



L.A. Care
HEALTH PLAN®

Healthy Kids Program Membership Focus Groups

Executive Summary

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EXECUTIVE SUMMARY

INTRODUCTION

The Healthy Kids program offers low-cost health, dental, and vision coverage to children in low to moderate income families who are ineligible for public programs. Children may not be eligible for public programs due to a high family income or due to their immigration status. The Healthy Kids program provides comprehensive healthcare coverage comparable to that offered by Healthy Families (California's federally-matched Children's Health Insurance Program). The program, which was launched in July 2003, has been a major success in L.A. County and has proven extremely popular with enrollees and their families¹.

Healthy Kids, initially targeting children from birth to age five as part of a five-year effort funded by First 5 LA, was expanded in April 2004 through the generous support of other funding sources to include children ages six to 18 years. The program is administered by L.A. Care Health Plan and is overseen and guided by the Children's Health Initiative (CHI) of Greater Los Angeles, a broad coalition of business, labor, providers, advocates, county agencies, private foundations and other organizations which joined together to pursue coverage for all kids. The CHI is also the fundraising entity for Healthy Kids program funds supporting children six to 18 years of age.

As of the end of 2009, a total of 27,162 children in L.A. County were enrolled in the Healthy Kids program; 3,956 of these enrollees are five years of age or younger and 23,206 are ages six to 18. Further, the lowest income eligible families (86 percent of members), defined as those in the 0 to 133 percent of the Federal Poverty Level (FPL), pay no monthly premium. The four percent of families that fall into the middle income range for program eligibility (134 to 150 percent of the FPL) pay a \$4 monthly premium per child. The remaining 10 percent of families, which have annual incomes of 151 percent to 300 percent of the FPL, pay a \$6 monthly premium per child. All members are also required to pay a \$5 co-payment for some doctor visits and most prescriptions.

Certified Application Assistants and other outreach workers report that their Healthy Kids-eligible clients are very aware of the program's value and uniqueness as well as its financial fragility.² Overall retention in the program has averaged 82.1 percent—higher than for comparable public programs such as Medi-Cal and Healthy Families.

Due to generous donor support, the Healthy Kids program has been extended far beyond original target end dates. First 5 LA has provided funding for enrollment for children zero to five years of age through June 2010. At the end of 2009, First 5 LA also expressed interest in pursuing an extension for this age group beyond June 2010. Additionally, the CHI's three-year Healthy Kids expansion for children ages 6-18 is now approaching its sixth year, and the CHI has secured

¹ "What Parents Say about the Los Angeles Healthy Kids Program," Urban Institute, November 2006.

² Ibid.

funding for the program through June 2010. The CHI is currently exploring fundraising options, along with increasing member contributions, to continue the program through June 2011.

The CHI's fundraising prospects have diminished with the national recession and the state's worsening budget crisis. In fact, two of the CHI's regular donors that have helped to finance the Healthy Kids 6-18 program since its inception—the Blue Shield of California Foundation and The California Endowment—have announced that 2009 will mark the end of their grants to support Healthy Kids premiums.

Along with the lack of funding opportunities, the CHI is also impacted by changes in the Healthy Families Program. The increase in Healthy Families premiums means that Healthy Kids no longer mirrors the Healthy Families Program but offers lower cost sharing.

Given the Healthy Families premium changes and the lack of funding to continue Healthy Kids for children ages six to 18, L.A. Care's Regional Community Advisory Committees (RCAC), which are made up of L.A. Care members, doctors, nurses, nonprofit advocates, and other health care providers, encouraged efforts to explore higher member cost sharing for the Healthy Kids program. The advisory committee reported findings to the L.A. Care Board of Governors from their own internal survey conducted in February/March 2009 indicating that parents were interested in paying more to help continue the Healthy Kids program.

FM3's Prior L.A. Care/CHI Research on Healthy Kids Premiums and Program Satisfaction

The member committee also recommended that L.A. Care and the CHI pursue a more formal survey of the Healthy Kids membership. This survey was conducted by Fairbank, Maslin, Maullin, Metz & Associates (FM3). The computer-assisted telephone interview-based survey was conducted between July 28, 2009 and August 12, 2009 with adult family members. The survey randomly sampled a total of 1,492 Healthy Kids enrollees³.

