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The KidCare Coordinating Council gratefully acknowledges the assistance and cooperation of the Florida KidCare partner agencies in providing information needed for the preparation of its annual report:

- *Agency for Health Care Administration*
- *Department of Children and Families*
- *Department of Health*
- *Florida Healthy Kids Corporation*
- *University of South Florida, Covering Kids and Families Project*

Any errors contained in this report are the responsibility of the council's staff, and not the individuals or organizations that provided the original information.

Statutory Authority and Council Composition

The Florida KidCare Coordinating Council, created in Section 409.818(2)(b), F.S., is responsible for making recommendations concerning the implementation and operation of the Florida KidCare state children’s health insurance program.

Chaired by the State Surgeon General, the council represents a diverse group of child advocates, health care providers, local government representatives, health insurers, state universities and state agencies.

The council’s recommendations to the Governor, the Florida Legislature and Florida’s Congressional Delegation reflect an understanding of the complexity of the program, issues related to implementation, and the diversity of the population served. The recommendations contained in this report reflect the interests of the council as a whole. Individual members or the organizations they represent, however, may not support some of the recommendations or priorities. The council welcomes input on ideas to reduce the number of uninsured children in our state.

Creation of the Florida KidCare Coordinating Council

409.818 Administration. – In order to implement ss. 409.810-409.820, the following agencies shall have the following duties:

- (2) The Department of Health shall:
 - (b) Chair a state-level coordinating council to review and make recommendations concerning the implementation and operation of the program. The coordinating council shall include representatives from the department, the Department of Children and Family Services, the agency, the Florida Healthy Kids Corporation, the Office of Insurance Regulation of the Financial Services Commission, local government, health insurers, health maintenance organizations, health care providers, families participating in the program, and organizations.

Florida KidCare Coordinating Council Members (as of January 2008)

Ana M. Viamonte Ros, M.D., M.P.H.

Council Chair

Joseph Chiaro, M.D., FAAP

Council Vice Chair

Andrew Agwunobi, M.D.

Agency for Health Care Administration

Paul Belcher

Florida Hospital Association

Bobby Bernal

Florida Association of Health Plans

Rick Bucciarelli, M.D.

University of Florida College of Medicine

Claire Clements

Florida Association of Community Health Centers

Lori Fahey

Family Café, Inc.

Barbara Foley

UnitedHealth Group

Steve Freedman, Ph.D.

Florida Healthy Kids Corporation

Peter Gorski, M.D.

Children's Board of Hillsborough County

Suzanne Harrison, M.D.

Florida Medical Association

H. Raymond Klein, D.D.S.

Florida Dental Association (pediatric dentistry)

Jennifer Lange

Department of Children and Families

Terri McGarrity, MSW

Agency for Persons with Disabilities

James McIlwain, D.D.S.

Florida Dental Association

Linda Merrell

Child Advocate

Michele Polland

Department of Education

Joe Quetone

Florida Governor's Council on Indian Affairs, Inc.

Jodi Ray

The Lawton and Rhea Chiles Center for Healthy Mothers and Babies, University of South Florida

Sybil Richard, J.D., M.H.A., R.P.H.

Agency for Health Care Administration, Medicaid

Rich Robleto

Florida Healthy Kids Corporation

Margarita Romo

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Sue Ross

Department of Children & Families

Monica Rutkowski

Office of Insurance Regulation

Kenney Shipley

Neurological Injury Compensation Association

Steven Smith

Blue Cross & Blue Shield of Florida

Louis St. Petery, Jr., M.D.

Florida Pediatric Society

Linda Sullivan, Ph.D., R.N.

Florida Nursing Association

Anne Swerlick, J.D.

Florida Legal Services

Tammy Thompson

Florida Institute for Family Involvement

Myra Valentine

Florida League of Cities

Karen Woodall

Child Advocate

Heather Youmans

Florida Association of Counties

Ad Hoc Members

Gail Hansen, Agency for Health Care Administration, MediKids

Fred Knapp, Florida Healthy Kids Corporation

Nathan Lewis, Department of Children & Families

Phyllis Sloyer, Ph.D., Department of Health, Children's Medical Services

Council Staff

Gail Vail, Joyce Raichelson, Jennifer Mitchell
Department of Health, Children's Medical Services Program

Program Overview

Florida KidCare is the state’s children’s health insurance program for uninsured children from birth to age 19 who meet income and eligibility requirements. The 1998 Legislature created Florida KidCare in response to the U.S. Congress’ passage of Title XXI of the Social Security Act in 1997 — the State Children’s Health Insurance Program (SCHIP).

Three state agencies and the Florida Healthy Kids Corporation, a non-profit organization, form the core of the Florida KidCare partnership. The four components are:

- **MediKids** for children ages 1 to 5 (administered by the Agency for Health Care Administration);
- **Florida Healthy Kids** for children ages 5 to 19 (administered by the Florida Healthy Kids Corporation). The Agency for Health Care Administration also contracts with Florida Healthy Kids to conduct Title XXI eligibility determination;
- **Children’s Medical Services (CMS) Network** for children with special health care needs from birth to age 19 (administered by the Department of Health for physical health and the Department of Children and Families for specialized behavioral health), and
- **Medicaid for Children** from birth to age 19 (the Agency for Health Care Administration administers the Medicaid program and the Department of Children and Families determines eligibility for Medicaid).

