



March 9, 2010

THE GOVERNOR'S PROPOSED BUDGET COULD CAUSE MORE THAN 1 MILLION CHILDREN TO LOSE HEALTH BENEFITS OR COVERAGE

Governor Schwarzenegger proposes to significantly reduce, and potentially eliminate, the Healthy Families Program (HFP). The HFP provides low-cost health, dental, and vision coverage to children in families with incomes of up to 250 percent of the federal poverty line – \$45,780 for a family of three.¹ If the HFP were eliminated, 1,041,100 children would lose access to affordable health coverage. The federal government pays about two-thirds of the program's cost. Eliminating the HFP would reduce General Fund spending by \$222.0 million, but result in a loss of \$826.3 million in federal matching funds.²

The Governor proposes a number of reductions: three would apply under all circumstances and one – the elimination of the HFP – would occur if the state does not receive the \$6.9 billion in federal funds assumed in the Governor's Proposed Budget. Specifically, the Governor proposes to:

- Reduce the income eligibility limit from 250 percent to 200 percent of the poverty line, resulting in 203,300 children losing access to affordable health coverage.
- Eliminate routine vision care for children enrolled in Healthy Families.³
- Increase families' cost for premiums for those families with monthly incomes between 151 percent and 200 percent of the poverty line. Premiums would rise from \$16 per month per child to \$30 per month per child. Families with three or more children would see premiums increase from \$48 per month to \$90 per month. When combined with two recently enacted premium increases, this proposal would cause premiums to more than triple for families in this income range since increases began in February 2009.
- Eliminate the HFP, resulting in more than 1 million children in California losing access to affordable coverage, if the state fails to receive the level of federal funding assumed in the Governor's budget.

¹ The HFP covers children with somewhat higher incomes than is allowed under Medi-Cal. HFP eligibility begins above 200 percent of the poverty line for infants, above 133 percent of the poverty line for children ages 1 to 5, and above 100 percent of the poverty line for children ages 6 to 18.

² These estimates do not include the impact of the Governor's proposals on approximately 5,600 children who qualify for the California Children's Services (CCS) Program through the HFP. CCS provides health services for children with special health care needs. Approximately 5,000 children would lose eligibility for CCS under the Governor's proposals, for net state savings of \$4.1 million and \$21.6 million in lost federal matching funds, according to the Legislative Analyst's Office.

³ Treatment for eye injuries and surgery would still be covered.

Estimated Impact of Governor's Healthy Families Program Proposals by Senate District