The survey results showed that Healthy Kids parents are nearly unanimously satisfied with the care their children receive in the program, with 98 percent giving this response. Growing out of this sentiment, just under two in three respondents (65 percent) said they would be *able* to pay some money or additional money every month to continue coverage for their children in the Healthy Kids program when first queried. After hearing that the program will run out of money by June 2010, 83 percent of respondents were *willing* to pay more to continue their child's coverage. Further, 80 percent said they would be *able* to pay more as well. While the survey showed robust willingness to contribute more toward the program, the threshold of what the respondents felt they could afford was modest. Less than a majority, or 49 percent, would be willing or able to pay more than \$20, citing financial constraints.⁴

³ A random sample of this size has a margin of error of plus or minus 2.59 percent.

⁴ Respondents were asked their willingness to pay different amounts based on their FPL and number of children. Forty-nine percent of those in the 134%-150% FPL with two or more children were willing to pay an additional \$30. Thirty-eight percent of those in the 151%-300% FPL with two or more children were willing to pay an additional \$40.

As a second stage in the research, L.A. Care Health Plan retained FM3 to conduct focus groups of the Healthy Kids membership (parents of children provided healthcare coverage by the program) to further understand what Healthy Kids families value about the program, their willingness and ability to pay more for their children's coverage in the program, and their reaction to hearing about the funding issues facing the program (including awareness of other resources should Healthy Kids no longer be available).

METHODOLOGY

On January 16, 2010, Fairbank, Maslin, Maullin, Metz & Associates (FM3) conducted four focus groups among Healthy Kids program member families (hereafter referred to as "members"). Two of these focus groups were among member families who had transitioned from the CalKids program to Healthy Kids. Since these families have been a part of the Healthy Kids program for the longest duration, they were believed to be the most knowledgeable about the program. The other two focus groups were comprised of those in the 134-300% Federal Poverty Levels (FPLs) to measure opinions of those already paying premiums.⁵ Three of the four groups were conducted in Spanish. More specifically, the groups held were as follows:

- The first group, held from 9:00 A.M. to 11:00 A.M., was with 11 English-speaking members falling into the 134-300% FPLs. This group is referred to throughout this report as "the English-speaking 134-300% group."
- The second group, held from 11:30 A.M. to 12:30 P.M., was among 11 Spanish-speaking members who had transitioned from the CalKids program.⁶ This group is referred to throughout this report as "the First Spanish-speaking transition group."
- The third group, held from 2:00 P.M. to 4:00 P.M., was also among 11 Spanish-speaking members who had transitioned from the CalKids program. This group is referred to throughout this report as "second Spanish-speaking transition group."
- The last group, held from 4:15 P.M. to 6:00 P.M., was among seven Spanish-speaking members with incomes falling into the 134-300% FPLs. This group is referred to throughout this report as "the Spanish-speaking 134-300% group."

The focus groups were comprised of women only because FM3 found in its survey research that mothers are the most knowledgeable and involved in their children's healthcare. This is evidenced by the finding that 88 percent of survey respondents were women. The participants were drawn from a list of members provided by L.A. Care.

The groups were designed to draw from a wide geographic boundary and included participants in cities/areas such as Alhambra, Altadena, Bellflower, Canoga Park, Carson, Compton, Covina, Downey, El Monte, Gardena, Inglewood, Long Beach, Marina del Rey, Pacoima, Panorama City, Pasadena, Stevenson Ranch, Van Nuys, and throughout the City of Los Angeles.

⁵ Participants were provided with a financial incentive to attend the groups and childcare was provided.

⁶ Any member who qualified for both the CalKids transition groups and the 134-300% focus groups were placed in the CalKids transition focus groups given the larger pool of potential participants based on the 134-300% FPLs criteria.

The groups were also designed to have a mix of participants who have children ages six and older and younger children. Some participants had just one child in the program and others had multiple children in the program. Some participants, in particular the English-speaking group, were new to the program, while others have had Healthy Kids coverage for as many as ten years (primarily those who transitioned from CalKids).

