup> The Foundation expanded the "Covering Kids" initiative to "Covering Kids and Families" in 2002.

<sup>7</sup> KidCare Outreach and Organizational Placement Memorandum, Becky Vickers, March 8, 2007.

<sup>8</sup> *Id.*

The Social Services Estimating Conference meets 2 to 3 times each year to develop information relating to the Florida Kidcare program, including, but not limited to, outreach impacts, enrollment, caseload, utilization, and expenditure information that the conference determines is needed to plan for and project future budgets and the drawdown of federal matching funds.<sup>9</sup>

### **Effect of Proposed Changes**

The bill directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to perform a study of the effectiveness of the outreach efforts of the Florida KidCare program for uninsured children. OPPAGA is directed to examine current practices of the Social Services Estimating Conference, Department of Health, Children's Medical Services, Agency for Health Care Administration, Department of Children and Families, Department of Education and Healthy Kids Corporation related to:

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### **B. SECTION DIRECTORY:**

- Section 1      Creates in an unspecified section of statute a requirement for and OPPAGA study of the outreach efforts of Florida KidCare program.
- Section 2      Provides the act shall take effect upon becoming law.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None

2. Expenditures:

None

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

None

1. Revenues:

None

2. Expenditures:

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<sup>9</sup> s. 216.136(6), F.S.

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

**IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**