

Kaiser Permanente Cares for Kids

Sharing the dais with Kaiser Permanente (KP) CEO, David Lawrence, MD, and other Kaiser Permanente nurses and physicians, including Oliver Goldsmith, MD, Medical Director, The Southern California Permanente Medical Group; and Sharon Levine, MD, Associate Executive Director, The Permanente Medical Group; was our nation's CEO, William Jefferson Clinton. The President offered support and accolades as KP announced a plan to ensure access to medical care for 1.7 million uninsured children in California. Acknowledging his Administration's failure to pass a health care reform bill and referring to the ongoing debate among federal and state lawmakers over how to best address the issue of health care coverage in the United States, Clinton praised KP for taking on such a tremendous challenge:

"Too many children all across America, too many children here in California, some children in this crowd today don't have health insurance. We are here today because Kaiser Permanente is going to make a major change in that for you in California. We want to congratulate them, but even more important, we ought to be here to resolve to do better and not to rest until every child in America has an appropriate health insurance policy and adequate health care when they need it ..."

What Is the Origin of Kaiser Permanente Cares for Kids?

The context for Kaiser Permanente Cares for Kids is our long-standing commitment to community service. As a nonprofit, tax-exempt organization, KP's mission is to improve the health of our communities. Over the past 50 years, we have accomplished this goal through grants, partnerships with schools, our award-winning Educational Theatre Program, Residency and Graduate Medical Education Programs, and participation in federal and state programs such as Medicare and Medicaid, California's version of Medicaid.

These efforts, along with many other programs, comprise a contribution of \$300+ million annually to communities throughout California. In 1996, the Board of Kaiser Foundation Hospitals and Health Plan adopted a policy of investing in our communities across the nation to focus a significant portion of our community service efforts on the needs of children and the uninsured, and also on research. These priority areas were chosen in large part because of KP's experience and expertise in serving children and the uninsured as well as our unique capabilities and resources in research.

Newspaper Headlines from June 23, 1997

- "\$100 million for Health"
- "Clinton Hails Kaiser Initiative for Children"
- "Kaiser Does One for Kids"
- "Clinton Lauds HMO Child-Subsidy Plan"

What is Kaiser Permanente Cares for Kids?

The overarching goal of Kaiser Permanente Cares for Kids is to ensure universal coverage for all of California's 1.7 million uninsured children within five years. The centerpiece of this initiative is KP's commitment of \$100 million to provide coverage for uninsured children. Components of this multi-pronged initiative are as follows:

- Subsidize health care coverage for up to 50,000 children annually;
 - Collaborate with schools to identify uninsured children and enroll them in the Kaiser Permanente Cares for Kids Child-Subsidy Plan or any public/private program for which they are eligible;
 - Partner with the Health Insurance Plan of California (HIPC) to provide subsidized coverage to uninsured children from working families;
- Establish two demonstration projects to explore models of collaboration between schools and KP to enhance health service delivery for children;
- Work with the state legislature to expand health coverage for children;
- Participate in a statewide coalition to identify and advocate solutions for uninsured children not addressed by other strategies;
- Evaluate the effectiveness of the subsidized coverage program and demonstration project components.

Even with all of KP's resources, we will not be able to resolve the problem of uninsured children alone. So we are collaborating with other groups and individuals to build solutions for all uninsured children.

Funding and Resources

KP has a social and financial responsibility to serve the community. Each year, we spend 3% of our total revenue nationally on direct community benefit. The \$100 million to be allocated through the Kaiser Permanente Cares for Kids initiative is part of these funds

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LINDA KOTIS, Director of Kaiser Permanente Cares for Kids (KPCK), oversees the planning, design, and implementation of all components of the initiative. Prior to her role with KPCK, Linda was the Director of Government Affairs for The Permanente Medical Group. She joined Kaiser in 1991.



and represents less than \$5 per member each year. Funding will be provided to our medical facilities to serve the new pediatric members enrolled through the subsidized coverage components of the initiative. Like membership growth from our commercial plans, these children will be included in overall membership forecasts for each service area, and revenue allocations will be based upon anticipated membership.