| Senate District | Senator | Number of Children Losing Coverage Due to Restricted Eligibility* | Lost State and Federal Funds Due to Restricted Eligibility* | Number of Children Losing Vision Coverage** | Number of Children Affected by Increased Premiums | Number of Children Losing Coverage if Healthy Families Is Eliminated | Lost State and Federal Funds if Healthy Families Is Eliminated |
|-----------------|----------------|---|---|---|---|--|--|
| 1 | Cox | 3,840 | \$4,717,000 | 14,640 | 6,700 | 18,480 | \$18,609,000 |
| 2 | Wiggins | 5,180 | \$6,364,000 | 19,750 | 9,040 | 24,940 | \$25,108,000 |
| 3 | Leno | 2,970 | \$3,651,000 | 11,330 | 5,190 | 14,310 | \$14,406,000 |
| 4 | Aanestad | 5,510 | \$6,766,000 | 21,000 | 9,620 | 26,510 | \$26,695,000 |
| 5 | Wolk | 5,310 | \$6,517,000 | 20,230 | 9,260 | 25,540 | \$25,712,000 |
| 6 | Steinberg | 4,440 | \$5,444,000 | 16,900 | 7,740 | 21,330 | \$21,480,000 |
| 7 | DeSaulnier | 2,500 | \$3,068,000 | 9,520 | 4,360 | 12,020 | \$12,103,000 |
| 8 | Yee | 3,280 | \$4,026,000 | 12,500 | 5,720 | 15,780 | \$15,886,000 |
| 9 | Hancock | 2,660 | \$3,267,000 | 10,140 | 4,640 | 12,800 | \$12,891,000 |
| 10 | Corbett | 3,850 | \$4,725,000 | 14,670 | 6,710 | 18,520 | \$18,643,000 |
| 11 | Simitian | 2,660 | \$3,265,000 | 10,130 | 4,640 | 12,800 | \$12,884,000 |
| 12 | Denham | 8,400 | \$10,313,000 | 32,010 | 14,660 | 40,410 | \$40,689,000 |
| 13 | Alquist | 5,020 | \$6,158,000 | 19,110 | 8,750 | 24,130 | \$24,296,000 |
| 14 | Cogdill | 6,830 | \$8,377,000 | 26,000 | 11,900 | 32,830 | \$33,052,000 |
| 15 | Maldonado | 5,260 | \$6,458,000 | 20,040 | 9,180 | 25,310 | \$25,481,000 |
| 16 | Florez | 6,880 | \$8,449,000 | 26,220 | 12,010 | 33,100 | \$33,333,000 |
| 17 | Runner | 6,720 | \$8,250,000 | 25,610 | 11,720 | 32,330 | \$32,551,000 |
| 18 | Ashburn | 6,440 | \$7,909,000 | 24,550 | 11,240 | 30,990 | \$31,205,000 |
| 19 | Strickland | 4,110 | \$5,050,000 | 15,670 | 7,180 | 19,790 | \$19,924,000 |
| 20 | Padilla | 6,560 | \$8,052,000 | 24,990 | 11,440 | 31,550 | \$31,768,000 |
| 21 | Liu | 4,370 | \$5,369,000 | 16,660 | 7,630 | 21,040 | \$21,182,000 |
| 22 | Cedillo | 4,040 | \$4,954,000 | 15,380 | 7,040 | 19,410 | \$19,547,000 |
| 23 | Pavley | 3,840 | \$4,719,000 | 14,650 | 6,710 | 18,490 | \$18,618,000 |
| 24 | Romero | 6,930 | \$8,502,000 | 26,390 | 12,080 | 33,310 | \$33,544,000 |
| 25 | Wright | 5,180 | \$6,364,000 | 19,750 | 9,040 | 24,940 | \$25,109,000 |
| 26 | Price | 3,670 | \$4,510,000 | 14,000 | 6,410 | 17,670 | \$17,795,000 |
| 27 | Lowenthal | 5,040 | \$6,182,000 | 19,190 | 8,780 | 24,220 | \$24,389,000 |
| 28 | Oropeza | 3,250 | \$3,988,000 | 12,380 | 5,670 | 15,630 | \$15,734,000 |
| 29 | Huff | 5,450 | \$6,686,000 | 20,750 | 9,500 | 26,200 | \$26,380,000 |
| 30 | Calderon | 6,350 | \$7,795,000 | 24,190 | 11,080 | 30,540 | \$30,754,000 |
| 31 | Dutton | 7,200 | \$8,839,000 | 27,430 | 12,560 | 34,640 | \$34,875,000 |
| 32 | Negrete McLeod | 9,460 | \$11,608,000 | 36,030 | 16,500 | 45,480 | \$45,798,000 |
| 33 | Walters | 4,860 | \$5,965,000 | 18,510 | 8,480 | 23,370 | \$23,536,000 |
| 34 | Correa | 9,690 | \$11,895,000 | 36,920 | 16,900 | 46,610 | \$46,932,000 |
| 35 | Harman | 4,170 | \$5,119,000 | 15,890 | 7,270 | 20,060 | \$20,198,000 |
| 36 | Hollingsworth | 5,460 | \$6,699,000 | 20,790 | 9,520 | 26,250 | \$26,432,000 |
| 37 | Vacancy | 10,050 | \$12,337,000 | 38,290 | 17,530 | 48,340 | \$48,677,000 |
| 38 | Wyland | 5,960 | \$7,315,000 | 22,700 | 10,390 | 28,660 | \$28,859,000 |
| 39 | Kehoe | 3,680 | \$4,514,000 | 14,010 | 6,410 | 17,690 | \$17,810,000 |
| 40 | Ducheny | 9,380 | \$11,510,000 | 35,720 | 16,360 | 45,100 | \$45,413,000 |
| | Total | 216,470 | \$265,700,000 | 824,630 | 377,580 | 1,041,100 | \$1,048,300,000 |

