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Dear Friends,

I am pleased to present you the 2003 Annual Report of the Florida Healthy Kids Corporation. Thirteen years ago we established this ground-breaking program, the first of its kind in the nation to offer school enrollment-based children’s health insurance. By offering innovations in such areas as enrollee retention, health services and benefits, and customer service and technology, we have insured over half a million children and processed one million applications since the program’s inception. With these accomplishments in mind, we titled our report “A Tradition of Innovations.”

During the past year, we launched several new endeavors to keep up with this tradition. We began taking credit card payments, expanded our participant retention project, completed the statewide expansion of dental benefits, and increased our efforts to streamline eligibility systems. We also have continued to pilot an online application project that is sure to be an important innovation in the future.

I was very proud this year to see Healthy Kids honored at Harvard University’s Innovations in American Government (IAG) Awards. During this 15th anniversary celebration at the U.S. State Department, Healthy Kids was one of only 15 “preeminent” honorees (chosen from 24,000 applicants) that received special recognition as a program of national, exemplary, and enduring impact.

I assure you that we will continue with our tradition of offering innovative services and programs to the children of Florida. Through these services and programs, we will strive to ensure that all qualified children will have access to the health care they so greatly need and deserve.

Sincerely,

Tom Gallagher, Chairman of the Board
Florida Healthy Kids Corporation
Families traditionally have acquired health care coverage for their children in one of three ways. The largest group obtains coverage through group insurance programs provided through the employer of the working parent, which traditionally has the lowest premium rates. The second group finds insurance through public assistance programs like Medicaid, and the third group pays directly for their plans on an individual basis.

What happens, though, when none of these options are available? Many parents were faced with the problem of their employers not offering health insurance and their families not meeting Medicaid eligibility requirements, nor could they afford to pay for health insurance on an individual basis. The end result was that a number of children dropped out of the ranks of the insured and did not receive the regular check-ups that are vital to their health. Florida was one of the first states to design and deliver a successful solution to the challenge of providing healthcare to its young citizens.

On March 31, 1988, the New England Journal of Medicine published an article written by Dr. Steve A. Freedman entitled “Coverage of the Uninsured and Underinsured: A Proposal for School Enrollment-Based Family Health Insurance.” This essay, which encouraged using school districts as “insurance risk pools” for covering children, would serve as the foundation for the establishment of the Florida Healthy Kids Corporation, a non-profit organization devoted to providing health insurance to uninsured school-age children.

The Florida Healthy Kids Corporation Act was signed by Governor Bob Martinez in 1990 and served as a precursor to the ambitious project that Florida would soon undertake.

Volusia County was chosen as the pilot site to implement the Healthy Kids program and began enrolling children in 1992. During that first year, Healthy Kids provided coverage to 5,000 previously uninsured children.

Healthy Kids was credited with inventing the concept of school-based outreach, a technique the nation embraces today in State Children’s Health Insurance Program (SCHIP) outreach efforts. Since the beginning, Florida’s schools have maintained a critical role in helping families obtain health coverage. Studies show that children without health insurance tend to be ill more often and thus are absent from school more often than their peers who do have health insurance. For this reason, Healthy Kids and Florida school districts have worked together to educate and support families in finding quality health insurance.

One of the most innovative means of using the school districts to enroll children took place in Volusia County in 1993 with the use of the schools’ dial up system. This computer/phone system telephoned the homes of families who indicated their children were uninsured with a pre-recorded message about the Healthy Kids program.

The school system has been a vital component of the success of Healthy Kids. Each fall, applications are dispersed to elementary, middle and high schools in all participating counties. In order to ensure that all families are aware of the program, every effort is made to send an application home with each child who attends school. According to “The Florida KidCare Evaluation Year 4 Report” prepared by the Institute for Child Health Policy, 58% of those families with children in Healthy Kids learned about the program through their school.

The Florida schools contribute tremendously by educating families on the Healthy Kids program. Without their dedication, the number of children that Healthy Kids has enrolled would not be as significant as it is today.

As a result of all these efforts, the Robert Wood Johnson Foundation selected Healthy Kids as the National Program Office for the Foundation’s Healthy Kids initiative just six years after the program’s
inception. From 1996 until 2002, Healthy Kids served as a model for other states as they sought to replicate this successful program. Also in 1996, the Ford Foundation and the Kennedy School of Government at Harvard University named Healthy Kids a winner of the 1996 Innovations in American Government Award. This prestigious award recognizes governmental initiatives that provide creative solutions to pressing social and economic problems.

