



Healthy Kids 1999 Annual Report

FEBRUARY 1999...REVIEWING THE YEAR THAT ROARED AND SOARED

Healthy Kids in a Sea of Change

HEALTHY KIDS AND CHIP—MORE KIDS COVERED

When Title XXI of the Social Security Act was approved in the summer of 1997, it established the Children's Health Insurance Program (CHIP), giving states three options: (1) expand Medicaid; (2) create a new program; or (3) combine new programs with Medicaid expansions. The Act established new eligibility requirements and minimum health care benefits. It also provided \$24 billion in federal matching funds over five years to help states with financing the new initiative and specifically grandfathered in the Healthy Kids benefits as meeting federal standards.

By April 1, 1998, the State of Florida implemented its first phase of programs to expand coverage utilizing the newly available federal funds. Due in large part to its proven track record of success, the Healthy Kids program was selected as a major component of Florida's new CHIP initiative. To expand the then current program and take advantage of the new federal funds, Healthy Kids was required to make modifications to its 8-year-old program.

With 50,000 kids in the program at the time, Healthy Kids concentrated its efforts on qualifying individual children already enrolled in the program as eligible for Title XXI funds. Doing so would enable the corporation to expand its coverage

with the realized gain in revenue from federal sources. This required families to inform the program of several new pieces of information including the citizenship status of enrolled children. Additionally, the corporation established a mechanism for determining children of public employees by performing a computer match with state payroll records.

It is important to note that these new elements were used for determining whether the Healthy Kids program was eligible to draw federal funds to support a specific child. These elements were not used to determine a child's eligibility for the Healthy Kids program. This is an important distinction to bear in mind. Once a child's eligibility file was updated with this information, the corporation could inform the federal agencies administering CHIP and draw down the associated new federal funds, thereby stretching existing revenues even further and enabling an expansion in coverage to previously uninsured children. Healthy Kids made a commitment to continue serving those children who were already enrolled in the Healthy Kids program prior to the implementation of the new federal initiative. These children are supported with non-federal revenue which accrues to the program.

Phase One Changes to Healthy Kids April 1, 1998

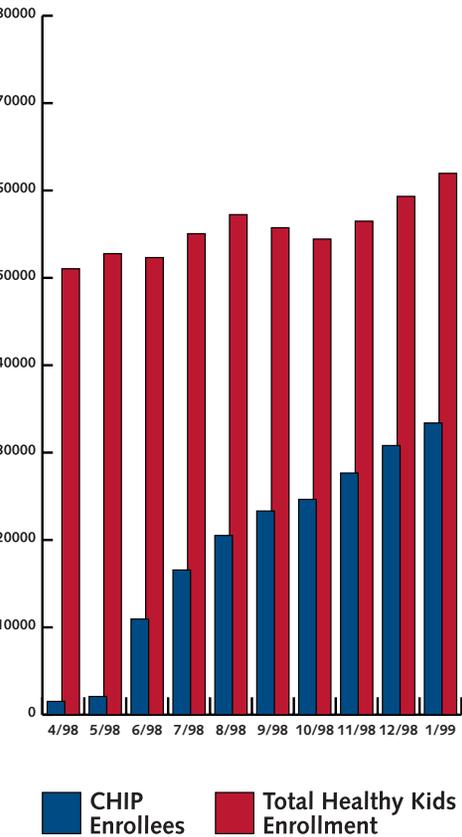
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HEALTHY KIDS AND KIDCARE — EVEN MORE KIDS COVERED

When the Florida Legislature convened for its regular 1998 session, the State of Florida tackled the CHIP issue again. With an eye on providing coverage to the most children possible and maximizing the level of federal funds of which the state could avail itself, a more comprehensive set of programs were contemplated, approved and implemented. The state's landmark tobacco settlement helped to stimulate the discussion by providing an obvious source of new state funding which could be matched against federal funds for an expanded CHIP program. Known as the KidCare Act, House Bill 4415 recognized the program elements contained in phase one, and created new programs aimed at insuring even more children. The effect of the new law on the Florida Healthy Kids Corporation was broad and has provided numerous challenges. The KidCare Act increased the benefits that must be offered by Healthy Kids, mandated a cap on the percentage of enrollees in Healthy Kids which can participate without the benefit of subsidy, required the establishment of enrollment in each county without the benefit of local matching funds and required the corporation to expand the program statewide. The experience of the corporation is expressed within the pages of this document.

CHIP Enrollees In Healthy Kids



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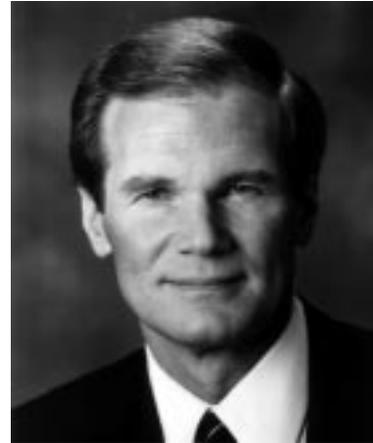
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Letter from the Chairman



Bill Nelson

Dear Reader,

Children are one-third of our population and all of our future. Healthy children serve as the foundation for our community's growth and prosperity. And, Healthy Kids operates as the building block for that strong foundation.

Hundreds of thousands of children become or remain uninsured every year. The State of Florida, however, is working very hard to overcome this serious problem.

Today, Florida Healthy Kids Corporation has evolved to serve more than 60,000 children in 41 school districts across the state and there are more children waiting to participate. Our program has grown into a nationally recognized model for meeting the health care needs of children across the state.

This annual report tracks the accomplishments of our Healthy Kids program. Readers can see where we've been successful in providing needed health care coverage, and how we plan to move closer to our goal of making sure every child in the State of Florida has quality health care.