Estimated Impact of Governor's Healthy Families Program Proposals by Assembly District

| Assembly District | Assemblymember | Number of Children Losing Coverage Due to Restricted Eligibility* | Lost State and Federal Funds Due to Restricted Eligibility* | Number of Children Losing Vision Coverage** | Number of Children Affected by Increased Premiums | Number of Children Losing Coverage if Healthy Families Is Eliminated | Lost State and Federal Funds if Healthy Families Is Eliminated |
|-------------------|----------------|---|---|---|---|--|--|
| 1 | Chesbro | 2,730 | \$3,350,000 | 10,400 | 4,760 | 13,130 | \$13,219,000 |
| 2 | Nielsen | 3,450 | \$4,238,000 | 13,150 | 6,020 | 16,610 | \$16,722,000 |
| 3 | Logue | 2,050 | \$2,515,000 | 7,810 | 3,570 | 9,850 | \$9,922,000 |
| 4 | Gaines | 2,320 | \$2,847,000 | 8,840 | 4,050 | 11,160 | \$11,233,000 |
| 5 | Niello | 1,790 | \$2,192,000 | 6,800 | 3,110 | 8,590 | \$8,647,000 |
| 6 | Huffman | 1,850 | \$2,268,000 | 7,040 | 3,220 | 8,890 | \$8,948,000 |
| 7 | Evans | 2,540 | \$3,119,000 | 9,680 | 4,430 | 12,220 | \$12,304,000 |
| 8 | Yamada | 1,560 | \$1,920,000 | 5,960 | 2,730 | 7,520 | \$7,573,000 |
| 9 | Jones | 1,970 | \$2,416,000 | 7,500 | 3,430 | 9,470 | \$9,533,000 |
| 10 | Huber | 2,280 | \$2,800,000 | 8,690 | 3,980 | 10,970 | \$11,049,000 |
| 11 | Torlakson | 1,620 | \$1,987,000 | 6,170 | 2,820 | 7,780 | \$7,838,000 |
| 12 | Ma | 2,020 | \$2,485,000 | 7,710 | 3,530 | 9,740 | \$9,806,000 |
| 13 | Ammiano | 1,060 | \$1,307,000 | 4,060 | 1,860 | 5,120 | \$5,155,000 |
| 14 | Skinner | 1,110 | \$1,360,000 | 4,220 | 1,930 | 5,330 | \$5,367,000 |
| 15 | Buchanan | 1,790 | \$2,196,000 | 6,820 | 3,120 | 8,610 | \$8,666,000 |
| 16 | Swanson | 1,370 | \$1,684,000 | 5,230 | 2,390 | 6,600 | \$6,642,000 |
| 17 | Galgiani | 4,120 | \$5,052,000 | 15,680 | 7,180 | 19,800 | \$19,932,000 |
| 18 | Hayashi | 1,900 | \$2,335,000 | 7,250 | 3,320 | 9,150 | \$9,213,000 |
| 19 | Hill | 1,320 | \$1,615,000 | 5,010 | 2,300 | 6,330 | \$6,373,000 |