Figure 1: Florida KidCare Eligibility by Age and Income

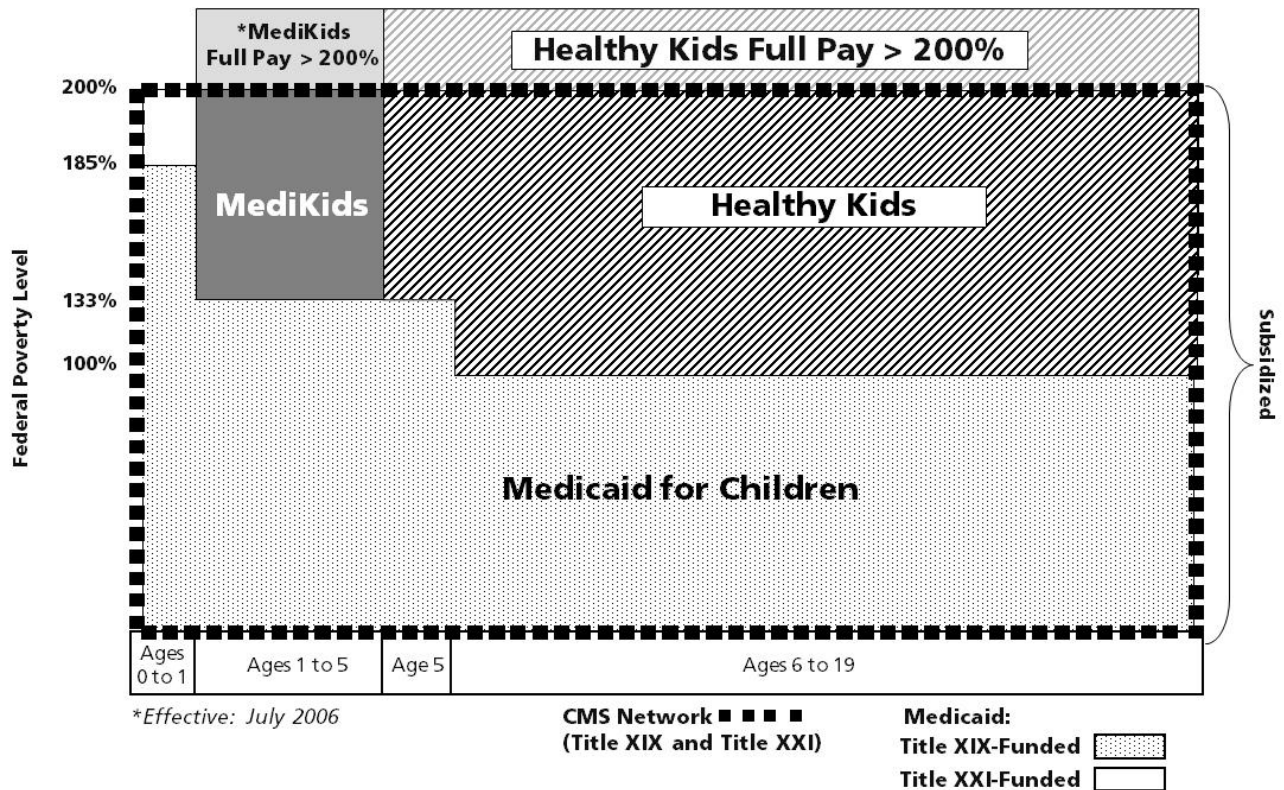
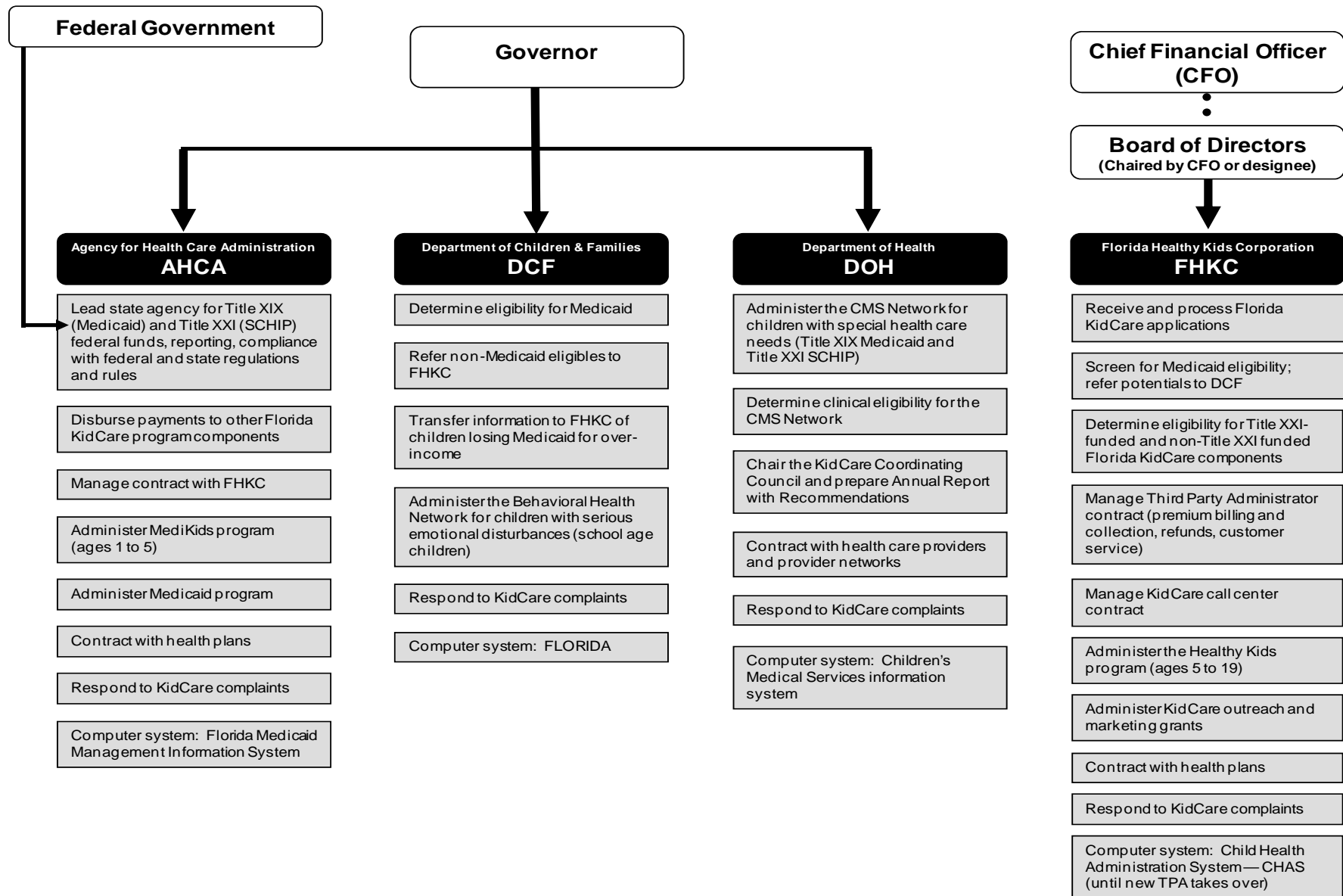


Figure 2 on the following page provides an overview of the major Florida KidCare program functions assigned to each Florida KidCare program partner.

Figure 2: Florida KidCare Responsibilities



Funding

The Florida KidCare program is financed with a combination of federal and state funds and family contributions. Federal funding comes from two sources: Medicaid (Title XIX of the Social Security Act) and the State Children's Health Insurance Program, or SCHIP (Title XXI of the Social Security Act).

Medicaid is an entitlement program authorized by Title XIX of the Social Security Act. A State must provide coverage to any individual who meets all of the eligibility requirements. There is no cost sharing for children's Medicaid. The regular match rate for Florida Medicaid is 56.83 percent federal funding to 43.17 percent state funding in Federal Fiscal Year (FFY) 2008.

SCHIP is a non-entitlement program authorized by Title XXI of the Social Security Act. The State has access to a fixed amount of federal funds to extend health insurance benefits to eligible children. In a non-entitlement program, a State may determine how many children to cover and may stop enrollment or modify benefits within broad federal requirements to ensure expenditures do not exceed the Title XXI budget. The SCHIP federal law provides states more flexibility to establish children's health insurance programs tailored to their populations.

SCHIP has the most favorable matching rate of the publicly-financed programs, with the federal government contributing 70 cents for every 30 cents Florida invests in children's health insurance. Florida's match rate for SCHIP is 69.78 percent federal funding to 30.22 percent state funding in FFY 2008.

Tobacco settlement trust funds and general revenue comprise the state's share of funding. Family premium payments are another source of funding for the program; however, family premiums are not eligible for matching with federal Title XXI funds.