The success of this vital program depends on everyone. It is of utmost importance that excellent health care coverage is assured to all — even our youngest citizens!

Sincerely,

A handwritten signature in black ink that reads "Bill Nelson". The signature is written in a cursive, flowing style.

Bill Nelson

Chairman of the Board and State Insurance Commissioner

Healthy Kids History



In the United States, families have traditionally acquired health care coverage for their children in one of three ways. Some families pay directly for their plans on an individual basis. Others are covered by public assistance programs like Medicaid. And then there are those that make up the largest group, parents that are under group insurance programs through their employer. Insurance programs for members of large employer groups have traditionally had the lowest prices.

A study by the U.S. General Accounting Office has shown that children's health care coverage in employer-based plans is disintegrating. In just four short years, the number of U.S. children covered by their parents' group plan nationwide declined by 5.6%—almost two million children.



As the State of Florida considered what to do with the challenge of providing health care to its youngest citizens, an idea was born: School Enrollment-Based Health Insurance. This idea was published in the *New England Journal of Medicine*, March 31, 1988, and instantly gained the attention of health policy makers.

Florida leaders launched an ambitious experiment when then-Governor Bob Martinez secured his signature to the "Healthy Kids Corporation Act" in 1990.

It was a simple notion. School systems would be used as the mechanism for creating large groups of people to cover participants the way large businesses did. Coverage could be offered to families with children enrolled in school and benefits would be designed specifically for them.

Late-Governor Lawton Chiles and his administration played an integral part in the success of the Healthy Kids program. During the Chiles administration, the number of counties serving Healthy Kids grew at an enormous rate. Between the years 1997 and 1998, the number of counties with Healthy Kids participants grew from 19 to 31.

In addition to being selected by the Robert Wood Johnson Foundation as the National Program Office for the Foundation's Healthy Kids initiative, the Florida Healthy Kids Corporation was named the winner of the 1996 Innovations in American Government Award by the Ford Foundation and the Kennedy School of Government at Harvard University. The Innovations Awards recognize governmental initiatives that provide creative solutions to pressing social and economic problems.

Healthy Kids recognizes that a key to continued success lies in applying the lessons we have learned to the future. The corporation faces new challenges, demands and changes. Consistent throughout our history, however, will be a continued focus on reducing the number of uninsured children.



A Revolution in Financing

When the program began with an initial investment of \$83,500 from the state, Florida was hoping to secure significant grant funding from other sources in order to launch the first children's health insurance program of its kind. Nine years later, the corporation's budget is more than \$80 million. Healthy Kids finances medical care through a unique approach—aggregating family contributions, state and local government funding and new federal funds made available through Title XXI of the Social Security Act—for the purchasing of health insurance for previously uninsured children.

FEDERAL FUNDS

Grants to the University of Florida for research on the feasibility of the school enrollment-based concept provided a strong foundation from which to develop an application for a Medicaid demonstration grant. Submitted in mid-1990, the demonstration grant provided fed-

eral Medicaid funding (1115 waiver) to launch the first pilot project. Federal funds were utilized in Volusia County from 1991 through early 1995 when federal involvement ended as scheduled. The demonstration was successful (see SEBHI Final Report: Abt Associates, May 1995) and led to the implementation of additional county sites without the benefit of federal funds.

LOCAL FUNDS

To begin new projects in Florida without federal financial assistance from 1993 through 1998, the corporation developed a participation requirement for county governments who volunteered to join in providing affordable coverage. Beginning in 1993, Healthy Kids program sites contributed varying percentages of local funds in each project. With a 5% minimum contribution set as the base, each project increased its local contribution annually. The local match policy

was amended in 1996 and again in 1998 so that today, the voluntary local government's share is capped at 20% of program costs. A sliding scale for local governments allowed communities to implement the program with minimal start-up funding and provided an opportunity for increasing local financial responsibility over time.

Still, the implementation of Healthy Kids in a given geographic region of the state required local funding. More recently, the corporation implemented a base enrollment policy which provides every county in the state, regardless of the extent to which local funds may or may not be available, a Healthy Kids program. This new concept is discussed later in this report.

Previous to CHIP funding, the corporation accepted local matching funds from any source. In order to benefit from the new federal funds, the corporation had to restrict local contributions to sources which were acceptable under federal law. This meant that Healthy Kids could no longer accept contributions from providers of health care services.

Maintenance of effort requirements in the new federal law require Florida to maintain its pre-CHIP spending levels, which includes local match. Modifying or eliminating the local match formula would require replacement of funds with other state





monies to avoid federal penalties.

During the 1998-99 fiscal year, local governments have voluntarily committed \$7.9 million to the program. These funds are important and allow us to serve an additional 31,000 children and draw up to \$18.4 million in new federal matching funds which are discussed below.

FEDERAL FUNDS REVISITED

With passage of the Balanced Budget Act of 1997, Title XXI was established and made 24 billion dollars in new federal funds available to states to extend coverage to previously uninsured children. Florida was well positioned to take advantage of the new funding source and did so. By April 1998, the Healthy Kids Corporation and the State of Florida gained approval to utilize these new federal funds to cover more uninsured children. The level of federal funds accruing to the

corporation has increased steadily each month since then.