In 1997, in what is perhaps the largest expansion of healthcare since the Medicaid program was implemented in 1970, then President Clinton proposed the creation of SCHIP in 1997 under Title XXI of the Social Security Act. The purpose of SCHIP was to identify children without insurance and then enroll them in a program that would meet their healthcare needs. SCHIP allocated billions of dollars for states to provide or expand health services for uninsured children.

The new state/federal program allowed Florida to expand the Healthy Kids program significantly in April 1998. The program’s benefit package was grandfathered into federal law and deemed, in the federal statute, to be compliant with federal guidelines. Then, with a few other changes to the longstanding Healthy Kids program, Florida launched one of the nation’s first Title XXI programs.

Later that year, the second phase of Florida’s SCHIP went into effect and the Florida KidCare Program was created. The four programs under Florida KidCare are Healthy Kids, MediKids, Children’s Medical Services Network, and KidCare Medicaid.

Since its inception, Healthy Kids has served over half a million children and is enrolling children in all 67 Florida counties. In 2002, the program completed the expansion of statewide dental benefits and started offering parents a credit card payment option. Currently, total enrollment is over 270,000 and will exceed our enrollment goal this fiscal year.

Although Healthy Kids is thriving, it remains dependent on families’ feedback and realizes the need to continue its hard work. As we meet new challenges and demands, the Corporation must remain focused on the goal of ensuring that Florida’s youngest citizens have access to affordable, quality health care.

Pictured, left to right: Michelle T. Ward, Margie Vizcarra, Khari Fischer, Brenna Naff, Arriston N. P. Thomas, Will Grimsley and Chaney Naff.
Introduction of Healthy Kids Legislation
Governor Martinez signs the “Florida Healthy Kids Corporation Act”
Applied for Medicaid demonstration grant
Healthy Kids Board appointed to oversee corporation
Corporate office opens in Tallahassee, FL

Benefit design completed
Awarded Medicaid demonstration grant
Volusia County selected as initial pilot site to implement Healthy Kids program
Eligibility system designed and tested
First health plan selected
Marketing for program begins
Volusia County opens doors to enroll children
Eligibility system revisions made
1st premium reduction occurs in Volusia County
5,000 children covered in first year of program

2nd premium reduction in Volusia County
1st local match policy developed in effort to enroll additional children
Highlands County selected as second pilot site to implement Healthy Kids program

Broward County chosen as first urban site to deliver Healthy Kids benefits
Healthy Kids contracting with five different health plans to provide services to children
10,000 kids covered

Medicaid Demonstration completed in Volusia County – Final report made
Eight counties have established Healthy Kids programs
15,000 kids covered

Robert Wood Johnson Foundation chooses Healthy Kids as National Program Office for Healthy Kids Replication initiative
Program receives Innovations in American Government award from the Ford Foundation and Kennedy School of Government

Congress creates Title XXI SCHIP Florida submits its 1st SCHIP plan to federal government
Healthy Kids contracting with 8 health plans
19 counties have established Healthy Kids program
Enrollment reaches 47,000

SCHIP Phase One is implemented in April
Eligibility review for 50,000 Healthy Kids enrollees
1st joint Medicaid/Healthy Kids application designed
62,000 kids covered
SCHIP Phase Two: KidCare begins July 1st
Local match policy revised to include base enrollment allocations to counties
1st multi-plan offering available in Broward County

Healthy Kids offers multi-plan choice in two additional counties
Enrollment reaches 91,000 mid-year
1st EPO health plan joins Florida KidCare team receives Davis Productivity award for the implementation of Florida KidCare
58 counties have established Healthy Kids program

Program achieves statewide expansion
13 health plans contracting with Healthy Kids program
Healthy Kids celebrates 10th Birthday
Participant retention pilot project begins
Over 168,000 children enrolled

Comprehensive dental benefits are included as part of Healthy Kids benefit package
Healthy Kids contracting with three dental insurers statewide
Dental benefits begin in 37 counties
Online application pilot project initiated
Local match requirements waived by Legislature for fiscal year 2001-2002
Enrollment grows to over 219,000 Multi-plan offering available in Broward, Miami-Dade, Orange, and Palm Beach counties
Participant Retention Project becomes permanent enrollment feature