| 20 | Torrico | 1,720 | \$2,110,000 | 6,550 | 3,000 | 8,270 | \$8,325,000 |
| 21 | Ruskin | 1,090 | \$1,339,000 | 4,150 | 1,900 | 5,250 | \$5,281,000 |
| 22 | Fong | 1,290 | \$1,583,000 | 4,910 | 2,250 | 6,200 | \$6,246,000 |
| 23 | Coto | 3,380 | \$4,154,000 | 12,890 | 5,900 | 16,280 | \$16,389,000 |
| 24 | Beall | 1,680 | \$2,063,000 | 6,400 | 2,930 | 8,080 | \$8,141,000 |
| 25 | T. Berryhill | 2,730 | \$3,354,000 | 10,410 | 4,770 | 13,140 | \$13,233,000 |
| 26 | B. Berryhill | 3,670 | \$4,499,000 | 13,960 | 6,390 | 17,630 | \$17,749,000 |
| 27 | Monning | 2,200 | \$2,696,000 | 8,370 | 3,830 | 10,570 | \$10,639,000 |
| 28 | Caballero | 5,280 | \$6,483,000 | 20,120 | 9,210 | 25,400 | \$25,579,000 |
| 29 | Villines | 2,710 | \$3,327,000 | 10,330 | 4,730 | 13,040 | \$13,127,000 |
| 30 | Gilmore | 4,410 | \$5,407,000 | 16,780 | 7,680 | 21,190 | \$21,332,000 |
| 31 | Arambula | 2,750 | \$3,369,000 | 10,460 | 4,790 | 13,200 | \$13,294,000 |
| 32 | Fuller | 3,520 | \$4,315,000 | 13,390 | 6,130 | 16,910 | \$17,024,000 |
| 33 | Blakeslee | 2,890 | \$3,549,000 | 11,010 | 5,040 | 13,910 | \$14,002,000 |
| 34 | Conway | 2,910 | \$3,572,000 | 11,080 | 5,080 | 13,990 | \$14,091,000 |
| 35 | Nava | 2,380 | \$2,922,000 | 9,070 | 4,150 | 11,450 | \$11,530,000 |
| 36 | Knight | 3,660 | \$4,492,000 | 13,940 | 6,380 | 17,600 | \$17,722,000 |
| 37 | Strickland | 2,320 | \$2,843,000 | 8,820 | 4,040 | 11,140 | \$11,215,000 |
| 38 | Smyth | 2,520 | \$3,088,000 | 9,580 | 4,390 | 12,100 | \$12,184,000 |
| 39 | Fuentes | 3,570 | \$4,384,000 | 13,600 | 6,230 | 17,180 | \$17,295,000 |
| 40 | Blumenfield | 2,930 | \$3,602,000 | 11,180 | 5,120 | 14,110 | \$14,210,000 |
| 41 | Brownley | 2,080 | \$2,552,000 | 7,920 | 3,630 | 10,000 | \$10,070,000 |
| 42 | Feuer | 1,080 | \$1,325,000 | 4,110 | 1,880 | 5,190 | \$5,226,000 |
| 43 | Vacancy | 2,120 | \$2,604,000 | 8,080 | 3,700 | 10,210 | \$10,276,000 |
| 44 | Portantino | 2,350 | \$2,889,000 | 8,960 | 4,100 | 11,320 | \$11,396,000 |