SLIDING SCALES

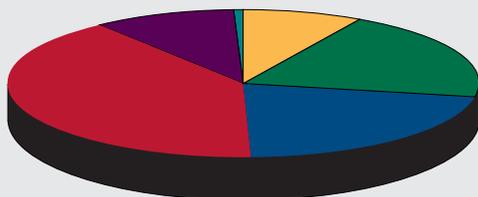
Healthy Kids has encouraged parental responsibility in the medical system which serves their children by charging families a share of the insurance premium. Initially, a sliding scale of costs was available in each project and varied at county option. This scale charged families on a per child basis an amount which varied from \$5 to \$65 per month. More recently, in response to limits placed on family cost sharing which were imposed by Title XXI as a condition of receiving federal funds under the Act, the corporation adopted a "family" share of cost premiums. Today, 95% of enrolled families pay a single monthly amount to cover all of the eligible children in the family. This change resulted in an overall percentage reduction in the amount

of contributions being received from families. During the current year, the corporation will receive \$17.5 million from families under the new cost sharing arrangement.

STATE OF FLORIDA

The balance of funding is provided by the State of Florida. The Healthy Kids Corporation secured incremental increases to its State General Revenue funding and the program continued to grow and expand during each of the years 1992 through 1997. By 1997, the state's contribution to the corporation's activities had reached \$16 million annually. In 1998, the landmark case against Big Tobacco was settled and a portion—\$75 million—was allocated by the Florida Legislature to establish new or to expand existing children's health programs. Of that allocation, \$6.7 million was directed to the Florida Healthy Kids Corporation.

Current Funding 1998-1999



TOBACCO	\$6,694,525
GENERAL REVENUE	\$16,018,852
FAMILY	\$17,556,120
FEDERAL	\$32,642,668
LOCAL	\$7,968,969
OTHER	\$528,450

Insurance Product Revised

The Florida Healthy Kids benefit package was among the first children's-only insurance products in the nation. Discarding the traditional type of coverage created for employer groups and adult workers, Healthy Kids focused first on child health supervision and other preventive services. Healthy Kids also emphasized the importance of services most likely to enhance a child's learning and made a sincere commitment to comprehensive health.

When analyzing the predicted frequency in which the children utilized the offered benefits, Healthy Kids found that those services which usually drive up the cost of employer-based plans were not fre-

quently used by school age children. By including these benefits, Healthy Kids has enabled families to gain a greater peace of mind with little effect on the program costs.

For the next six years, we continued our commitment to this original level of benefits and during this time we refined our ability to describe participants and their use patterns. Armed with supporting data, Healthy Kids was able to negotiate three premium reductions during the first two years of the program. While the rest of the country was experiencing premium increases of 5.025% in their best-selling packages, on average according to the American Association of Health Plans, Healthy



Benefits

WELL CHILD CARE VISITS
 IMMUNIZATIONS
 PRIMARY & SPECIALTY PHYSICIAN OFFICE VISITS
 LAB TESTS
 INPATIENT HOSPITAL CARE
 SURGICAL PROCEDURES
 EMERGENCY SERVICE & TRANSPORTATION
 PRESCRIPTIONS
 VISION AND HEARING SCREENING & GLASSES/HEARING AIDS
 PHYSICAL THERAPY
 MENTAL HEALTH
 PRE-NATAL CARE AND DELIVERY
 TRANSPLANTS
 ONE MILLION LIFETIME MAXIMUM FOR MEDICAL AND BEHAVIORAL
 CHIROPRACTIC EXPANDED
 SUBSTANCE ABUSE AND DRUG REHABILITATION EXPANDED
 BEHAVIORAL HEALTH EXPANDED
 NO LIMITATION ON PRE-EXISTING CONDITIONS



1998-99 Co-Payments

OFFICE VISITS	\$3
PRESCRIPTIONS	\$3
GLASSES	\$10
EMERGENCY ROOM	\$10
OUTPATIENT MENTAL HEALTH	\$3

Kids experience was an overall reduction of \$17 by early 1995.

The resulting premium costs and low premium inflation supported what we suspected from the beginning—children are basically healthy

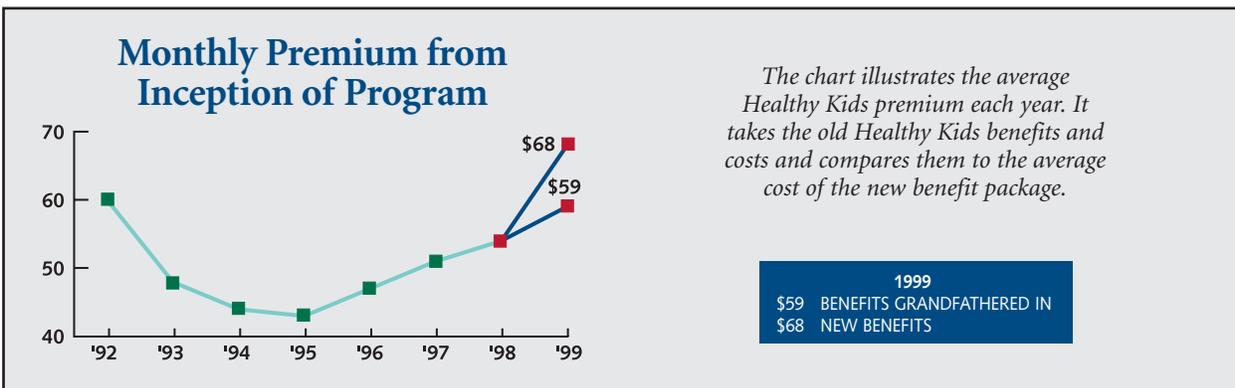
and relatively inexpensive to insure. And by giving potential insurers detailed information about our participants' expected health care use rates, a mutually satisfactory relationship between Healthy Kids and the insurer could be realized.

To gain approval of Florida's initial plan for implementing its CHIP program effective April 1998, minor modifications to co-payments were required. Specifically, Healthy Kids reduced the co-payment for behavioral health services from \$5 to \$3 and emergency room visits were reduced from \$25 for an inappropriate visit to the emergency room to just \$10. Future studies will determine what effect these federally mandated reductions have on health care utilization.