Dental benefits statewide expansion completed
Healthy Kids enrollment reached 250,000
Credit card and payroll deduction payments begin
Over 500,000 children served since program’s inception
One-millionth child’s application for Florida KidCare processed
Local match formula adopted by the Florida Legislature
Healthy Kids Board of Directors expands to 15 members
12 health plans, 1 EPO, and 3 dental insurers contracting with Healthy Kids
Healthy Kids wins Gold Award in the 19th Annual Healthcare Advertising Award for its 2001 Annual Report
Program receives “preeminent” honoree recognition at the Innovations in American Government’s 15th anniversary celebration at the State Department
Eligibility Improvement Process initiated by Florida KidCare program partners
Retention program implemented

Healthy Kids enrollment reaches 275,000 goal
Continued implementation of eligibility improvements
Call center study complete
New application roll-out
“Florida Healthy Kids: Blueprint for a National Model” published
I

n 1998, the Florida Legislature created Florida KidCare, the cognomen given to four programs offering healthcare coverage to previously uninsured children: Healthy Kids, MediKids, Children's Medical Services Network, and KidCare Medicaid. These four components of KidCare work together to ensure that Florida's children are given access to good healthcare.

The KidCare Mission Statement

The KidCare partners embrace one shared focus: healthcare coverage for Florida's uninsured children. To achieve this goal, we continually strive for consistency in message, simplicity in process, and excellence in product.

Healthy Kids

The Florida Healthy Kids Corporation was established in 1990 by the Florida Legislature and was incorporated under the KidCare umbrella in 1998 with the Florida KidCare Act. Healthy Kids serves children ages 5 through 18 and currently has over 270,000 children enrolled. Healthy Kids is the only program that does not have a maximum income eligibility requirement. Coverage is provided to families through commercially licensed health and dental plans. Families that exceed the income level to qualify for a subsidy may buy into the program and pay full-priced premiums based on the county in which they live.

MediKids

This program currently serves children who are ages 1 through 4. MediKids uses the same provider network as the Medicaid program and has over 32,000 children enrolled in the program.

Children’s Medical Services Network (CMSN)

This program was created in 1929 and was also added to the KidCare program in 1998. The CMS Network provides insurance to those children ages 0 through 18 who have special behavioral or chronic medical conditions. CMSN has over 8,000 children with special needs enrolled, who qualify under Title XXI, and serves as a managed care option for Medicaid beneficiaries. The Behavioral Health Network (BNET) works in partnership with the CMS Network to provide comprehensive behavioral health services to children with serious mental health or substance abuse needs.

KidCare Medicaid

Medicaid was created in 1970 and KidCare Medicaid was added to Florida KidCare in 1998. KidCare Medicaid is provided at no cost to the families of children birth through 18 who meet certain income guidelines. Children who are eligible for KidCare Medicaid are not eligible for the other KidCare programs.

KidCare Partnership

Many challenges arose when establishing KidCare. This implementation required coordination between multiple state and private agencies and included a reworking of eligibility systems, an expansion of delivery systems and benefits, and a reassessment of state and federal policies related to children's health care programs. The interagency teams responsible for the implementation of KidCare won a prestigious Davis Productivity Award in November 1999.
Currently, more than 1.4 million children in Florida are enrolled in KidCare. Their families enjoy the satisfaction of knowing that they have quality health care provided on a continuous basis due to these four programs.

Due to the effective collaboration of all the partners involved in KidCare, the program has achieved many successes. These successes prove that Florida KidCare is on the right path as it strives to reach its goal of ensuring quality healthcare to Florida's youngest citizens.

“Thank you for having a program like this. As a mother of four, it’s difficult to provide them with everything. But I’m happy that I can now provide them with good insurance coverage.”

Healthy Kids Parent, Lake Worth
Healthy Kids evolved to fit into a new role with the implementation of SCHIP in 1998. With the availability of Title XXI funding, Healthy Kids was able to begin a major expansion effort. Within months, thousands of new children became enrolled in the quickly expanding program. Healthy Kids stepped into a position of leadership because of the strong foundation it had built during the seven years prior to the creation of SCHIP.