KEY FINDINGS

Members Value the Healthy Kids Program

The focus groups show that the Healthy Kids program is held in high regard by its members. However, positive sentiment regarding the program stretches far beyond the actual services it provides. While members are clearly satisfied with all aspects of the program (from medical care to administrative services), they are, above all else, grateful for having access to affordable healthcare for their children. All members consider coverage for their children to be extremely important, and their lives are buoyed by the “peace of mind” they receive by knowing they have healthcare coverage for their children. This appreciation is a result of recent and past experience for members in accessing healthcare. For some, who have struggled financially throughout their lives, they recall a time when their children did not have healthcare coverage and the anxiety it provoked. Others, who recently lost coverage due to being laid off or other circumstances, are appreciative of having an affordable option to prevent their children from going without care.

One to three participants in each Spanish-speaking group acknowledge that it is difficult for those who are undocumented to get coverage because: 1) there are few options for which they qualify and 2) they are fearful to seek out coverage. Some noted that their children born in the U.S. qualified for other programs, but they relied on Healthy Kids for their foreign-born children.

All Aspects of Healthy Kids Receive Generally Positive Reviews

One could argue that the actual services provided by the Healthy Kids program are secondary to the reassurance that having access to healthcare provides. However, the focus group results demonstrate that members are strongly satisfied with all components of the Healthy Kids program, and it is the quality care, ability to choose their own doctors, good communication, and affordability that makes them committed to the program.

Topping the list of attributes with which they are most satisfied is cost. In fact, all participants feel that Healthy Kids is affordable for them and reasonably priced. In every focus group, a universal theme was that the members would not be able to afford healthcare coverage for their children without Healthy Kids. In fact, most participants do without healthcare coverage for themselves, with only half of those in the English-speaking group saying they have coverage for themselves and no others in any other group saying they have coverage beyond emergency Medi-Cal.⁷ Members consider cost to be the biggest challenge they have faced in accessing healthcare for their families, and the Healthy Kids program allows them to clear this hurdle for their children.

⁷ One participant has Medi-Cal.

Overall, members also have positive evaluations of the care they receive. Many spoke out about the high quality care, appreciating being able to choose their own doctor for their child, and being able to maintain a long-term relationship with the same doctor. Many also mentioned appreciating and using the Nurse Advice Line offered by L.A. Care to ask questions that could save them a trip to the doctor. In fact, when asked, all participants in the English-speaking group and the first Spanish-speaking transition group were familiar with the Nurse Advice Line.⁸ Others valued the weekend and after-hours medical services available to them.

Not only does Healthy Kids provide affordable, quality healthcare for its members, but the participants applaud the program for the attention it gives its members and its outstanding communication with them. In every group, the participants noted that they are well-informed by Healthy Kids. In particular, they mentioned the reminders about appointments they receive; the ease of registering with the program; information provided to them about weekend and after-hours medical services and the Nurse Advice Line; and help with paperwork, dealing with issues with doctors' offices, or coverage complaints. There were virtually no complaints about communication from Healthy Kids—an unusual finding when assessing agencies or programs that provide social services.

There were few complaints about Healthy Kids in general. In fact, when asked in the first Spanish-speaking transition group if there was anything with which they were dissatisfied, just one participant spoke out. The biggest complaint volunteered throughout the groups, yet nevertheless not far-reaching, was not having a doctor that met their needs. This complaint emerged most in the English-speaking group and probably for two main reasons. First, many in the English-speaking group recently enrolled in Healthy Kids after losing coverage with their private healthcare plans due to a job loss or changing jobs. As a result, these members had a recent comparative perspective with their private healthcare plans and may be struggling with the transition from the healthcare program with which they were accustomed to Healthy Kids. Having recently had private healthcare insurance, a few of these newer members complained about going to what they consider “free clinics” for care and facing long waiting times for doctors' appointments. Second, some English-speaking participants were not aware that they could choose their own doctor. Therefore, the plan assigned a doctor to them. This assigned doctor was not always in close proximity to where they lived, nor did he or she meet their needs.

English and Spanish-speaking members alike spoke out about the challenge in finding a doctor that met their needs, and noted that they often had to do a lot of research before they found one. One could argue that this complaint is not unlike that made by those with private healthcare insurance who also have to work to find a doctor they like when switching healthcare plans or as their health needs change.

There were a few concerns about the dental care members receive with the program. While complaints were, again, not far-reaching, some felt they were charged for services erroneously, charged for services differently depending on the clinic, or pushed into using services that were not covered. These concerns came to the fore of the discussion most in the first Spanish-language

⁸ The question was not asked in the other two groups.

transition group. Yet, as with all aspects of Healthy Kids, the members were grateful to have access to dental coverage.