Later in 1998, the Florida Legislature directed the corporation

to expand the level of benefits it offers. Health plan contracts which were already in effect were specifically grandfathered-in until the year 2000. The new benefits are being incorporated into new contracts and include an expanded substance abuse benefit, enhanced inpatient and outpatient days for behavioral health services and twice the number of chiropractic visits that were covered under the original benefit package.

The comprehensive health care product is provided by licensed insurers selected through a competitive bid process. Today, the average monthly premium is \$59 per child per month in twenty-three sites where the grandfathered benefits are available and \$68 in those sites where the enhanced benefits are currently offered.



Expanding Health Services

With passage of Florida's KidCare Act, the Florida Healthy Kids Corporation was required to expand its service area and increase provider choice. Specifically, the corporation was directed to do three things in this area:

BASE ENROLLMENT

The corporation was directed to establish a maximum number of participants by county who may enroll in the program without the benefit of local matching funds.

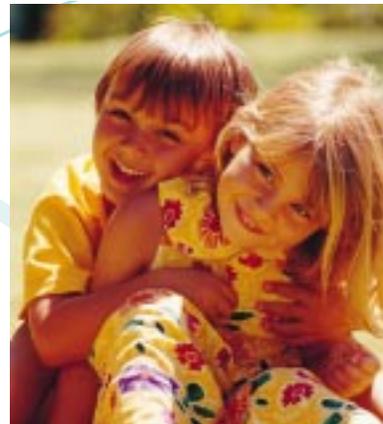
To satisfy the requirement of base enrollment, the corporation chose initially to establish a policy whereby each county in Florida would receive 10% of the then current enrollment (June 1998) or 200 enrollment slots (whichever was greater) without a contribution of a local match. Any county desiring to increase its enrollment to a higher level could voluntarily do so by contributing local matching funds. This approach to the base enrollment policy disproportionately benefits Florida's small rural counties—Liberty County received the same number of base enrollment slots as did Orange County—but

was viewed as a way to increase the probability that insurers or health plans would view the rural areas as potentially beneficial markets for providing coverage to enrollees. With 200 as the enrollment target, small rural areas of the state would become more attractive to the insurance industry and enhance the corporation's efforts to expand its service area.

Establishing the base enrollment initially at 200 enabled the corporation to gauge the effectiveness of the policy. More recently, effective February 1, 1999, the corporation increased the base enrollment by an additional 300 enrollment slots in each county that had reached its enrollment goals or could otherwise benefit from the increase in enrollment. The corporation's board of directors has stated its interest in reviewing this policy each quarter in order to best serve the state's uninsured children and the counties in which they reside.

MULTIPLAN OFFERINGS

The board of directors developed criteria under which the corporation may contract with more



than one provider of health care services in program sites.

Previously, Healthy Kids offered only one choice of a health plan in each geographic area of the state in which there was a program. Beginning with Broward County, the corporation chose to consider more than one health plan provider when enrollment was likely to exceed 10,000 children in a given area or county. Effective October 1998, families could elect to choose between two health plan providers, HIP Health Plan of Florida and Florida Health Choice. Families who were enrolled previous to October 1998 in Broward County were informed of their choices and a 30-day time frame was established during which they could elect to move to another provider health



plan. It is envisioned that a similar 30-day time frame will be established once each year to permit families to change plans if they choose to do so. New enrollees have the opportunity to notify us of their choice on the application form they submit to us. As this is a new venture for the corporation, a special survey of the affected families and health plans is being conducted and will gauge the effectiveness of multiplan offerings in increasing access to health services and practitioners. At this time, multiplan offerings are planned for Dade and Palm Beach counties beginning in the fall of 1999. Bid specifications for these areas were made available on February 17.

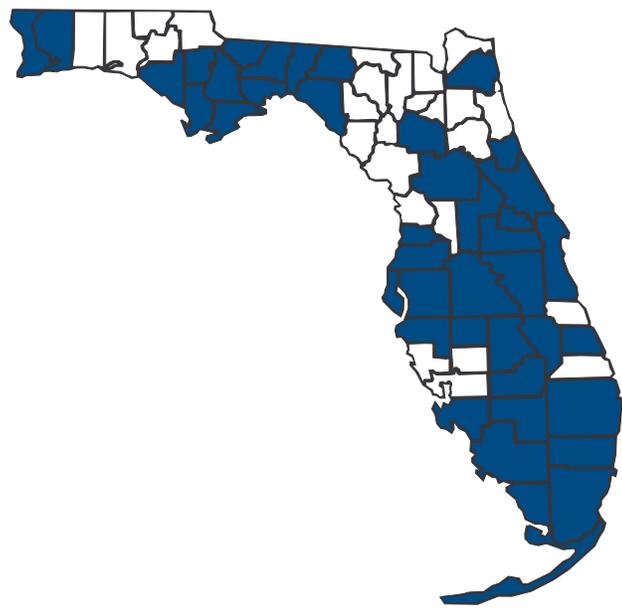
STATE-WIDENESS

At this time, the corporation is still striving to meet its goal of establishing a statewide system of care by June 1999. Significant progress has been made with the selection of health plans and implementation of programs in 18 additional counties in just six months. These new projects bring to 41 the number of counties in which Healthy Kids is being offered.