Throughout its history, Healthy Kids has dedicated itself to retaining high enrollment in the program and ensuring continued growth for the future. As always, Healthy Kids remains committed to providing Florida's children with quality healthcare coverage and maintains the objective of insuring as many children as fiscally possible.

**Determining Eligibility**

Once an application is received, it is reviewed to identify whether the child is eligible for KidCare. The Florida Healthy Kids Corporation contracts with a third party administrator that manages all the children's accounts and serves as the central point for the eligibility review of all KidCare programs.

The Corporation developed an electronic tool that reviews household size and gross monthly income and assumes certain income disregards. All applications are first reviewed using this electronic screening tool and screened first for Medicaid. Those children who appear to be likely candidates for the Medicaid program are electronically referred to the Department of Children and Families for a full Medicaid determination process. If the child does not appear to be Medicaid eligible, the application is then reviewed for eligibility in one of the other KidCare programs.

**SCHIP Ineligible**

With the availability of federal funds also came restrictions on who was eligible for the federal funding, including children who were already enrolled in the Healthy Kids program.
Kids program prior to SCHIP. Children over the age of 19, certain non-citizens, children of state employees, or children of over-income families are not eligible for SCHIP funding. In 1998, the Board of Directors of the Florida Healthy Kids Corporation allowed these children to remain enrolled and continued to enroll new children utilizing non-federal funds. Families that are above the Title XXI income limit may also participate in Healthy Kids at a non-subsidized rate.

The 2000 Florida Legislature, however, chose to limit funding for these groups and restricted the dollar amount that could be spent on those subsidized families who were ineligible for SCHIP. This restriction was extended by the 2001 and 2002 Legislatures. Today, approximately 15,000 children in Healthy Kids are receiving subsidized Healthy Kids benefits without SCHIP funding. Moreover, a statewide waiting list of over 24,000 children has been accumulating since July 1, 2000. An additional 10,242 children participate in Healthy Kids at the non-subsidized rate.

Online Application

For the past year, Healthy Kids piloted an online application process that allows families, with the help of a trained professional, to apply for the KidCare program. Online applications have been tested in five pilot sites in Florida during the past year, and Healthy Kids hopes to launch the program statewide in 2003.

Since Healthy Kids is committed to finding innovative ways to enroll all eligible children into its program, this project is sure to grow in importance as the Corporation moves forward into the new millennium.

Redesigned Application

Filling out a Florida KidCare application has never been easier. Since the application process is the first step toward getting children enrolled, Healthy Kids and the other KidCare programs want to make it as simple and as accessible as possible. After receiving input from field representatives, KidCare partners, Spanish and English focus groups, and the KidCare Coordinating Council, the rereaking of the new application began.

Major changes to the application include more detailed questions for children with special health care needs, new information to track outreach efforts for special populations such as refugees, and a new question for Title XIX and Title XXI Income Alignment and Medicaid eligibility.

The new application will be launched in early 2003.

Credit Card Payment of Premiums

In February 2002, Healthy Kids began accepting credit card payments over the phone from families for their monthly premium payment. Healthy Kids processed almost 700 credit card transactions in the first month and then doubled the number of transactions the following month. Use of this option continues to grow and Healthy Kids processes more than 9,000 transactions every month.

Passive Re-Determination

Since the program’s inception, Healthy Kids has utilized a passive re-determination process for the renewal of

### Elgibility and Enrollment

#### Breakdown of Current Enrollees

- **Title XXI Eligibles**: 90.70%
- **Families over 200% FPL**: 3.80%
- **Non-citizens**: 9.85%
- **Children age 19**: 0.88%
  - **Male**: 50.62%
  - **Female**: 49.38%
accounts. Under this process, the family receives a letter every six months containing all account information. Families make proper changes to the form and return it to Healthy Kids, or they can make the changes over the telephone. They do not have to resubmit a new application in order to renew coverage, nor must they return the form if their information has not changed. Healthy Kids feels that the simple procedure ensures that fewer enrollees are dropped from coverage at the time of renewal for bureaucratic reasons.

Studies have shown that with passive re-determination, Florida's disenrollment rate remains steady from month to month.

**Participant Retention**

Healthy Kids realizes that its participants need a variety of methods through which they receive information about the program. The Corporation therefore decided to pilot a campaign of introducing families to the programs through means other than written correspondence.