Benefits of Initiative

Providing coverage for uninsured children will enhance their ability to lead productive lives. Studies have shown that children who have access to health care services are more likely to perform better in school, and to miss fewer days of class. The community benefits as well. Employees are more productive because of less time away from work to care for their sick children who have otherwise preventable illnesses. Establishing universal coverage for children will reduce society's costs of care through increased access to preventive care and diminished reliance upon more expensive emergency and urgent care resources.

KP's image is enhanced when the organization is identified as the leader of an improved future for children's health. Our \$100 million commitment, the largest of any single private health plan to date, distinguishes us from our for-profit competitors and supports the existence of our nonprofit, tax-exempt status. The initiative has bolstered the morale of physicians and employees, many of whom came to work here initially because of the value they place on KP's commitment to the community.

Finally, children receiving subsidized coverage will "grow up" with KP. As they become adults, many of them will enter the work force and be able to afford individual coverage or have access to employer-sponsored coverage. Their satisfaction with coverage through this initiative will lead them to choose Kaiser Permanente as their plan for life.

What Are the Details?

Subsidized Children's Health Coverage

The Child Health Plan, which is pending regulatory approval, is open to eligible children under 19 years of age who live within the California Division service area and are enrolled in participating public schools. In addition, to help families coordinate coverage for their children, we will enroll siblings of children who sign up for our plan. Families will pay a sliding scale premium, based on income, for each child. The children will receive a comprehensive benefit package including inpatient and outpatient services, prescription drugs, and vision care.

The Kaiser Permanente Cares for Kids Child Health Plan is designed to complement and not compete with

other health insurance programs available in the state. To that end, we will enroll children who are:

- in families with incomes above 200% and not more than 275% of the Federal Poverty Level (FPL) or, roughly, \$27,000 - \$37,000 annually for a family of three;
- not eligible for public programs;
- not eligible for coverage paid in any part by an employer;
- currently uninsured and uninsured for at least three months prior to application to the plan.

We plan to conduct outreach in late spring and provide coverage to children in September 1998. The plan is a pilot and ends on December 31, 2002.

Through the initiative, KP will also subsidize dependent coverage in the Health Insurance Plan of California (HIPC). HIPC is a state-sponsored purchasing cooperative for businesses with two to 50 employees, designed to provide a wider range of health plan options at more affordable prices than are otherwise available to small group purchasers. To participate in HIPC, employers must contribute at least 50% of the cost of their employees' coverage; however, no contribution is required toward dependent coverage.

We intend to work with the Managed Risk Medical Insurance Board (MRMIB), the state agency that runs HIPC, to launch a plan in May 1999 to enable low-moderate income HIPC enrollees to obtain coverage for their children through a combination of direct subsidies, employer sponsorship, and family cost-

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David Lawrence, MD, Sharon Levine, MD, SCPMG physicians, nurses and guests listen intently as President Clinton speaks about his—and Kaiser Permanente's—commitment to helping children obtain a healthy start in life.



SCMPG physicians and staff, along with students from Mar Vista Elementary School, proudly pose with President Clinton after the press conference announcing the Kaiser Permanente Cares for Kids initiative.

sharing. To leverage our financial commitment, we will encourage other health plans participating in HIPC to commit funds to a subsidy pool.

School Demonstration Projects

A multi-step, competitive process for selection of the two projects commenced in early March. These projects will run for two years. Like the Child Health Plan and HIPC components, the challenges and successes of the demonstration projects will be evaluated. In contrast to the subsidized coverage components, the demonstration projects will focus on delivery of health care services rather than on access to health insurance coverage.

Legislative Strategy

Our legislative strategy is to develop and support state proposals to expand access to coverage. KP was the only health plan to testify in support of the new Healthy Families Program, which resulted from passage of the federal Children's Health Initiative and enabling state legislation signed by Governor Wilson on October 2, 1997. We also provided data on benefits and cost of coverage for children to legislators and the administration. California Department of Health Services Director Kim Belshé lauded KP's efforts on behalf of uninsured children during a panel appearance before Kaiser Family Foundation media fellows, including such renowned journalists as Joanne Silburner. She acknowledged that KP was a catalyst for the state's rapid development of Healthy Families.