At press time, a bid is under consideration for five additional panhandle counties and a decision is imminent. Negotiations are under way for the remaining areas of the state as the corporation issued an Invitation to Negotiate and received responses from a half dozen insurers or health maintenance organizations, indicating an interest in the remaining 21 counties. The availability of as many as 500 base enrollment slots is having the desired effect and this is enhanced by having a list of interested families who stand ready to

accept coverage immediately. A special feature of the KidCare Act, (Sections 409.815(2)(u)(12) and 409.8175, Florida Statutes) gives health maintenance organizations some flexibility in establishing a provider network in Florida's most rural and underserved areas. The base enrollment policies established by the corporation, coupled with the flexibility granted under the new law, are expected to smooth the way for establishment of a statewide system of health care for the Healthy Kids program.

Counties with Healthy Kids Programs



Eligibility and Enrollment: Changes and Trends

The Healthy Kids program experienced transformation over the past year. As the program adjusted to accommodate its new relationship with the federal government and its leadership role as one of Florida's primary CHIP providers, several core elements were redesigned and retooled. This section will describe these changes and their impacts on the program.

CHANGING PROGRAM ELIGIBILITY

Healthy Kids eligibility initially revolved around the schools. Beginning in 1992, children had to meet the following criteria in order to be accepted into the program:

- Ages 5 through 19
- Enrolled in School (public, private or home-school)
- Grades K-12
- Uninsured
- Not on Medicaid

Additionally, in some counties, eligibility was expanded to include children in preschool programs or younger siblings of enrolled children. These eligibility criteria remained unchanged during the first eight years of the program.

With the creation of the federal CHIP program, new funds were available to certain eligible children who may or may not have met the then-current eligibility requirements for the Healthy Kids program. It is important to note that during Florida's phase one CHIP program, the eligibility for the Healthy Kids program did not change. Rather, the new CHIP legislation was viewed as a funding source for certain enrolled children—not as the determiner of program eligibility.

For example, Healthy Kids had previously enrolled children whose age exceeded the allowable age limits for CHIP funding. Healthy Kids was able to continue its promise to cover kids through the age of 19—but had to do so without the benefit of federal funds. Today, there are 609 children



Total Enrollment:
63,858

**CHILDREN OF
PUBLIC EMPLOYEES**
.12%

**CHILDREN OVER THE
AGE OF 18**
.96%

**NON-CITIZEN
CHILDREN**
7.30%

**CHILDREN IN
OVER-INCOME FAMILIES**
5.30%

enrolled in the program whose age exceeds the CHIP standard. Another area of concern at the federal level was that children of state employees might enroll in the program and shift the burden of financing their employee benefits to the federal government. Healthy Kids has identified 79 children of state employees on the program who were enrolled prior to the new federal funds becoming available and has chosen to continue their coverage thus far. It should also be noted that a significant number of non-citizen children are currently enrolled. Specific proviso language



in the state budget gave us the authority to continue covering all of these children. The state should be commended for its commitment to maintaining continuity of coverage to these populations.

CHANGING SUBSIDY ELIGIBILITY

In the Healthy Kids program, which served the state's children during the years 1992-1997, eligibility for premium assistance was keyed to the National School Lunch Program. This federal program assisted families at or below 185% of the federal poverty level and was an administratively simple way to determine a family's eligibility for health care premium assistance. During the implementation of Florida's phase two program—KidCare—the Healthy Kids program was required to increase the level

under which families would qualify for premium assistance to 200% of the federal poverty level. This directive from the State of Florida negated the National School Lunch Program as the method for determining subsidy eligibility and removed an important and easy method of verifying a family's income. This action has had its positive effects as well as its administrative challenges. This action significantly reduced the number of enrolled families who were required to pay the full premium amount. Prior to this programmatic change, the percentage of enrollees who participated without the benefit of premium assistance was 15%. Today, that number is closer to 5%. This enabled families who were income eligible for the National School Lunch Program but not enrolled to become eligible for premium assistance. The corporation

has adopted an audit function within its administrative structure to independently review family income on a random basis, to ensure program compliance in regard to eligibility for premium assistance.



LIMITS PLACED ON PARTICIPATION

We mentioned above that a change in participation resulted as the eligibility for subsidy was increased to new levels: the percentage of enrollees who participated without the benefit of premium assistance was 15% prior to 1998, and today that number is closer to 5%.

This change was especially important after the Florida Legislature established a cap on the number of children who could participate in the program and pay the full premium amount. This limitation was established with the fear that higher income families—fami-

Eligibility: Changes and Trends	
OLD ELIGIBILITY	NEW ELIGIBILITY
5-19	5-18
UNINSURED	UNINSURED
NOT ON MEDICAID	NOT ELIGIBLE FOR MEDICAID OR CHILDREN'S MEDICAL SERVICES
ENROLLED IN SCHOOL	

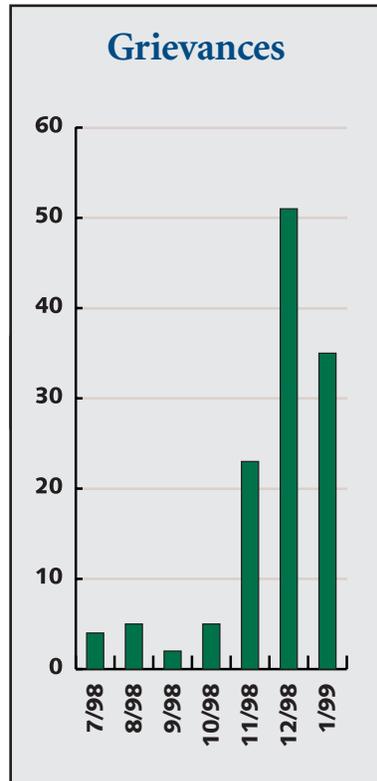


Eligibility and Enrollment: Changes and Trends (CONTINUED)

lies with incomes that exceed 200% of the federal poverty level—were more likely to adversely affect the utilization of health services. Currently, program enrollment is monitored carefully to ensure we do not exceed this statutorily established program limit on participation.