The participant retention project began on November 1, 2000. Staff began dedicating half a day to calling new Healthy Kids families and welcoming them to the program, as well as answering any questions they may have about benefits, payments, or providers.

Since the pilot project was a successful venture, Healthy Kids released a Request for Proposal for a permanent vendor. Benova, now known as ACS, Inc., was commissioned on November 1, 2001 to make it a permanent fixture to the Healthy Kids program under the title Enrollment Enhancement. In addition to the welcome
phone call to the family, a phone call that coincides with the enrollee's birthday was added to re-establish contact with the family.

**Eligibility Improvement Process**

In 2002, nearing the five year anniversary of Florida’s implementation of the federal Title XXI program known as SCHIP and with enrollment continuing to increase significantly every month, Healthy Kids determined that it was the perfect time to turn its attentions towards refining the eligibility process for Florida KidCare. Maximus, Inc., a consulting group, was retained to oversee this project, and its specific objective was to review the current process and recommend those changes that could be accomplished within existing federal and state laws and regulations.

Between February 2002 and October 2002, a special workgroup with membership from all of the Florida KidCare program partners developed more than 25 individual recommendations. These recommendations fell into three general areas: timeliness (reducing the time it takes to process an application), program fit (facilitating enrollment in the correct program) and gaps in coverage (reducing the chances for breaks in coverage for a child moving among the KidCare program components). For more specific information on this project, the recommendations and a status report on implementation, please see the soon to be released Special Report.
The Healthy Kids program has changed over the years and so has the financing structure. In 1990, when the program began, an initial investment of $83,500 was made by the State. Florida hoped to secure enough grant funding from other sources to launch the first children’s health insurance program of its kind. Thirteen years later, the Corporation’s budget has grown to more than $393 million annually.

In the 2002-2003 fiscal year, Healthy Kids financed medical care through a combined approach: participant payments, local funds, state funds, and federal funds made available through Title XXI of the Social Security Act for the purchasing of health insurance for previously uninsured children.

Participant Payments
Healthy Kids encourages parents to take an active part in their children’s healthcare by charging them a share of the insurance premium. Initially, a sliding scale of costs was available in each project site and varied at county option. This scale charged families a per-child amount, which varied from $5 to $65 per month. 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 “family” share of cost premiums for families that qualify for the subsidized rate. Today, 96% of enrolled families pay a single monthly amount of $15 to cover all eligible children in the family. During the current year, the Corporation will collect over $42 million in family contributions.

Families over the Title XXI funding limit, which is 200% of the federal poverty level, pay $71 to $157 per child per month depending on the county they live in. These families may elect, however, to opt out of the comprehensive dental coverage, thereby reducing their rates by $20 per child per month.
Local Funds

The local match issue has received much discussion and debate every year since its introduction in 1993, but perhaps never more so than during 2002. Multiple pieces of state legislation were introduced on the topic and plans ranged from the complete elimination of the match component to implementation of the Corporation’s recommendations. Ultimately, a completely different approach to local funding of the program surfaced: Local match would be used to support the enrollment of those not eligible for federal Title XXI funding.

The revised local match formula is based on the costs of enrollment of those for whom the Corporation could not seek federal Title XXI funds. These enrollees were predominantly legal immigrants, but to a lesser degree also included 19 year olds. These children had been eligible for Healthy Kids prior to the implementation of Title XXI and had been actively enrolling in the program up until July 1, 2000 when enrollment caps were placed on their participation.

The formula takes into account the total expenditures by the Corporation for the non-Title XXI eligible population in the prior fiscal year and what percentage each county’s non-Title XXI enrollment contributed to the program’s overall costs. Each year, the Legislature, through the General Appropriations Act, will set a minimum local match collection amount. Based on these amounts, the Corporation will determine the percent needed from each county to continue enrollment. For example, if the total amount of local matching funds needed is $7 million and a county’s percentage of the prior year’s expenditures was 10%, then the county’s match amount would be 10% of the $7 million or $700,000.

Also, taking from the Corporation’s initial concept of awarding some enrollment to each county, the new local match formula also grants “credits” to counties. These credits recognize other efforts underway in the county that benefit children’s healthcare as well as in-kind contributions to the Healthy Kids program. These credits are then used to offset any local match amount. For some counties, this reduced their local match amount to $0.