SCHIP has the most favorable matching rate of the publicly-financed programs, with the federal government contributing 70 cents for every 30 cents Florida invests in children's health insurance.

In FY 2007-08, the Legislature appropriated approximately \$419 million in state and federal funds for the Title XXI-funded Florida KidCare program components. In legislative Special Session C, the Legislature made a \$3.8 million supplemental appropriation for 5,000 additional Title XXI-funded slots, to be used starting January 1, 2008, if enrollment exceeds the original estimated enrollment of 252,353 children.

MediKids, Healthy Kids and part of the CMS Network are funded with Title XXI SCHIP money. Families with incomes at or below 150 percent of the federal poverty level whose children are eligible for one of the Florida KidCare components pay a monthly premium of \$15, regardless of the number of children in the family. Families with incomes from 151 percent to 200 percent of the federal poverty level pay a \$20 monthly premium. There are small co-payments for children enrolled in Healthy Kids. Children under age one with family incomes between 185 percent and 200 percent of the federal poverty level (FPL) are enrolled in the Medicaid program, but their coverage is financed with Title XXI funds and there is no cost sharing.

Florida Healthy Kids also serves a small number of non-Title XXI eligible children with a combination of state and local funds and family contributions. **Table 1** illustrates major differences between Title XIX Medicaid and Title XXI SCHIP.

Table 1: Comparison of Title XIX (Children’s Medicaid) and Title XXI (SCHIP) of the Social Security Act

	Title XIX of the Social Security Act (Medicaid)	Title XXI of the Social Security Act (SCHIP)																		
Description	<ul style="list-style-type: none"> Medicaid is the only Title XIX-funded component of Florida KidCare. The CMS Network provides services to Title XIX and Title XXI eligible children with special health care needs Available to children, families, pregnant women, the elderly and disabled people who meet financial and categorical eligibility requirements FFY 2008 match rate: 56.83% federal 43.17% state 	<ul style="list-style-type: none"> SCHIP Title XXI-funded components: <ul style="list-style-type: none"> MediKids, ages one through 4 Healthy Kids, ages five through 18 CMS Network, special health needs Medicaid for children under age one (185%-200% FPL) Available to uninsured children through age 18 who meet eligibility requirements FFY 2008 match rate: 69.78% federal 30.22% state 																		
Age and Income Eligibility	<ul style="list-style-type: none"> 0 to 1: 185% FPL 1 to 6: 133% FPL 6 to 19: 100% FPL 	<ul style="list-style-type: none"> 0 to 1: 186%-200% FPL 1 to 6: 134%-200% FPL 6 to 19: 101%-200% FPL 																		
Program Flexibility	<ul style="list-style-type: none"> Entitlement: State must cover all individuals who meet financial and categorical eligibility requirements State must cover certain services at specified levels 	<ul style="list-style-type: none"> Non-entitlement: State may limit enrollment based on availability of funds State has more discretion in amount, duration and scope of services offered 																		
Child Eligibility Requirements	<ul style="list-style-type: none"> Must meet age and income requirements May have other health insurance U.S. citizen or qualified non-citizen May be a dependent of a state employee eligible for state health insurance benefits Not in a public institution or institution for mental diseases 	<ul style="list-style-type: none"> Birth to age 19; above Title XIX Medicaid eligibility levels to 200% FPL (\$41,300 for a family of four in 2007) Uninsured and ineligible for Medicaid U.S. citizen or qualified non-citizen Not a dependent of a state employee eligible for state health insurance benefits Not in a public institution or institution for mental diseases 																		
January 2008 Enrollment (as of 12/31/07)	<table> <tr> <td>0 through 5:</td> <td>510,712</td> </tr> <tr> <td>6 through 10:</td> <td>277,406</td> </tr> <tr> <td>11 through 18:</td> <td><u>356,302</u></td> </tr> <tr> <td>*Title XIX Enrollment Total:</td> <td>1,144,420</td> </tr> </table>	0 through 5:	510,712	6 through 10:	277,406	11 through 18:	<u>356,302</u>	*Title XIX Enrollment Total:	1,144,420	<table> <tr> <td>Healthy Kids Title XXI:</td> <td>188,315</td> </tr> <tr> <td>*MediKids:</td> <td>26,141</td> </tr> <tr> <td>CMS Network Title XXI:</td> <td>15,305</td> </tr> <tr> <td>*Title XXI Medicaid for infants:</td> <td><u>806</u></td> </tr> <tr> <td>Title XXI Enrollment Total:</td> <td>230,567</td> </tr> </table>	Healthy Kids Title XXI:	188,315	*MediKids:	26,141	CMS Network Title XXI:	15,305	*Title XXI Medicaid for infants:	<u>806</u>	Title XXI Enrollment Total:	230,567
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*Title XXI Medicaid for infants:	<u>806</u>																			
Title XXI Enrollment Total:	230,567																			
Services	<ul style="list-style-type: none"> Comprehensive health benefits, including dental, transportation and waiver services 	<ul style="list-style-type: none"> MediKids and CMS Network: Medicaid benefits (except waiver services) Healthy Kids: Comprehensive benefits, including dental 																		
Cost-sharing	<ul style="list-style-type: none"> None for children 	<ul style="list-style-type: none"> Families pay \$15 or \$20 premium per month based on income up to 200% FPL, regardless of the number of children in the family; Healthy Kids also has co-payments Healthy Kids and MediKids enrollees above 200% FPL pay full premium per child 																		

Federal law gives states three years to spend their SCHIP allotment balances. During the early years of the program, Florida did not expend all of its SCHIP allotment balances, and approximately \$119.7 million of federal funds reverted to the federal government and was redistributed to states that used all of their federal funds.

In FFY 2004, because Florida used all of its FFY 2001 SCHIP allotment, the state received SCHIP redistribution funds of approximately \$132.6 million. Florida received another allocation of \$36.6 million in redistribution funds, due to using all of the State's FFY 2002 SCHIP allotment.

In late 2006, Congress enacted legislation to redistribute existing unspent federal SCHIP funds to some of the states that were projected to face federal funding shortfalls. Florida, as a state that did not use all of its federal funds, lost \$20 million from its federal allocation to help finance the shortfalls in the other states.

Twice during 2007 Congress sent an SCHIP reauthorization bill to the President, both bills were vetoed due to differences in funding amounts, funding sources and eligibility requirements. The program has continued to operate under a series of continuing resolutions, the last of which expired in December 2007. The president signed an SCHIP extension act in late December 2007 that allows the federal Centers for Medicare and Medicaid Services to calculate states' SCHIP allotments for Federal Fiscal Years 2008 and 2009. The extension does not allow for program expansion and funding is available through March 2009, while Congress continues its work on the reauthorization bill.

Table 2 shows Florida's actual and projected SCHIP federal allotments, expenditures and balances through Federal Fiscal Year 2010, assuming no additional allotments after Federal Fiscal Year 2008 until the federal law is reauthorized.

