



CALIFORNIA BUDGET PROJECT

FOR IMMEDIATE RELEASE
December 21, 2006

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HEALTHY FAMILIES NEEDS SUFFICIENT FEDERAL FUNDING

Funding to Expire for Program that Provides Coverage for 750,000 California Children

SACRAMENTO - Federal funding for the low-cost health coverage program for children, Healthy Families, will expire in 2007, and Congress must act to continue these funds. According to a new report by the California Budget Project, "SCHIP Reauthorization: Healthy Families Needs Sufficient Federal Funding," California needs an additional \$2 billion to \$3 billion over the next five years in order to support a program that provides coverage to over 750,000 children. More funds would be needed if the program were expanded to include more children.

"We've heard a lot about the need to extend health coverage to the uninsured recently," said Jean Ross, executive director of the California Budget Project, a nonpartisan public policy research group. "Without additional federal money, California will lose ground, and the number of uninsured children will rise, rather than fall."

California has a higher rate of uninsured children than the nation as a whole. One reason is that not all children are enrolled in programs for which they are eligible. In 2005, approximately 200,000 children in California were eligible for, but not enrolled in, Healthy Families.

Congress established the State Children's Health Insurance Program (SCHIP) in 1997 to support state efforts to expand health coverage to uninsured children. Current funding for SCHIP will expire on September 30, 2007. If Congress does not provide additional funding, California may have to stop enrolling children, reduce Healthy Families benefits, or freeze payments to health plans that provide Healthy Families coverage. A shortfall could result in more than 700,000 California children losing health coverage in 2012.

Healthy Families has helped reduce the number of low-income uninsured children, despite a shrinking number of Californians with job-based health coverage. Studies also show that children with health coverage are more likely to receive immunizations and other cost-effective, preventive services, and to be in better health, which can lead to better educational outcomes and economic success.

This report is available at www.cbp.org.

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