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Other view: How the state can hang on to \$1.9 billion

**By Debra Back --
Special To The Bee**

Because of the shortsightedness of our state leaders, California soon will lose \$1.9 billion in federal matching funds to provide health care for California's kids. This is in addition to \$1.1 billion the state already sent back, which was reallocated to other, more fiscally and medically responsible states. The return of these desperately needed funds would be the largest giveback of federal money by a state in U.S. history.

We choose to cover the medical costs of our elderly, as we should. Congress just added \$600 billion in pharmaceutical coverage for them, although the cost of covering kids is one-fifth the amount it takes to cover the elderly. Gov. Arnold Schwarzenegger identified children's health care in his campaign to eliminate government "waste," and he now intends to cap enrollment in vital children's health programs to protect past tax reductions. Under his proposal, even if their illnesses are life-threatening, children without coverage would be placed on a waiting list.

About 10 million children live in California. Roughly 1 million of them are uninsured, with the remaining covered by private or public insurance (Medi-Cal or Healthy Families). About two-thirds of the uninsured kids are eligible for public coverage and subsequent federal funds, at a match of up to \$2 for every \$1 spent by the state. But those estimated 650,000 kids are uninsured because of the red tape that binds the delivery of health care to kids in our state - more than 13 separate programs with their own eligibility rules, applications and paperwork. These rules are to ensure that the remaining 350,000 kids who are ineligible, due to their immigration status or because their family income exceeds the limit, remain out of the system.

Why all this bureaucracy to keep 3.5 percent of the total child population from getting basic medical care? It makes more sense to break down these barriers by presuming all kids are covered and will get to see a doctor. These 13 separate programs, which spend their resources making eligibility determinations for their program, sometimes several times per year, could be consolidated to a great extent. Instead, we could spend the state's resources on reimbursing providers who treat children who need care, including the 1 million currently uninsured. At a 2-to-1 match, we would actually pull more federal money into the state.

To capture the \$1.9 billion before we lose it, we have to change the current presumption against eligibility and declare that all kids are "in" - no eligibility rules, no applications, no falling off coverage, just reimbursement for medical services actually provided. If a child incurs more than \$1,000 in annual costs, bill the parents based on a sliding scale tied to family income. Reversing the presumption of eligibility is the kind of efficiency the private sector normally employs, requiring less bureaucracy and red tape, while maximizing assets to produce the best result.

Candidate Schwarzenegger said, "[W]e have to make sure that every child in California is insured.

That is the most important thing. I'm very passionate about children's issues. It is very important because they cannot fend for themselves." Changing the presumption of eligibility will fulfill the administration's commitment to kids, as well as its commitment to trimming government waste.

About the Writer

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