Table 2: Florida SCHIP Federal Allotments, Expenditures and Balances (in millions, rounded)

Federal Fiscal Year	Beginning Balance	SCHIP Allotment	SCHIP Allotment Reversions	SCHIP Redistribution Funds Earned	Total Revenue	Federal Expenditures	Cash Balance
2006	\$403.53	\$249.33			\$652.86	\$214.12	\$438.74
2007	\$438.74	\$296.07	(\$20)		\$714.81	\$277.29	\$437.52
2008 ^a	\$437.52	\$301.72			\$739.24	\$312.12	\$427.12
2009 ^b	\$427.12	0			\$427.12	\$384.60	\$42.52
2010 ^b	\$42.52	0			\$42.52	\$478.93	(\$436.41)

^aThe program is operating under a federal extension, which runs through March 2009.

^bThe federal SCHIP law must be reauthorized.

Source: Agency for Health Care Administration, Estimated SCHIP Allotment Balances.

Eligibility

To qualify for Florida KidCare **Title XXI-subsidized coverage**, a child must meet the following eligibility requirements:

- Under age 19
- Uninsured
- U.S. citizen or a qualified non-citizen
- Not in a public institution or in an institution for mental diseases
- Not eligible for Medicaid
- Not the dependent of a public employee eligible for federal or state health insurance benefits
- Family income at or below 200 percent of the federal poverty level.

State law requirements that took effect on July 1, 2004, specify that a child who is eligible for or covered under a family member’s group health plan or employer health plan is ineligible for Florida KidCare, provided the cost of the child’s participation does not exceed 5 percent of the family’s income.

As part of its administrative simplification efforts, the Florida Healthy Kids Corporation, in conjunction with the Florida KidCare partner agencies, developed a list of “involuntary cancellation of employer-sponsored coverage reasons” that will not disqualify an otherwise eligible child from receiving subsidized Florida KidCare coverage. Based on legal opinions from the corporation’s attorneys and the Agency for Health Care Administration, it was determined that the program does not have statutory authority to extend subsidized coverage to low-income children whose parents canceled the employer-sponsored coverage due to cost. Children whose family voluntarily cancels their child’s employer-sponsored coverage must wait 6 months from the cancellation date for subsidized Florida KidCare coverage, even if the cost was more than 5 percent of the family’s income. While in the waiting period, a family may purchase full pay MediKids or Healthy Kids, depending on the child’s age.

Table 3: 2007 Federal Poverty Level Guidelines (FPL)

Persons in Family or Household	100% of FPL		133% of FPL		200% of FPL	
	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income
1	\$850	\$10,210	\$1,132	\$13,579	\$1,702	\$20,420
2	\$1,141	\$13,690	\$1,517	\$18,208	\$2,282	\$27,380
3	\$1,431	\$17,170	\$1,903	\$22,836	\$2,862	\$34,340
4	\$1,721	\$20,650	\$2,289	\$27,464	\$3,442	\$41,300
5	\$2,011	\$24,130	\$2,674	\$32,093	\$4,022	\$48,260
6	\$2,301	\$27,610	\$3,060	\$36,721	\$4,602	\$55,220
7	\$2,591	\$31,090	\$3,446	\$41,350	\$5,182	\$62,180
8	\$2,881	\$34,570	\$3,832	\$45,978	\$5,762	\$69,140

*For each additional person add \$3,480
Source: Federal Register, January 24, 2007*

In addition to financial eligibility requirements, to qualify for CMS Network services a child must meet clinical eligibility criteria and have a condition that has lasted or is expected to last at least 12 months. To qualify for Behavioral Health Network (BNet) services, a child must be school age and have a serious emotional disturbance. Children who are eligible for BNet services are enrolled in the CMS Network for their physical health care, but receive BNet services from DCF-contracted providers.

Many of the Title XXI eligibility requirements also apply to Title XIX-financed Medicaid. In contrast to Title XXI, however, a child may have other health insurance or be the dependent of a state employee and still qualify for Medicaid provided other eligibility requirements are met. The financial eligibility for children’s Medicaid is lower than for the Title XXI-financed portions of Florida KidCare.

In 2006, Congress enacted the Deficit Reduction Act of 2005, which introduced new documentation requirements for Medicaid. Medicaid applicants and beneficiaries must provide proof of citizenship and identity. In Florida and nationally, the new requirements had a dampening impact not only on Medicaid caseloads, but also on Title XXI caseloads.

By federal law, a child cannot be considered for Title XXI-financed coverage if the child is eligible for Medicaid. If a family does not provide citizenship and identity information, the Medicaid eligibility cannot be determined, which results in children being excluded from any type of Florida KidCare coverage.

MediKids and Healthy Kids offer a “full pay” option for children with family incomes above 200 percent of the federal poverty level. The per child monthly premium rate is \$159 for MediKids and \$110 for Healthy Kids. Currently, there is no full-pay option for infants up to age 1 with family incomes above 200 percent of the federal poverty level. Children with special health care needs with family incomes above 200 percent of the federal poverty level may enroll in MediKids or Healthy Kids full-pay, depending on the child’s age.

Benefits

Healthy Kids offers comprehensive health benefits that meet most children’s needs. The Florida Healthy Kids Corporation contracts with licensed health plans and health insurers for Healthy Kids enrollees.

Children enrolled in MediKids or the CMS Network receive the Medicaid benefit package, including Medicaid children’s dental benefits, but not Medicaid waiver services. MediKids uses Medicaid-enrolled health maintenance organizations and MediPass providers for its service delivery network. The Department of Health contracts with approved providers or integrated care service networks to provide specialized health care services to CMS Network enrollees.

Eligible school age children with serious emotional disturbances or substance abuse problems who are enrolled in the Department of Children and Families’ Behavioral Health Network (BNet) are also enrolled in the CMS Network for their physical health care. The Behavioral Health Network covers most Medicaid community mental health services, plus additional specialized services such as treatment planning and review; evaluation services; case management; family support; respite; and residential, rehabilitative and day treatment services. Services are provided through a statewide network of managed behavioral health care organizations and private- and state-funded mental health and substance abuse treatment providers.

Enrollment

Total Florida KidCare enrollment continues to grow, but remains below the highest enrollment, which occurred in April, 2004. The rate of enrollment growth has increased since the fall of 2007, when the Governor’s Office directed the executive agencies — in collaboration with the Florida Healthy Kids Corporation, the University of South Florida’s Covering Kids and Families Project, and other stakeholders — to conduct extensive outreach activities throughout the state.

The University of Florida’s Institute for Child Health Policy conducts the annual Florida KidCare evaluation. For State Fiscal Year 2006-07, the Healthy Kids third party administrator received 168,444 unduplicated Florida KidCare applications, representing 324,850 children. Of these children, 133,433 (41%) enrolled in one of the Florida KidCare program components, and 191,407 (59%) were not enrolled. A small number of the applicants who did not enroll were over age or had other insurance. The remaining children declined coverage for other reasons, and a small group is represented by parents who did not accept an offer of coverage.