PENALTY FOR NON-PAYMENT

Another new program feature which was adopted by the legislature has been more difficult to manage. This new feature is the requirement that any family who fails to pay their monthly share of the premium on time and is canceled for non-payment of the said premium will have a 60-day waiting period applied before any reinstatement of coverage can begin. This feature required significant computer programming to ensure that the proper waiting time expressed in law would be imposed and has resulted in a dramatic change in the number and type of grievances that we receive. This new state policy was implemented October 1, 1998, and over 90% of all grievances received after that date were due to this new requirement.



ENROLLMENT EROSION AND GROWTH

When the 1998 annual report was released, Healthy Kids total enrollment was approximately 50,000 children. Today the enrollment exceeds 63,000 and is expected to grow even more in the coming months. Hundreds of new applications are being processed each and every day.

This growth in enrollment may seem monumental to some and inconsequential to others, depending on their perspective. When expressed as a 25% increase in enrollment across the last 12 months, it is a rather nice trend. When considered against the estimated number of eligible children (245,000), it is, perhaps, a dismal result. When you consider other factors affecting our enrollment growth, we hope you will agree that the increase is a continued reflection of the success of the program.

Consider this: Prior to implementation of Florida's phase one CHIP program, Healthy Kids enrolled thousands of teens who were ineligible for Medicaid into its program. With the phase one expansion of CHIP, Medicaid eligibility was increased for 15 to 18 year olds. Healthy Kids was then required to review all of its enrollees for potential Medicaid eligibility and transitioned thousands of teens who were newly eligible for Medicaid to that program. In fact, during the past 12 months, Healthy Kids has transitioned 6,672 children to the Medicaid program. Some families were grateful for their teens to be newly eligible for the Medicaid program, but others



expressed frustration at the disruption in their health care coverage. A special survey of affected families was conducted and a full report is available. (See Other Readings: "KidCare: The Impact on Medicaid Eligibles in the Healthy Kids Program, Final Report.")

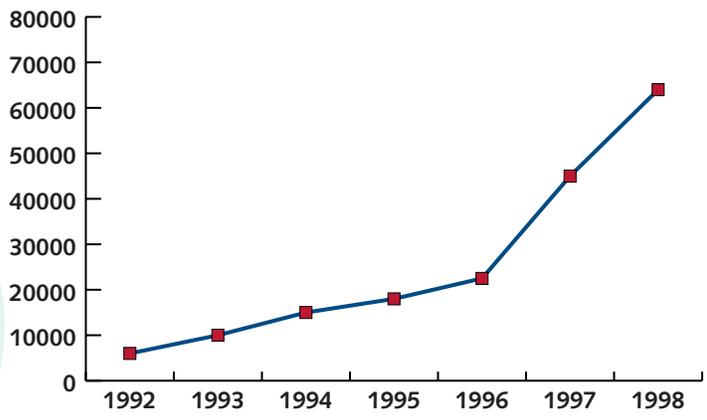
Still other children moved to the new KidCare program components on or after October 1, 1998, and now receive their care under the MediKids or Children's Medical Services (CMS) programs. Eighty-five children previously enrolled in Healthy Kids have been transferred to MediKids or CMS. Another 13,000 children canceled their coverage for a variety of reasons including: obtained other coverage through parent's work, moved, became ineligible due to age, etc.

All of these factors contributed to significant erosion in the population of Healthy Kids enrollees. The growth in total enrollment over the last 12 months actually represents 35,000 new enrollees during the same period—a much more impressive measure of performance during this tumultuous year of change. All of our efforts in implementing the new program features, changes and

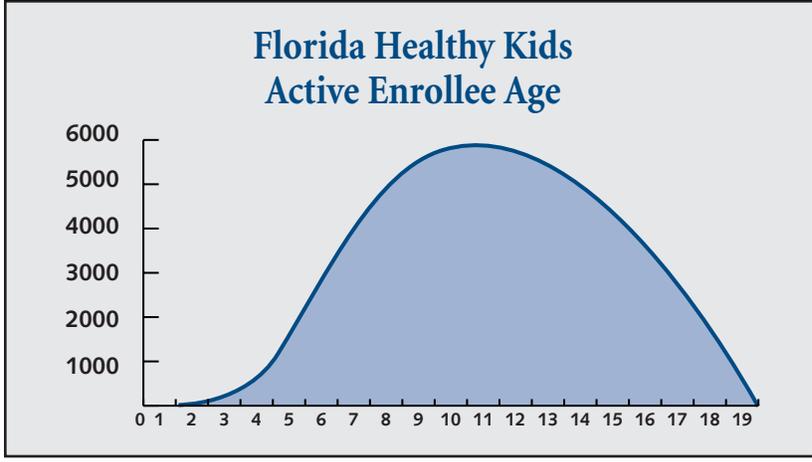
policies which occurred as a result of CHIP and/or KidCare were planned with the goal of having the least disruption on each family's coverage. As the dust begins to settle on these significant changes, a more stable environment is

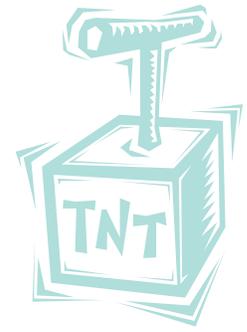
expected to emerge and enrollment is expected to increase at a very rapid rate in the coming months. We still expect to reach our performance goal of increasing enrollment to 120,000 uninsured children this year.

Enrollment History



Florida Healthy Kids Active Enrollee Age





The Role of the School: Outreach

The primary role of the school has always been to educate children. This institution, however, can be used in a different way. It can be used to bridge the gap between children and health care. By serving as the conduit between Healthy Kids and children, Florida schools can, with minimal effort, help support families in purchasing health care.