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|-------------------|----------------|---|---|---|---|--|--|
| 45 | de León | 1,810 | \$2,224,000 | 6,900 | 3,160 | 8,710 | \$8,775,000 |
| 46 | J. Pérez | 2,300 | \$2,821,000 | 8,750 | 4,010 | 11,050 | \$11,129,000 |
| 47 | Bass | 1,570 | \$1,923,000 | 5,970 | 2,730 | 7,530 | \$7,585,000 |
| 48 | Davis | 1,830 | \$2,246,000 | 6,970 | 3,190 | 8,800 | \$8,860,000 |
| 49 | Eng | 3,470 | \$4,260,000 | 13,220 | 6,050 | 16,690 | \$16,809,000 |
| 50 | De La Torre | 3,830 | \$4,699,000 | 14,580 | 6,680 | 18,410 | \$18,540,000 |
| 51 | Bradford | 2,690 | \$3,308,000 | 10,270 | 4,700 | 12,960 | \$13,050,000 |
| 52 | Hall | 2,940 | \$3,614,000 | 11,220 | 5,140 | 14,160 | \$14,259,000 |
| 53 | Lieu | 1,160 | \$1,429,000 | 4,430 | 2,030 | 5,600 | \$5,638,000 |
| 54 | Lowenthal | 1,230 | \$1,506,000 | 4,680 | 2,140 | 5,900 | \$5,944,000 |
| 55 | Furutani | 2,530 | \$3,111,000 | 9,660 | 4,420 | 12,190 | \$12,274,000 |
| 56 | Mendoza | 3,080 | \$3,775,000 | 11,720 | 5,360 | 4,790 | \$14,895,000 |
| 57 | Hernandez | 3,580 | \$4,390,000 | 13,630 | 6,240 | 17,200 | \$17,321,000 |
| 58 | Calderon | 3,120 | \$3,825,000 | 11,870 | 5,440 | 14,990 | \$15,090,000 |
| 59 | Adams | 2,830 | \$3,475,000 | 10,790 | 4,940 | 13,620 | \$13,710,000 |
| 60 | Hagman | 2,770 | \$3,406,000 | 10,570 | 4,840 | 13,350 | \$13,438,000 |
| 61 | Torres | 3,900 | \$4,787,000 | 14,860 | 6,800 | 18,760 | \$18,888,000 |
| 62 | Carter | 5,410 | \$6,639,000 | 20,600 | 9,430 | 26,010 | \$26,192,000 |
| 63 | Emmerson | 3,190 | \$3,914,000 | 12,150 | 5,560 | 15,330 | \$15,441,000 |
| 64 | Nestande | 4,680 | \$5,749,000 | 17,840 | 8,170 | 22,530 | \$22,683,000 |
| 65 | Cook | 4,610 | \$5,661,000 | 17,570 | 8,040 | 22,180 | \$22,336,000 |
| 66 | Jeffries | 4,680 | \$5,745,000 | 17,830 | 8,160 | 22,510 | \$22,667,000 |
| 67 | Silva | 2,260 | \$2,778,000 | 8,620 | 3,950 | 10,890 | \$10,962,000 |
| 68 | Tran | 4,060 | \$4,989,000 | 15,480 | 7,090 | 9,550 | \$19,685,000 |
| 69 | Solorio | 5,220 | \$6,409,000 | 19,890 | 9,110 | 25,110 | \$25,288,000 |
| 70 | DeVore | 1,820 | \$2,231,000 | 6,920 | 3,170 | 8,740 | \$8,803,000 |
| 71 | Miller | 3,380 | \$4,150,000 | 12,880 | 5,900 | 16,260 | \$16,373,000 |
| 72 | Norby | 3,400 | \$4,168,000 | 12,930 | 5,920 | 16,330 | \$16,443,000 |
| 73 | Harkey | 2,260 | \$2,771,000 | 8,600 | 3,940 | 10,860 | \$10,931,000 |
| 74 | Garrick | 3,080 | \$3,777,000 | 11,720 | 5,370 | 14,800 | \$14,903,000 |
| 75 | Fletcher | 1,850 | \$2,274,000 | 7,060 | 3,230 | 8,910 | \$8,972,000 |
| 76 | Saldaña | 1,580 | \$1,939,000 | 6,020 | 2,760 | 7,600 | \$7,651,000 |
| 77 | Anderson | 2,000 | \$2,453,000 | 7,610 | 3,490 | 9,610 | \$9,678,000 |
| 78 | Block | 3,370 | \$4,140,000 | 12,850 | 5,880 | 16,220 | \$16,335,000 |
| 79 | Salas | 4,380 | \$5,372,000 | 16,670 | 7,630 | 21,050 | \$21,196,000 |
| 80 | V. Pérez | 4,510 | \$5,535,000 | 17,180 | 7,870 | 21,690 | \$21,839,000 |
| | Total | 216,470 | \$265,700,000 | 824,630 | 377,580 | 1,041,100 | \$1,048,300,000 |

* The Governor's proposal would limit eligibility to children in families with incomes of less than 200 percent of the poverty line, or \$36,620 for a family of three.

** Assumes the Governor's proposal to restrict eligibility is approved.

Note: Estimates are based on the Healthy Families caseload in each zip code averaged over November 2009, December 2009, and January 2010. Each district's share was then multiplied by the total estimated number of children who would be affected, or the total amount of dollars that would be lost under each proposal. The estimated number of children affected reflects the number of children expected to be enrolled June 30, 2011, with the exception of those affected by premium increases, which reflects the impact as of July 1, 2010. A small number of Healthy Families children who were identified in state reports in zip codes that are not in a legislative district were excluded from the analysis. The estimated loss of funds includes General Fund and federal funds. Estimates of affected recipients are rounded to the nearest 10, and estimates of loss of funds are rounded to the nearest \$1,000. Total estimates do not sum to totals due to rounding.

Source: CBP analysis of Managed Risk Medical Insurance Board and Legislative Analyst's Office data