The Institute’s researchers recommend more evaluations to determine the reasons for coverage denial and to better focus Florida KidCare outreach activities (Florida KidCare Program Evaluation Report, 2007, draft December 2007, Institute for Child Health Policy).

Table 4: Application and Enrollment Information, FY 2001-02 through FY 2006-07

Description	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Number of Applications FHKC Received	176,647	168,647	89,401	139,158	139,387	168,444
Number of Children on the Applications	297,994	274,087	150,490	267,929	267,422	324,850
Percent of children approved for non-Medicaid Florida KidCare (Healthy Kids, MediKids, CMS Network)	45.4%	30.2%	30.4%	20.8%	19.4%	21.1%
Percent of Children DCF approved for Medicaid	37.0%	42.0%	38.9%	31.2%	27.3%	20.1%
Percent of children rejected for other health insurance or over age 19	8.2%	5.6%	4.8%	4.3%	4.3%	5.3%
Percent of children not directly enrolled in Florida KidCare or referred to DCF for Medicaid determination ^a	9.4%	22.2%	25.9%	43.7%	49%	53.6%

^aIncludes pending; waiting for additional information; and rejected for other reasons.

Source: Florida KidCare Program Evaluation Reports, Prepared by the Institute for Child Health Policy, University of Florida, under contract to the Agency for Health Care Administration

Table 5 shows Florida KidCare enrollment by program component for January 2007 and January 2008 and the FY 2007-08 appropriated average monthly enrollment targets.

From January 2007 to January 2008, total Florida KidCare enrollment decreased by two-tenths of one percent, primarily due to declining Medicaid enrollments. Recently, however, child Medicaid enrollments have started to increase again.

From January 2007 to January 2008, enrollment for Title XXI-funded children increased by almost 13 percent, from 204,214 to 230,567, which may be due to a greater emphasis on outreach and a softening economy. Among the Title XXI-funded components, enrollment in the CMS Network increased by 32 percent, MediKids increased by 26 percent and Healthy Kids increased by 10 percent. The MediKids full pay option, which started in July 2006, increased by 200 percent, from 716 children in January 2007 to 2,150 children in January 2008.

Table 5: Comparison of Florida KidCare Enrollment, January 2007 and January 2008

Program Component	FY 2007-08 Average Monthly Enrollment Target	January 2008 Enrollment	January 2007 Enrollment	% Change from January 2007 to January 2008
Title XXI Enrollment				
Healthy Kids	194,472	188,315	170,791	10.3%
MediKids	26,703	26,141	20,765	25.9%
CMS Network	15,434	15,305	11,555	32.5%
Medicaid<Age 1 (185%- 200% FPL)		806	1,103	-26.9%
Title XXI Total		230,567	204,214	12.9%
Healthy Kids Non-Title XXI state/local subsidized	1,926	1,489	2,715	-45.2%
Healthy Kids Full Pay	23,874	22,412	22,715	-1.3%
MediKids Full Pay		2,150	716	200.3%
Title XIX Medicaid Enrollment		1,144,420	1,173,813	-2.5%
Florida KidCare Total Enrollment		1,401,038	1,404,173	-0.2%

Source: Agency for Health Care Administration Florida KidCare Monthly Enrollment Reports

Of the Title XXI-financed program components, Healthy Kids represents 82 percent of the enrollment, followed by MediKids with 11 percent, the CMS Network (including children enrolled in the BNet) with 7 percent, and Title XXI-funded Medicaid for infants under age one with 1 percent.

Healthy Kids provides coverage with state and voluntary local contributions for a limited number of children who do not qualify for Title XXI subsidies. Of the total 212,216 Healthy Kids enrollees in January 2008, one percent is Title XXI-ineligible non-citizens or 19-year-olds funded with state and local funds, 11 percent have family incomes over 200 percent of the federal poverty level and pay the full per child premium, and 89 percent are Title XXI-funded.

Figure 3a shows the trend for Florida KidCare total enrollment over time. **Figure 3b** shows Florida KidCare total enrollment from January 2007 to January 2008.

Figure 4 shows Title XXI Florida KidCare enrollment trends over time by program component.

Figure 3a: Florida KidCare Total Enrollment* (Including Title XIX Medicaid for Children)