Initially, the corporation would solicit the cooperation of school districts and review their proposals for participation. The school would function as the center of community focus, fostering relationships between the projects, local community leaders and area business groups. It would distribute enrollment materials and verify student eligibility, contributing significantly to administrative efficiencies.

With the evolution of the program, the school district carries a modified, but still critical role. The Florida Legislature mandated new eligibility requirements. Children are



no longer required to be in the school system in order to participate in the Healthy Kids program. The school systems now are used primarily as an avenue for outreach programs into the communities. Schools are used to distribute enrollment materials in order to help make parents aware of this most vital program. During the fall of 1998, more than 600,000 program applications were distributed by Healthy Kids school partners. This activity significantly contributed to program efficiencies enabling us to serve more children and is still the most effective method of outreach identified in this state.

By distributing applications in classrooms, we can be assured that each child who attends school will receive the information. Applications are typically distributed to each child in school on the first day of a program's open enrollment. They are also available in the front office of their school and

given to new students on their first day. All outreach and enrollment materials inform parents of a toll-free telephone number where they can call with questions regarding the program, requests for applications or questions they might have while completing an application.

To increase awareness of the program to families in Florida, applications are available in other languages including Spanish and Creole. The application is also available to be downloaded from the internet at www.healthykids.org. Healthy Kids employs a multilingual staff that families can reach at the toll-free number during regular office hours, Monday through Friday, 8:00 a.m.– 6:00 p.m.

What we have learned over time is that uninsured children come from a variety of backgrounds. Regardless of income or occupation of their parents, most children attend school—some public, some private, some home-schooled.



The Medicaid Eligibility Process Reborn

While the purpose of this report is to update state policy makers on the Florida Healthy Kids Corporation and its success in reaching the goals established for it, this report would not be complete if we did not mention the role the corporation played in developing a streamlined process for determining eligibility for the Medicaid program in Florida.

Prior to 1998, the processing time for determining Medicaid eligibility for children included two personal visits to the local social service office with numerous pieces of unnecessary documentation, for a face-to-face personal interview lasting on average 90 minutes, during which all members of the family were reviewed for a litany of programs whether the family wanted them or not. The process was difficult for the family and time consuming.

With its initial state plan to implement a CHIP program, the corporation proposed changes to its operations which have had far-reaching effects. To meet the federal requirement that CHIP programs screen and refer all applicants for potential Medicaid eligibility, the corporation and the

Florida Department of Children and Families entered into a joint venture. The changes effected were as follows:

The Department of Children and Families installed terminals with access to the Medicaid Eligibility system on the corporation's premises. Eligibility staff of the state agency were plucked from their social service environment and given instructions to "think differently, find a way to make this easy for families."

The Healthy Kids single-page application form was modified to facilitate its use as an application for Medicaid as well. This would enable families to complete one form and qualify for either program.

The corporation developed an electronic tool which reviews household size and gross monthly income and assumes certain income disregards. Those children that appear to be likely candidates for the Medicaid program are referred to Medicaid eligibility workers for a full determination.

Within two weeks of this new partnership, the Florida Healthy Kids Corporation and the Florida Department of Children and Families cracked the code—making

this new relationship work well for families.

The co-location of agencies relieves the family from any additional action on their part. Mail-in applications, when referred, are simply walked over—and handed over—to Medicaid eligibility staff.

The new process, which was born on the premises of the corporation, was developed by and has been incorporated into the Florida Department of Children and Families agency policies. This process is now in practice throughout the state in each and every social service office, making it easier for families to gain access to health care for their uninsured children—a goal shared by all of us involved.

The new process involves a single page, mailed-in form, which requires only 15 minutes for the eligibility worker to perform the eligibility process for all of the children in the family. Redeterminations are also handled via the mail.

The dedicated staff of the Florida Department of Children and Families who brought about this fundamental change in the approach to determining children's eligibility for Medicaid are deserving of the highest recognition available.



Health Plan Profiles

When selecting the insurer for a new project, Healthy Kids considers five areas: price, benefits, the network of providers, reporting capabilities and general criteria such as accreditation and solvency. A selection committee, which includes representatives of the Department of Insurance, the Department of Health, the Agency for Health Care Administration, local stakeholders and Medimetrix Group, analyzes each proposal and makes a recommendation of insurer choice. Each of the health plans under contract with Healthy Kids must meet exacting requirements as to credentialing of providers, and their geographic access. The following health plans serve Healthy Kids members:



AVMED HEALTH PLAN

of Gainesville, Florida possesses full three-year accreditation by the National Committee for Quality Assurance. AvMed Health Plan currently insures more than 85,000 children between the ages of 0 to 19. Offering coverage provided by one of the strongest pediatric-managed care networks in North Florida, AvMed began serving Healthy Kids members in Alachua County in 1996. AvMed won the "1998 Excellence in Quality Award" and the "1998 Satisfaction Speaks Award" for achieving high quality and member satisfaction among Healthy Kids participants.



BEACON HEALTHPLANS

of Coral Gables, Florida, has been awarded a three-year accreditation from the Accreditation Association for Ambulatory Health Care Inc.

(AAAHC). A young HMO, Beacon has grown to insure more than 25,000 members including almost 800 Healthy Kids in Monroe County. Beacon has developed an immunization program that encourages completion by rewarding children with a bicycle helmet when the goal is successfully completed.



Capital Health P L A N

CAPITAL HEALTH PLAN

of Tallahassee, Florida has obtained a one-year accreditation by the National Committee for Quality Assurance. The mixed-model HMO offers a network of affiliated physicians and two centralized health centers where members have access to numerous medical services including their vision care center. Healthy Kids living in Leon County will benefit from wellness sessions that include disease focused programs, emergency care for children and educational materials.