Members Alarmed and Surprised About Healthy Kids Running Out of Funding

As a result of the peace of mind members receive from access to affordable healthcare for their children and the quality of overall services they get from Healthy Kids, it is not surprising that the suggestion that the Healthy Kids program could run out of funding and be forced to end for those with children ages six to 18 was met with strong concern—as well as “panic,” some gasps, and even tears.

Members had little knowledge that the Healthy Kids program was facing funding issues. Across all four groups, just one participant was aware that the program could run out of funds by June 2010. Few even understood that Healthy Kids receives no government funding and is supported by private and charitable donations. When told that the program could run out of funding by June 30, 2010, members reacted in strong and emotional terms, calling this “catastrophic,” “devastating,” and “fatal” for them. The participants said they would feel the impact in many ways, including going without healthcare for their child, relying on home remedies in lieu of medical care, or having to cut back expenses in other areas to afford healthcare (including funding for preschool or even food).

Members Do not Know Where to Turn if Healthy Kids Runs out of Funding

There was essentially no knowledge of where else members could turn for coverage if the Healthy Kids program were not available to them (producing the “panic”). Not only were the members unable to name a similar program, but they did not mention turning to free clinics. Just a few participants mentioned programs such as ORSA or emergency Medi-Cal, but others acknowledged that they would not qualify for these programs.

Members Are Willing to Contribute More Toward Healthy Kids to Save the Program

As a result of the positive sentiment about Healthy Kids and the view that there is nowhere else to turn, nearly all participants would contribute more to save the program. In general, there appears to be a \$20 threshold per family for the additional contribution each is willing to make—similar to the result found in the survey conducted by FM3. This limitation appears to come simply from the fact that members cannot pay more rather than any perceived unwillingness to do so for other reasons—members universally see the current fees as low and do not complain of any program mismanagement.

Many members noted that an increased cost per child would put a particular burden on those with multiple children and suggested a system that allows those with more children to pay less.

Those in the English-speaking 134-300% group were willing to contribute slightly more than those in the transition groups that typically are less affluent and the Spanish-speaking 134-300% group. This may also reflect that more participants in this group had just one child in the program and the English-speaking participants were also more likely to have recently been paying more for healthcare through private insurance. In the English-speaking 134-300% group, members were willing to contribute \$25 to \$50 overall a month when first asked. All but one member would be willing to pay more than \$20 to save their coverage when queried after receiving all the

information about the funding situation. Many noted that, even with this increase, their contribution would be less than they paid for private healthcare coverage.

In the Spanish-language transition groups, most said they could afford \$8 to \$15 per child and were willing to pay \$20 a month per child if that is what it would take to save the program. The few that said they could not make this contribution said their situation does not allow it. Those in the Spanish-language 134-300% group responded similarly, but had more of a reaction hearing that the program currently pays \$72 a month per member. After hearing this, all members of this group agreed to pay \$20 more per child. In the other groups, universal willingness to pay up to \$20 per child did not come until it was reiterated and isolated at the end of the discussion that funding was only secured through June 2010 and continuation of the program beyond that time is uncertain.

Most Learned About Healthy Kids from Social Workers, Healthy Families, Friends, and Family

Most members learned about Healthy Kids through social workers and Healthy Families and some through friends and family. Many said they were approached by social workers—some at the hospital when their child was born—and told about Healthy Kids (more so among Spanish-speakers). Many said Healthy Families referred them to Healthy Kids when they did not qualify for Healthy Families (with many in the English-speaking group giving this response). While some did their own research and found the program on their own (generally the English-speaking group), most did not. As a result, it is not surprising that members cannot think of alternative programs. Instead of having to do the research themselves to find healthcare coverage for their children, most were lucky to have others tell them about it.

It should be noted that members in the English-speaking group were more likely to learn about Healthy Kids by going online and doing research. In fact, all English-speaking participants had access to a computer. This suggests that Healthy Kids can successfully reach out to its English-speaking members through electronic media channels, but this approach will not be successful with Spanish-speaking members who have less access to a computer.

FM3's survey results support the findings in these focus groups that members deeply value the Healthy Kids program and are willing to contribute more to their care when they learn that the program will be terminated if additional funding is not generated. However, while the survey quantifies the results in a statistically reliable way, the focus groups allowed us to textualize the findings. Members were able to share the stories and experiences that stood behind their support of Healthy Kids. This report allows the reader to hear the reasons behind members' views in their own words.