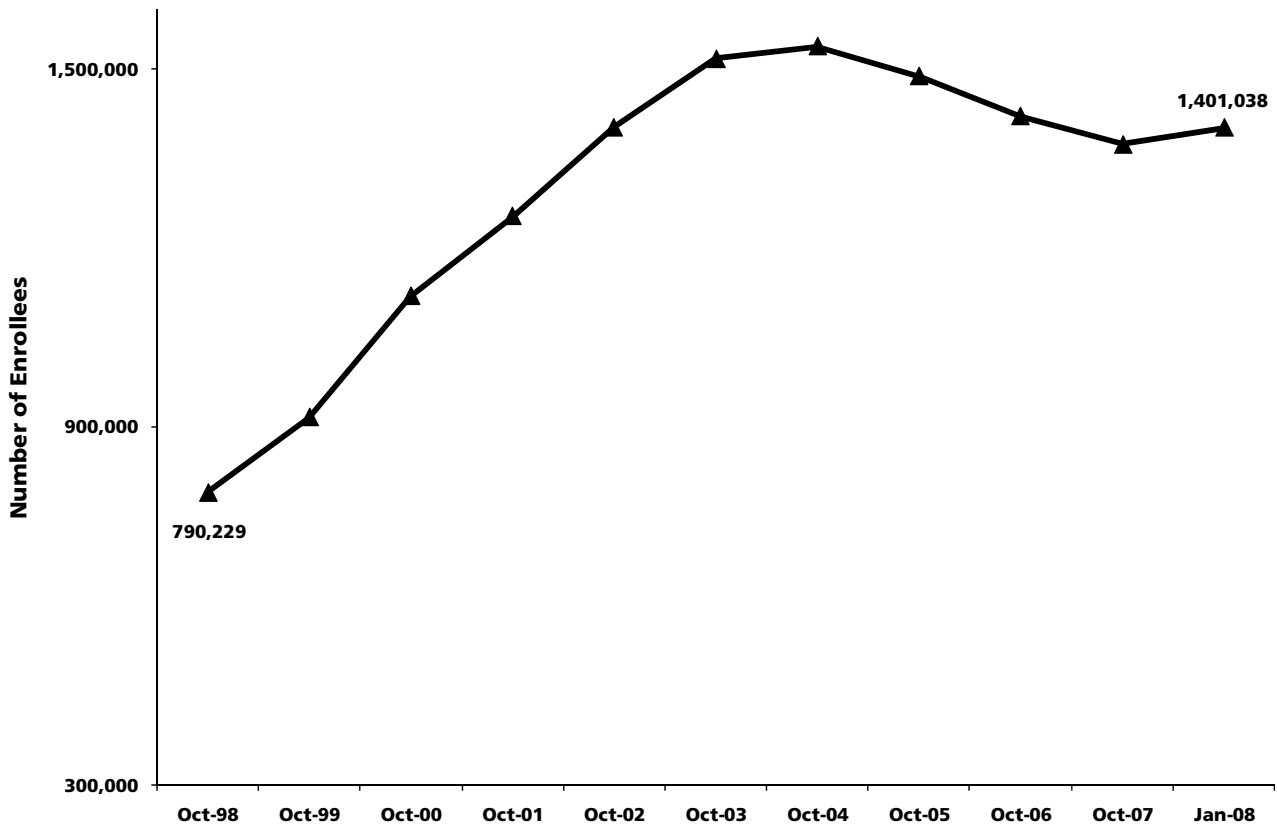
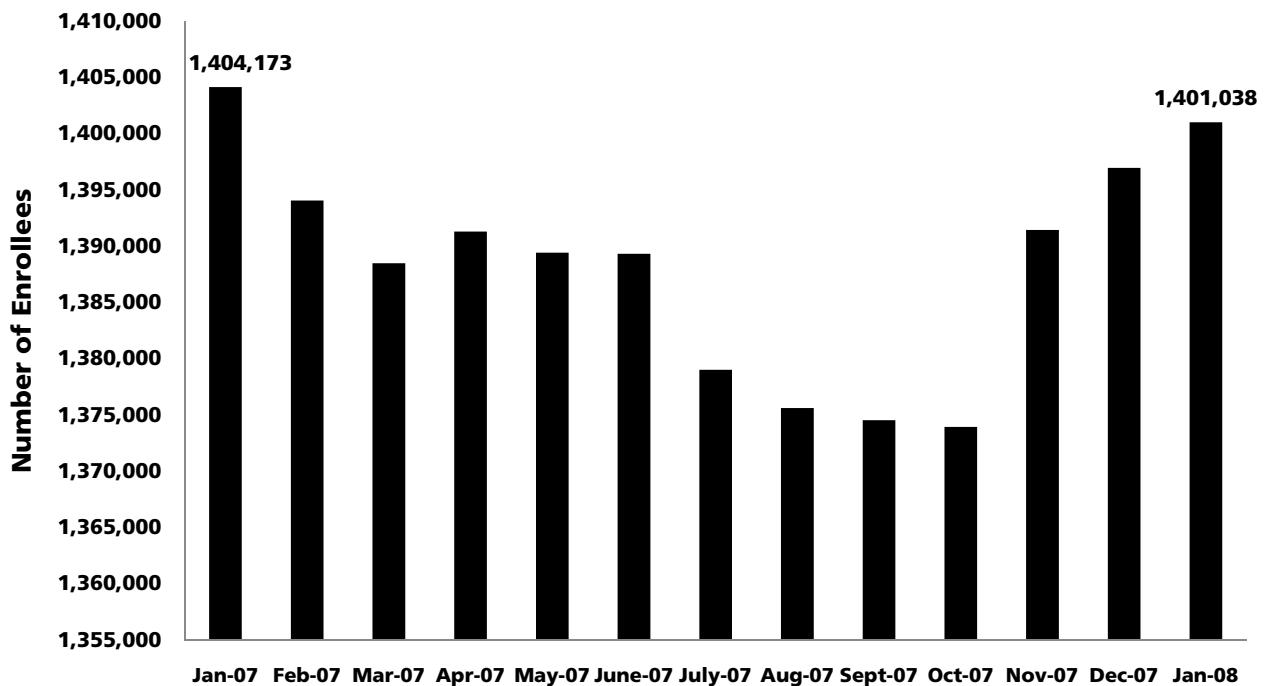


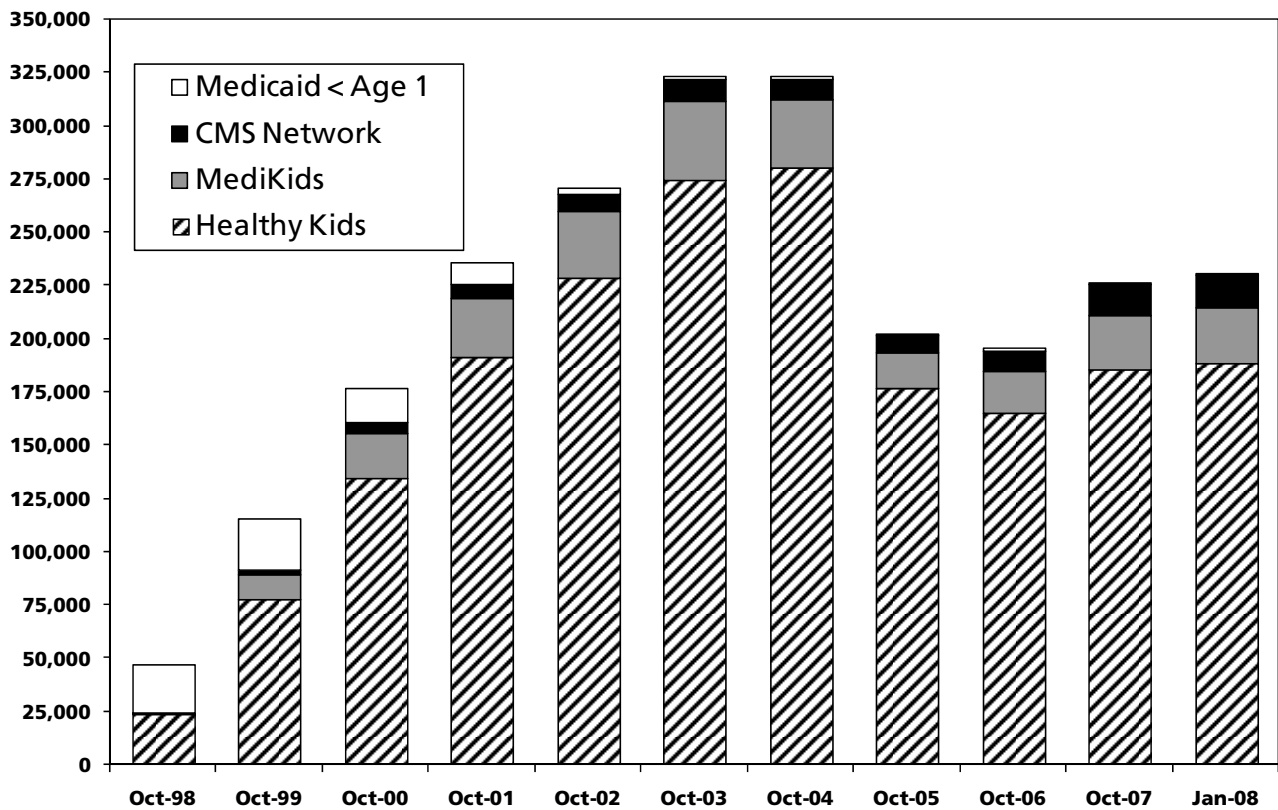
Figure 3b: Florida KidCare Total Enrollment*, January 2007-January 2008 (Including Title XIX Medicaid for Children)



*Medicaid and MediKids enrollment as of 12/31/07

Source: Chart created by the Florida Department of Health from data provided by the Agency for Health Care Administration