FLORIDA 1ST HEALTH PLANS, INC.

of Winter Haven, Florida, achieved one-year accreditation from the National Committee for Quality Assurance. To serve the Healthy Kids in Collier County, Florida 1st joined up with Community Health Partners in order to be among the first to bring managed care to this area of the state.



Florida Health Care Plans

FLORIDA HEALTH CARE PLANS, INC.

headquartered in Holly Hill, Florida, merited a three-year "Network Accreditation," scoring 99 out of a possible 100, by the Joint Commission on Accreditation of Health Care Organizations. FHCP is the oldest community-model HMO in the State of Florida and provides care for its membership through affiliation with Halifax Community Health System. FHCP has served more than 7,000 Healthy Kids members since 1992 in Volusia



and an additional 400 children in Flagler since 1996. FHCP won the 1996 Healthy Kids "Inch by Inch Award" and the 1997 "Excellence in Quality Award" for superior member materials and for achieving the highest quality standards.

Florida Health Choice, Inc.



FLORIDA HEALTH CHOICE, INC.

located in Broward County, Florida, is devoted to creating and sustaining a network of top health care professionals. They have created a comprehensive Preferred Provider Organization network serving the south Florida area. They currently represent 39 hospitals and approxi-

mately 4,000 physicians in South Florida. They provide care to more than 350,000 members from Indian River to Dade County.



Health First Health Plans

HEALTH FIRST HEALTH PLANS

is currently the provider for Healthy Kids in Brevard County, Florida. Health First's purpose is to improve the health of the communities they serve by providing quality health services, responding to community needs, demonstrating accountability to their community, serving the needs of individuals, regardless of income, and holding a strong commitment to putting kids' health first.

Health Plan Profiles (CONTINUED)



Over the past 11 years, HPSE's membership has grown to more than 70,000 members throughout north Florida. HPSE is an independent practice association model HMO with a network that includes County Public Health Units to reach rural counties. HPSE has the distinction of covering Healthy Kids in the greatest number of counties and is doing so in rural Bay, Calhoun, Franklin, Gadsden, Gulf, Jefferson, Liberty, Madison, Marion, Taylor and Wakulla counties.



BlueCross BlueShield of Florida Health Options®

Independent Licensees of the
Blue Cross and Blue Shield Association

HEALTH OPTIONS, INC.

headquartered in Jacksonville, Florida, was awarded its second three-year accreditation by the National Committee for Quality Assurance through May 2000. Health Options, Inc. is a wholly owned subsidiary of Blue Cross and Blue Shield of Florida, an independent mutual insurance company, and member of the National Blue

Cross and Blue Shield Association. Serving Healthy Kids in Duval, Escambia, Lee, Manatee and Santa Rosa counties, Health Options conducts a tele-orientation program, calling to introduce new members to the benefits of Healthy Kids and to answer any questions they have about their coverage.



HEALTHPLAN SOUTHEAST

is a Tallahassee, Florida based HMO that has secured a one-year accreditation from the National Committee for Quality Assurance.



HIP HEALTH PLAN OF FLORIDA

based in Hollywood, Florida won a three-year accreditation from the National Committee for Quality Assurance. First established in New York City in 1947, HIP participates not only in Healthy Kids but also in New York's Child Health Plus program. Originally formed in Florida in 1985 as a not-for-profit health maintenance organization, HIP serves the largest proportion of Healthy Kids participants and does so in Broward, Hernando, Palm Beach and Pinellas counties.



HUMANA/PCA HEALTH PLANS

located in Miramar, Florida, boasts three-year accreditation by the National Committee for Quality Assurance. Humana's parent company is based in Louisville, Kentucky, and enjoys the national name recognition provided by serving 6.2 million members in 15 states and Puerto Rico. Participants in our St. Lucie County project have been especially fortunate that Humana has dedicated a staff member solely to assisting families of Healthy Kids members. Humana/PCA Health Plans has a large percentage of children enrolled in its plans and is uniquely qualified to serve Healthy Kids members in Hardee, Highlands, Okeechobee and Hendry counties. More recently, Humana began to insure children in rural Glades County.



JM Health Plan of Miami, Florida, has earned three-year accreditation from the

Accreditation Association for Ambulatory Health Care. JM Health Plan joined us as a Healthy Kids provider when it began serving participants in Dade County in November 1996. Founded in 1985 as a pilot project, the JM Health Plan was created to determine if managed care was a viable health care alternative for the medically underserved. JM Health Plan received the "1997 New Provider Quality Award."



PHYSICIANS
HEALTHCARE
PLANS, INC.

PHYSICIANS HEALTHCARE PLANS, INC.

based in Miami, Florida, was awarded an unconditional three-year accreditation by the Accreditation Association for Ambulatory Health Care, Inc. PHP has developed a PHP Healthy Kids Club and offers it in Hillsborough, Orange, Osceola, Pasco, Polk and Seminole counties. All PHP Healthy Kids enrollees will benefit from this program that includes activities focusing on education, recreation, counseling and health information.



UNITEDHEALTHCARE PLANS

of Florida, Inc., a subsidiary of UnitedHealth Group of Minneapolis founded in 1974, serves Healthy Kids in Lake County, Florida. UnitedHealthcare is today the most diversified managed care company in the United States serving millions of affiliated health plan members with more than 290,000 contracted health care providers nationwide. These include more than 3,000 hospitals, 53,000 pharmacies, throughout the U.S., and more than 14,000 contracted health care providers in Florida. UnitedHealthcare has been recognized as a consistent leader for health care cost containment, quality and affordability.



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