Coalition

The goal of the Coalition is to bring together representatives from business, government, employers, advocacy groups, trade associations, organized labor, academia, as well as other health plans and providers, to develop solutions for uninsured children not covered by Medi-Cal, Healthy Families, KP's initiative, CaliforniaKids, or other public or private programs.

KP staff, along with the other Coalition cosponsors—The 100% Campaign, The California Small Business Association, and UCLA's Center for Health Policy Research—started meeting last October to develop a framework. After months of planning, the Coalition cohosted a Kick-Off Session on January 12th. Representatives from the American Academy of Pediatrics, Blue Cross-Blue Shield, California Children's Hospital Association, the California Wellness Foundation, California Department of Health Services, Institute for Health Futures, Los Angeles Unified School District, the Pacific Business Group on Health and about 25 other distinguished organizations spent several hours sharing ideas and brainstorming about possible approaches to universal coverage for children.

Based on ideas generated at the Kick-Off Session, the Coalition will move forward through the creation of three advisory committees: two will examine voluntary and legislative options; the third will support the other two, determining the data required to pursue an idea as a potential coverage option. The Coalition cosponsors are inviting those who attended on January 12th as well as others to participate. The committees will present their plans and completed implementation steps at a working conference in early June or late July, another milestone in the work of the Coalition.

Research and Evaluation

Not only do we intend to provide coverage for children, but we also wish to design demonstration projects that are sustainable and replicable. Our goal is to share the lessons learned so that other plans, government and community-based organizations may develop other programs accordingly. We are working with TPMG Division of Research staff, Department of Clinical Analysis staff, outside evaluators, and major California foundations to develop an evaluation proposal for the Child Health Plan.

How Will Others Be Involved in Kaiser Permanente Cares for Kids?

The initiative has been designed so delivery of health care services is through KP's facilities and providers, due in part to the research and evaluation component. Nevertheless, many opportunities exist for public health professionals and community-based



organizations to partner with KP, including efforts to identify eligible children, as well as to help families understand the importance of obtaining coverage. In addition, our outreach strategy will be conducted in concert with state processes to enroll children in Healthy Families and Medi-Cal. We will not only inform families about the availability of our coverage but will also refer children not eligible for our plan to the other sources of coverage.

Many physicians and employees have contacted our project team to express interest in participating in the initiative. We have been working with the Chiefs of Pediatrics (both TPMG and SCPMG) on benefits and other design issues. Public Affairs representatives throughout California have been involved in the design of our partnership with public schools. Other

opportunities include participation in a speakers' bureau, assistance in outreach and enrollment efforts, and joining in legislative efforts.

We are confident that Kaiser Permanente Cares for Kids will achieve its goal of universal coverage for children in California. If you would like to become involved or need more information, please contact Linda Kotis at 510-987-2589. ♦

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On holding the baseball hit by Bobby Thompson into the left field seats to win the 1951 pennant when the Giants beat the Dodgers.

"You have to know the feel of a baseball in your hand, going back a while, connecting many things, before you can understand why a man would sit in a chair at four in the morning holding such an object, clutching it—how it fits the palm so reassuringly, the corked center making it buoyant in the hand, and the rough spots on an old ball, the marked skin, how an idle thumb likes to worry the scuffed horsehide. You squeeze a baseball. You kind of juice it or milk it. The resistance of the packed material makes you want to press harder. There's an equilibrium, an agreeable animal tension between the hard leather object and the sort of clawed hand, veins stretching with the effort. And the feel of raised seams across the fingertips, cloth contours like road bumps under the knuckle joints - how the whorled cotton can be seen as a magnified thumbprint, a blowup of the convoluted ridges on the pad of your thumb. The ball was a deep sepia, veneered with dirt and turf and generational sweat - it was old, bunged up, it was bashed and tobacco-juiced and stained by natural processes and by the lives behind it, weather-spattered and characterized as a seafront house. And it was smudged green near the Spalding trademark, it was still wearing a small green bruise where it had struck a pillar according to the history that came with it—flaked paint from a bolted column in the left-field stands embedded in the surface of the ball."

Don DeLillo, "Underworld," Scribner, 1997