Figure 4: Florida KidCare Title XXI-Funded Enrollment by Component



**Medicaid and MediKids enrollment as of 12/31/07; Medicaid for teens ended 9/30/02; Medicaid for infants under age 1 with family incomes above 185 percent FPL*

Source: Chart created by the Florida Department of Health from data provided by the Agency for Health Care Administration

Programmatic Changes

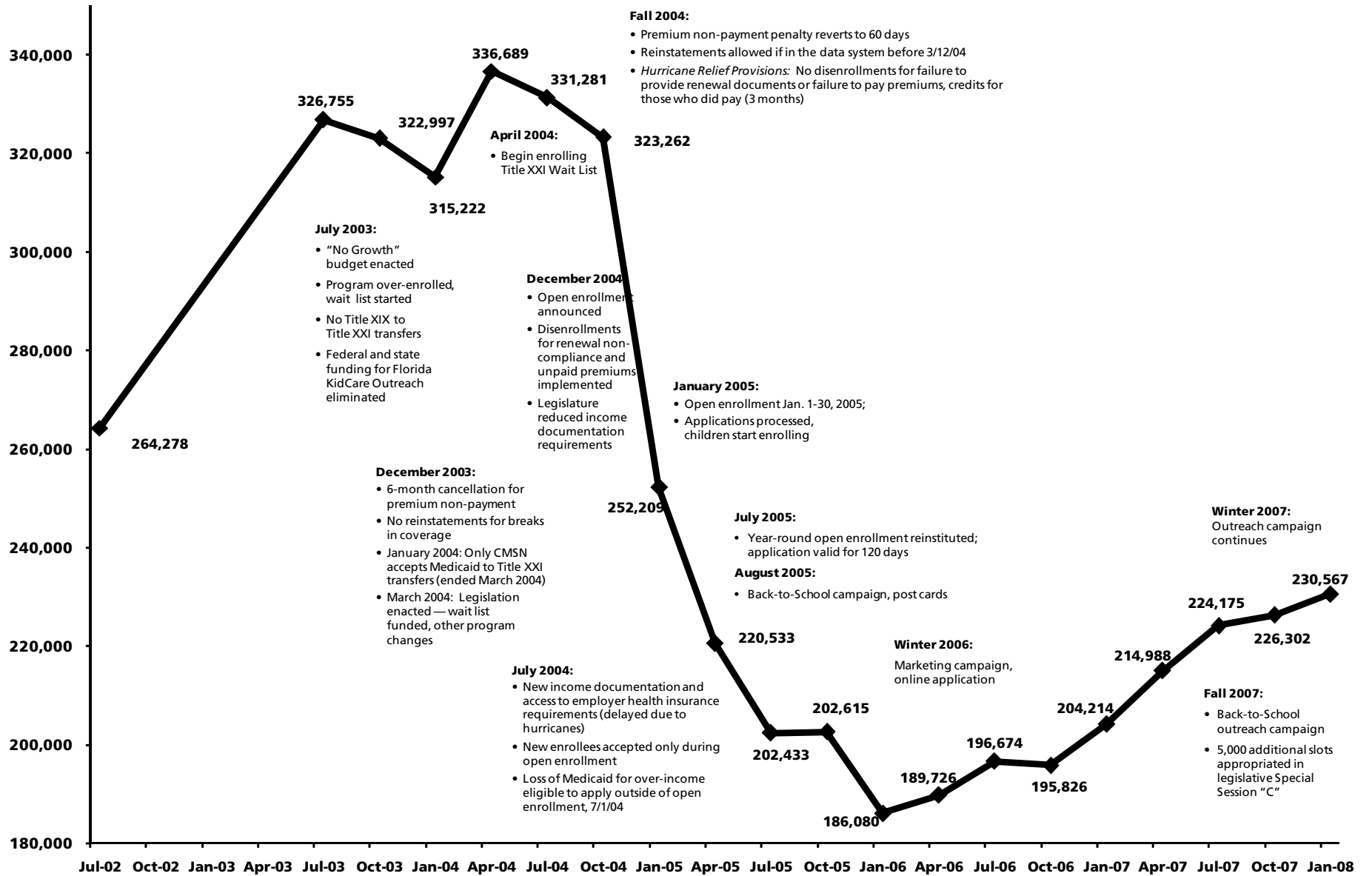
From FY 2003-04 through FY 2006-07 the Legislature and the Florida KidCare partner agencies instituted policy and programmatic measures to address budget constraints, potential concerns about the availability and amount of SCHIP federal funds in future years, and program integrity.

Figure 5 is an overview of major program changes and Title XXI enrollment from FY 2002-03 through January 2008. Title XXI enrollment was at its highest level of 336,689 children in April 2004, as a result of legislative funding for the wait list that had accumulated during FY 2003-04. Enrollment began declining from that point forward. The single largest drop in enrollment occurred from December 2004 from January 2005, when disenrollments for non-compliance with renewal documentation and non-payment of premiums occurred after a three-month grace period for hurricane relief.

As a result of open enrollment in January 2005, about half of the applicants became enrolled in one of the Florida KidCare program components. Following legislative action to reinstate year-round enrollment, the program re-opened enrollment in June 2005.

Administrative enhancements such as on-line application in 2006 and on-line renewal in 2007, coupled with more aggressive marketing and outreach efforts have increased enrollment in the Title XXI-funded program components.