ISSUES FOR CONSIDERATION

The focus group results show that Healthy Kids can draw on its strong reputation of quality medical care, excellent customer service and communication, and affordability to build support for increasing member contributions. Often, organizations or jurisdictions seeking to build member or public support for raising fees (or taxes) must first educate their constituents

about the good job they are doing because the constituents are not fully aware or accepting of the organization's performance. However, the Healthy Kids' constituents—its members—already have a very positive opinion of the program, with no substantial weak area that needs to be addressed. Members clearly understand what is at stake if the Healthy Kids program were to run out of funds. However, the focus group results indicate a need to:

- **Better educate new members that they have the option of choosing their own doctor from the list of providers and are free to change their doctor at any time if they are dissatisfied.** The lesser awareness among English-speaking members (many of whom are new to the program) of this fact contributes toward a slightly more negative sentiment about the program.
- **Remind members (and doctors) on what is and what is not covered in broad and often used areas—in particular when it comes to dental care.** A number of members said they had been charged for dental services that they did not think required an out of pocket payment. By giving members more knowledge of what should be covered, Healthy Kids can help root out providers that are erroneously billing members for services.
- **Better promote that members have the choice to pay their premiums in advance.** The focus groups showed that those who know they can pay their monthly premium in advance enjoy this option. By promoting this option, Healthy Kids will not only better serve members, but potentially reduce the administrative expense of sending out monthly bills and billing follow ups.

Healthy Kids does not need to spend substantial energy making the case that members are paying less money for more coverage than those in other plans. The focus groups showed that members feel they have a good deal with Healthy Kids. They know that they are not charged much for full coverage—even acknowledging that they like not receiving bills or being asked to pay a percentage of treatments or services beyond their modest co-payments. Therefore, Healthy Kids does not need to launch a strong education campaign about its program prior to a campaign focused on generating support for higher member contributions. By being able to cut to the chase, so to speak, Healthy Kids will save time and money on a communications effort. Of course, messaging about the strengths of the Healthy Kids program is an important backdrop to a focused communications campaign about the funding issues facing the program and will bolster members' commitment.

FM3 recommends developing and testing other potential messages that may help further demonstrate the need for members to contribute more to keep Healthy Kids solvent. Given that members do not see other options if Healthy Kids were to end, one such message could focus on Healthy Kids being a comprehensive program. A package of facts that support the need for Healthy Kids may bolster support for increasing member contributions toward the program.

If the program were to end, the CHI will need to provide a strong communications and outreach effort to help members find alternatives. Currently, members have little to no awareness of where to turn should they lose their coverage. The CHI should consider a transition program to educate members about other potential programs or services they may be

eligible for, including the Outpatient Reduced-Cost Simplified Application Plan (ORSA), Ability-To-Pay Plan (ATP), and the Public-Private Partnership Program (PPP).

CONCLUSIONS

The Healthy Kids program is a critical part of the lives of its members—with families relying on it to be able to provide quality healthcare to their children. Many consider Healthy Kids to be their only healthcare insurance option, whether it is because of the cost, their inability to qualify for other programs because their income disqualifies them, or because of their immigration status. In fact, many recalled a time when their children did not have healthcare coverage before they discovered or qualified for Healthy Kids.

Virtually every aspect of the program is held in high regard, but particular mention is made of the low cost, excellent customer service and communication, and quality of care (including the ability to choose and retain their own doctor, the Nurse Advice Line, and after hours services).

Members are alarmed to hear that the program could end in June of 2010 for those with children six to 18 years of age because of a lack of funding. They appear to readily accept that the lack of funding results from a decline in charitable donations—not fiscal mismanagement (with no suggestion of mismanagement being mentioned). Nearly all members are unable to name any alternative healthcare program if they were to lose their Healthy Kids coverage. Their positive views of the program coupled with their perception that there will be nowhere to turn created a sense of panic for many members.

While most seem to believe they could afford to contribute no more than an additional \$15 per month per child (with many saying they could not pay this much per child because they have multiple children), fear that the program would end leads most members to agree to pay \$20 per child by the end of the discussion. However, it is clear that this will pose a significant financial burden on many members.