Under this new formula, most counties experienced a dramatic reduction in their local match amounts. Those who experienced an increase were compensated with additional enrollment equal to their increase.

The funds allocated for the 2002-2003 fiscal year allowed only for the maintenance of enrollment at July 1, 2002 enrollment levels. A waiting list of non-Title XXI applicants has been in place since the participation limits were imposed in July 1, 2000. So, additional policies were also adopted that would allow counties to fund additional enrollment by providing 100% funding in order to cover children off the non-Title XXI waiting list. These counties have taken advantage of this option and have provided additional funds: Broward, Manatee, Sarasota and Putnam.

The local match component is a voluntary one and the decision of whether or not to participate in a program for non-Title XXI eligible participants belongs with each county. However, if a
county elects not to participate, then there is not sufficient funding to retain their enrollment and a disenrollment process must be initiated. Since local match affects only non-Title XXI enrollment, counties were free to find and enroll as many Title XXI eligible participants as possible. Non-participation in local match does not impair a county’s other enrollment.

Under this new formula, Healthy Kids will collect $7 million in local matching funds for the 2002-2003 fiscal year. Along with $15 million in state funds, Healthy Kids is able to provide coverage to more than 15,000 non-Title XXI eligible children.

And one last note on the local match issue – since these match dollars are not being used to draw down federal matching funds, the previous restrictions on the sources for local match are not applicable. Counties are free to provide funds from any source thereby increasing the counties’ options for meeting their local match goal.
State Funds
Between 1992 and 1997, Healthy Kids secured incremental increases to its State General Revenue funding and the program continued to expand each year. By 1997, the State's contribution to the Corporation's funding pool reached $16 million annually. In 1998, the landmark case against “Big Tobacco” was settled and a certain amount of tobacco settlement funds were allocated by the Florida Legislature to establish new or to expand existing children's health programs. Initially, the 1998 Legislature set aside $75 million in tobacco funds to implement the Florida KidCare program. This year, the Healthy Kids Program will receive $68.4 million in state tobacco funds and $29.7 million in general revenue funds.

Federal Funds
In 1990, a Medicaid demonstration grant provided federal Medicaid funding to launch the first pilot project in the State of Florida. Federal funds were utilized in Volusia County from 1991 through early 1995 when federal involvement ended as scheduled. The demonstration was a success and led to the implementation of additional county sites without the benefit of federal funds.

Later, with the passage of the Balanced Budget Act of 1997, Title XXI was established and made $24 billion in new federal funds available to states to bridge the gap for uninsured children of working families. Florida was well positioned to take advantage of the new funding source and did so. The Florida Healthy Kids Corporation gained approval to utilize these new federal funds to cover more uninsured children by April 1998. For the 2002-2003 fiscal year, Healthy Kids estimates its federal Title XXI funding to be over $229 million.

CHIP Dip
However, in order to balance the federal budget, these federal SCHIP funds drop significantly between 2002 and 2005 before returning to funding levels close to the allocations in the program’s early years. This phenomenon is known as the "CHIP DIP".

For Florida, if the funding issue is not addressed by Congress, the CHIP Dip means that its Title XXI program expenditures will exceed the state’s annual allotments for federal fiscal years 2003 through 2006. It is only because of the state’s ability to access unspent rollover funds from prior years that this shortfall is delayed until 2005.

Different approaches for dealing with this impending issue have been discussed by the Healthy Kids’ board of directors. Over the next year, Healthy Kids will explore all possible options, the cost of each, and the positive and negative ramifications of each option. By October 2003, a list of short papers and a set of recommendations will be ready for dissemination to the Florida Legislature.

Congratulations to Healthy Kids model Margie Vizcarra, who graduated from high school with honors in 2002. We wish her the best of luck in the future.
When Healthy Kids created one of the first children-only insurance products offered in the nation, the Corporation recognized the need to offer health benefits that were appropriate to the lifestyle and age of kids. By discarding the traditional type of health care coverage, which is primarily for employer groups and adults, Healthy Kids was able to create a package that focused on preventive services that promote learning.

The comprehensive benefit package was created in 1991 and included services such as: well child care, office visits, immunizations, prescriptions, primary and specialty physician office visits, inpatient hospital care, vision and hearing care, physical therapy, substance abuse and drug rehabilitation services, and behavioral health services, to name just a few.

