

Securing Children Health Insurance Program Funding for Oregon's Safety Net

Executive Summary

From a policy perspective, the safety net is important not only to those who lack access to care, but also to Oregon at large. While not all Oregonians are direct users of safety net services, the benefits of the safety net affect a range of groups and interests, including both the public and private sector. Most uninsured persons are employed (or dependents of the employed) and constitute a workforce whose health and well-being is important to Oregon's economic vitality. Furthermore, safety net providers, supported by federal, state and local resources, keep children immunized, learning, and growing. It is essential to provide preventive and primary care where children are most likely to get health care and to ensure the stability and viability of those providers.

There is no simple solution to the challenge of providing health care to all of Oregon's children, nor is there an easy way to preserve and strengthen Oregon's "safety net" health clinics. Because of the role the safety net plays in providing health care to uninsured children throughout Oregon, this paper considered financial compensation to the safety net for health care services provided to children who are income-eligible for Medicaid or the State Children's Health Insurance Program (SCHIP) but whose families cannot or do not complete an application process.

Oregon's population is rapidly increasing. Between 1990 and 1999, the state grew by 16.7%; the nation as whole grew by 9.6%.¹ As the total number of Oregonians increased so has the number of uninsured Oregonians (even though the *percentage* of uninsured Oregonians has not). An estimated 8 percent or approximately 70,000 children in Oregon remain uninsured.² Many of these uninsured children appear eligible for publicly funded programs such as SCHIP³; however, their parents or guardians cannot or will not enroll them in SCHIP, Family Health Insurance Assistance Program (FHIAP), or Medicaid. In order to get their health care needs met these children and their families rely on safety net providers comprised of a broad range of local non-profit and governmental organizations.

Oregon's safety net includes community health centers, school-based health centers (SBHC), county health departments, Federally Qualified Health Centers (FQHC), rural health clinics (RHC), and migrant health clinics (MHC). These clinics vary in terms of size, numbers and types of professionals employed, client characteristics, service area population density and demographics, diversity and stability of revenue sources, and sophistication in business management practices.⁴ Safety net providers throughout Oregon offer health services to low-income people, including those without insurance.

The Institute of Medicine (IOM) determined that even within the context of insurance reform, some people continue to rely on safety net providers for their health care services. Furthermore, because many of the safety net providers have expertise in meeting the particular needs of low-

¹ US Census Bureau. www.census.gov

² Portland State University Center for Population Research & Census (1998) Oregon Population Survey.

³ Broaddus, M. & Ku, L. (December 6, 2000) "Nearly 95 percent of low-income uninsured children now are eligible for Medicaid or SCHIP." Center on Budget and Policy Priorities.

⁴ Gilmore, D. (July 2000). "Technical Assistance Guide for Understanding the Potential of Adverse Selection within Safety Net Systems in Medicaid Managed Care Programs" Center for Health Care Strategies.

income uninsured and other vulnerable populations, they are often the “provider-of-choice,” not simply the provider of last resort.⁵

Some action has been taken at federal, state and local levels to improve funding for safety net providers. In December 2000, the United States Congress approved the Safety Net Preservation Act (S. 1277/H.R. 2341) and a \$150 million increase for FY 2001 for federally qualified health centers and rural health clinics across the country.⁶ This is the largest increase in the history of the Health Center program. Oregon will receive an approximate three million dollar increase to be allocated to the hundreds of safety net providers.

Congress enacted the Balanced Budget Act of 1997, creating the Children Health Insurance Program (SCHIP), under Title XXI of the Social Security Act. SCHIP enabled states to insure children from working families with incomes too high to qualify for Medicaid and too low to afford the premiums required by other public or private insurance programs.

With the Balanced Budget Act of 1997, nearly \$40 million was allotted to Oregon for SCHIP implementation. In 1998, Oregon implemented its SCHIP program, a plan that covers children up to 19 years old with income levels up to 170% FPL. Presently, SCHIP covers over 16,000 children statewide.⁷

Oregon’s Committee on Health Care Safety Net Support, state officials, policy makers, and safety net advocates are examining the utilization of SCHIP funds to reimburse safety net clinics for the care provided to SCHIP eligible children. The goal is to provide uninsured low-income children with needed safety net services until they are enrolled in an insurance program.

Although the trends toward increased health coverage and access for children in Oregon are encouraging, work remains to be done. There are children in Oregon still without health insurance and, presumably, without dependable access to the mainstream health care system. These children disproportionately share characteristics such as low-income status, racial and ethnic minority status and/or rural life style that present barriers to getting insurance or health care.⁸ Some of these children and families do not access publicly funded insurance programs and enter the health care system on an as needed basis. Oregon’s safety net is an important component of the health care system, although little data is available to demonstrate the extent or specifics of their role. With the help of local, state and federal efforts safety net clinics are making plans to develop more effective infrastructure and potentially become more fiscally stable and independent.

This is one of a series of papers discussing issues related to universal health coverage for low-income uninsured Oregonians. This work is supported by a grant from the Health Resources and Services Administration. As more information is gathered, the papers will change. Views and ideas expressed within these papers are not intended to reflect those of any particular group, unless so noted, but are intended to inform and stimulate discussion and debate on critical health care coverage strategies. For the most recent revision, please visit the grant team’s Web site: http://www.ohppr.org/hrsa/index_hrsa.htm, or call 503/418-1067 to request the paper in an alternate format.

⁵ America’s health care safety net: Intact but endangered (1999). Institute of Medicine

⁶ National Association of Community Health Centers. http://www.nachc.com/Federal_Affairs/Frame/snpa.htm. Retrieved 12/30/00

⁷ OMAP web site November 2000

⁸ Oregon’s SCHIP FFY 1998 ANNUAL REPORT TO HCFA, www.hcfa.gov