The Healthy Kids benefit package received minor modifications in 1998 as required by the Florida Legislature. Benefit enhancements were made, including an expanded substance abuse benefit, enhanced inpatient and outpatient days for behavioral health services, and twice the number of chiropractic visits previously covered under the original benefit package. Existing health plan contracts were grandfathered in until the year 2000.

The package includes no deductibles and only small co-payments are required for some services. There are no co-payments for well child care visits or dental services.

Through the efforts of federal, state and local county partnerships, the Florida Healthy Kids program became available to each of Florida’s 67 counties as of August 2000. As a result of the Healthy Kids broadening and strengthening of health services, many of Florida’s children faced the year 2002 happier, healthier, and ready to learn as they received health care coverage for the first time through the Florida Healthy Kids program.

**Dental Benefits**

During the 2000 legislative session, the Florida Healthy Kids Corporation received funding from the Florida Legislature to add dental services to the already existing medical benefits package. The program was launched on February 1, 2001 and so began the two year staggered rollout of dental services throughout the state, which was completed in June 2002.

Subsidized enrollees in Healthy Kids received this new benefit at no additional cost, and for the non-subsidized enrollees, the inclusion of dental benefits costs families an additional $20 per child per month. The dental services include full diagnostic and preventive services, basic and restorative care, and major restorative treatment. There are no co-payments for dental servi-

### Benefits
- Well Child Care
- Immunizations
- Primary and Specialty Physician Office Visits
- Lab Tests
- Inpatient Hospital Care
- Surgical Procedures
- Emergency Services & Transportation
- Prescriptions
- Vision and Hearing Screening & Glasses/ Hearing Aids
- Physical Therapy
- Pre-Natal Care and Delivery
- Transplants
- Chiropractic Services
- Substance Abuse & Drug Rehabilitation Services
- Behavioral Health Services
- Comprehensive Dental
- No Limitation on Pre-existing Conditions
- One Million Dollar Lifetime Maximum

### Copayments
- Office visits $3
- Prescriptions $3
- Behavioral Health $3
- Glasses $10
- Emergency Room $10
ices. Shortly after the implementation of this benefit, the board elected to allow non-subsidized enrollees the option of not participating in the dental benefit. Currently, 36% of full-pay families have elected to opt out of this benefit.

**Multiplan Offerings**

In order to give families access to more doctors, the Board of Directors adopted a policy in 1998 whereby Healthy Kids would consider offering more than one insurer in certain program sites. With more than one health plan offered in an area, there is a greater chance that a family’s physician participates with one of the providers. The threshold for such consideration is 10,000 enrollees.

Due to enrollment exceeding 10,000 children in Broward County, Healthy Kids elected to offer more than one health plan for that area. In 1999, Healthy Kids also expanded the number of providers in Dade and Palm Beach Counties. Currently, four counties have more than one health plan provider: Broward (3 plans), Dade (4 plans), Orange (2 plans), and Palm Beach (3 plans).

Enrollees are able to change their dental and/or health plan provider on an annual basis. Families receive written notification of their opportunity to change plans and, once selected, the child is then locked into the plan until the next choice period.

**Healthy Kids Providers**

When selecting an insurer for Healthy Kids sites or re-bidding an existing contract, the Corporation considers five main areas: member services, provider network, reporting capabilities, pricing, and other general criteria such as regulatory compliance, accreditation and solvency. The Selection Workgroup, which includes representatives from the Healthy Kids Board of Directors, the Department of Financial services, the Agency for Health Care Administration, the Medimetrix Group, and local stakeholders, analyzes each proposal and reports its findings to the Board’s Purchasing and Oversight Committee, which makes the final selection recommendation to the Board. Each insurer under contract with Healthy Kids must meet exact requirements as to credentialing of providers, appointment standards, and geographic access.

The following health and dental plans serve Healthy Kids participants:

- AMERIGROUP Florida, Inc.
- Atlantic Dental, Inc.
- Capital Health Plan
- Clarendon National Insurance CompBenefits
- Delta Dental Plan of California
- Florida Health Care Plan, Inc.
- Health First Health Plans, Inc.
- Health Options, Inc.
- Healthy Palm Beaches, Inc.
- JMH Health Plan
- Staywell Health Plan
- United Healthcare of Florida
- Vista Health Plan, Inc.
- Vista Health Plan of South Florida, Inc.
Beginning in 2002, the Corporation amended its health insurer contracts to require the plans to identify a medical home for each enrollee. Health plans meet this requirement by ensuring that each participant has designated a primary care physician. By creating a medical home, Healthy Kids enrollees can feel the peace of mind knowing that their health care needs are being met in a timely and effective manner.

In keeping with this objective, Healthy Kids also required its plans to assert that all primary care physicians provide immunizations. By maintaining these records and services in one location, the child’s medical history is kept complete and the primary care physician is able to monitor the child’s health care and administer the health services needed as effectively as possible.

Healthy Kids also recognizes that some areas of Florida present unique challenges for insurers in developing provider networks, and has established an exception process for providers that do not meet these quality standards. A review panel of physicians considers requests for exemptions and will make exceptions when it is necessary to ensure continuity of care or to provide enrollees with access to primary physicians in remote or rural areas.

Compliance Reviews

Review of provider networks and quality of care does not stop with the selection of health plan providers, since Healthy Kids continues its oversight throughout the term of an insurer’s contracts. The Standards Workgroup of the Board of Directors is responsible for the supervision of quality review. The Standards Workgroup continues to stress the importance of creating a medical home for all enrollees and ensuring that children are receiving the necessary preventive care and any required specialty referrals. Healthy Kids conducts medical quality reviews of its health plan partners to ensure such quality of care. In fact, in the 2002 KidCare Evaluation, more than 90% of enrollees reported that they had a usual source of care.

The three major components of the medical quality audit are: site view, access review, and medical record review. The site review determines an individual physician’s office compliance with basic safety and infection control practices, as well as assesses other integral office functions, such as processing lab reports. Access reviews involve assessing the accessibility that enrollees have to the office for appointments and whether the time guidelines for such access are being met. A review of a sample of medical records is also conducted in order to monitor com-
pliance with basic documentation requirements and appropriateness of care.

**2002 Reviews**

In the 2002 fiscal year, Healthy Kids continued its quality review process. Plans that are new to the Healthy Kids program in a particular county received a full review, called the “baseline review,” after their first year of participation. In its second year, Healthy Kids also continued with ongoing reviews for the mature plans. These ongoing reviews allowed Healthy Kids to compare the results from the first year or two of our program with current performance indicators. Any issues that were raised during the initial baseline review also receive special attention. Furthermore, the Workgroup may request quality improvement plans from any plan that falls short of the standards established by Healthy Kids.

For the 2002 fiscal year, the Healthy Kids medical quality auditor conducted nine reviews, encompassing 14 counties, 9 plans, and more than 54,000 enrollees. Of these nine reviews, four were initial baseline reviews and five were ongoing reviews. Enrollment in these plans ranged from 659 to 8,082 members, and included more than 1,100 primary care physicians.

**Results**

- In the fiscal year 2002, 130 baseline site reviews were conducted.
- 1809 records were reviewed for the baseline access reviews, and 1367 records were reviewed for the ongoing access reviews.
- 1245 medical records were reviewed for baseline reviews, and 960 medical records were reviewed for the ongoing reviews.

**Conclusion**

Florida Healthy Kids places a strong emphasis on the quality of care its enrollees receive from the contracted health plan partners. The Corporation’s efforts appear to have paid off as Healthy Kids consistently receives high ratings from its families for the quality of care received and in the number of families who report a usual source of care- both more than 90%.

The Corporation continues to value highly its partnership with its twelve health plans and three dental plans. An annual conference, focusing on concerns and issues of interest to the plans, is held each year.

A special Quality Matters workshop was also initiated in 2002. The workshop brought together representatives from the plans to discuss quality initiatives and to identify further opportunities to improve collaboration. In the future, focus will also be placed on the review and evaluation of the dental program, which completed its statewide expansion in June 2002.

Quality health care is essential to the success of the Healthy Kids program and will always be a priority for the Corporation.
Other Readings


"Utilization of Dental Services Among Florida Healthy Kids Enrollees Who Are Also Enrolled in a Dental Managed Health Care Plan." Bono, C., Shenkman, E. Institute for Child Health Policy. October 2002.


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A Tradition of Ovations and Innovations