Figure 5: Florida KidCare Title XXI Enrollment and Major Program Changes



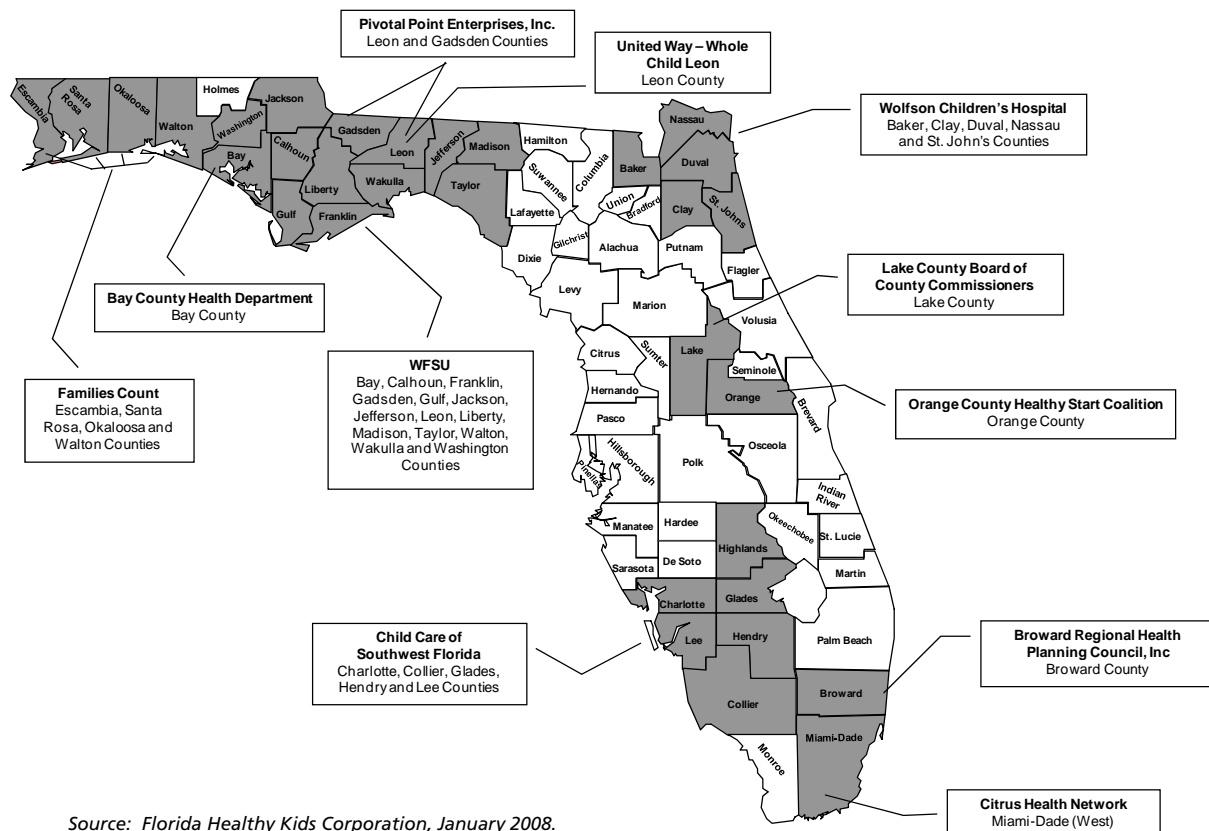
Outreach and Marketing Matching Grants

For a second year, the Legislature allocated \$1 million in non-recurring general revenue to the Florida Healthy Kids Corporation for Florida KidCare community-based outreach and marketing matching grants. The overall objective of the grant project is to reach the enrollment target established by the 2007-08 General Appropriations Act for the Florida KidCare Program.

The corporation released a two-phase Call for Grant Proposals to solicit qualified organizations with new and innovative approaches to reaching the families of uninsured children. Up to \$250,000 was allocated to Phase I "Back-to-School" efforts spanning from July 1, 2007 through September 30, 2007. The corporation awarded 19 Phase I grants totaling \$196,140 in state funds. The maximum grant award was \$12,000 per proposal in Phase I.

The Phase II call for grant proposals, known as the "Hit the Mark" campaign, started in early July 2007. The corporation allocated up to \$750,000 to fund these projects, which include more comprehensive marketing and outreach plans for the remainder of Fiscal Year 2007-08. As of January 2008, the Florida Healthy Kids Corporation has awarded 11 grants totaling more than \$772,343 in state funds. The maximum grant award is \$100,000 per grantee organization. All grantee organizations are required to provide an equal amount of matching funds, either through cash or in-kind contributions and provide a comprehensive plan for reaching families with uninsured children. **Figure 6** shows the distribution of Phase II grantees around the state.

Figure 6: Florida KidCare Phase II Community-based Outreach and Marketing Matching Grants ("Hit the Mark")



Source: Florida Healthy Kids Corporation, January 2008.

In addition to awarding and managing the outreach and marketing matching grants, the Florida Healthy Kids Corporation also purchased popular promotional items such as pencils, rulers, medicine spoons and hand sanitizers for general use and disbursed through the Department of Health's distribution center.

Other Outreach Activities

In early summer 2007, the Governor's Office directed the executive agencies, in collaboration with the Florida Healthy Kids Corporation and the University of South Florida's Covering Kids and Families Project, to conduct extensive outreach around the state. Starting with the "Back-to-School" campaign, the activities were accomplished within existing resources with non-recurring funds.

- **Agency for Health Care Administration (AHCA):** Contracted with the University of South Florida's Covering Kids and Families Project to build business partnerships, create community-based coalitions to promote and sustain Florida KidCare at the local level, and to provide training and technical assistance on successful outreach strategies. AHCA also incorporates the KidCare message into their senior managers' presentations and their local area office staff provides Florida KidCare materials and information to health care providers. AHCA's design team created a "prescription for Florida KidCare" pad that local staff distributes to healthcare providers.
- **Department of Health (DOH):** The Department of Health updated and printed many of the most successful posters and brochures from the previously nationally recognized Florida KidCare outreach program. The Department's Distribution Center houses and ships materials to organizations throughout the state and the Department covers shipping costs for the materials. DOH staff incorporates the Florida KidCare message into senior managers' presentations; provides applications and materials to families through programs like Children's Medical Services, county health departments, school health and Healthy Start; maintains and distributes a weekly inventory of Florida KidCare materials; and participates in special events to promote Florida KidCare. The Department is collaborating with AHCA and the University of South Florida's Covering Kids and Families project to do a special targeted outreach initiative in Gadsden County.
- **Department of Children and Families (DCF):** DCF staff ensures that families know about and apply for Florida KidCare. They provide materials and information to their community partners to help spread the word about Florida KidCare, and participate in community events. DCF also is using direct mail techniques to contact families that do not qualify for Medicaid to encourage them to apply for Florida KidCare for their children.
- **Covering Kids and Families:** This project is located at the University of South Florida and started at the inception of the Florida KidCare program as a Robert Wood Johnson Foundation grantee. The project's main focus is to reduce the number of uninsured children by performing outreach and increasing enrollment in Florida KidCare. Under contract with the Agency for Health Care Administration, the project is working in partnership with the Governor's Office and Florida KidCare partner agencies on the enhanced statewide outreach activities.



Some of the Covering Kids and Families project activities include:

- Expanding business partnerships throughout Florida to increase public awareness about Florida KidCare. Examples of these partnerships include TECO, Radio Disney, Walgreens, Wal-Mart, Sweetbay, Albertson, H&R Block, the Agency for Workforce Innovation, Early Learning Coalitions, Bright House Networks, and Toys “R”Us. Through these partnerships, the project is able to leverage additional opportunities for public awareness about Florida KidCare through no-cost advertisements, linkages to business web sites, and the businesses’ communications to customers and employees.
- Distributing large quantities of Florida KidCare applications, brochures, health information booklets and promotional items to schools, daycare facilities, faith-based organizations, and other community partners statewide.
- Conducting back-to-school news conferences and enrollment fairs across the state.
- Training and organizing local coalitions to increase enrollment and retention in eight target areas: Brevard County, the Heartlands (DeSoto, Glades, Hardee, Hendry and Highlands Counties), Orange and Seminole Counties, Palm Beach County, selected Panhandle Counties (Calhoun, Holmes, Jackson, Liberty and Washington Counties), and Pasco, Pinellas and Polk Counties. A ninth targeted area — Gadsden County — will be added in February 2008.
- Using the resources of the Florida Covering Kids and Families Statewide Coalition to enroll hard-to-reach populations. These efforts include participating in Cover the Uninsured Week news conferences and enrollment events, and involving Florida libraries in Florida KidCare outreach. The project staff also prepares and distributes regular Florida KidCare email communications to a statewide network to ensure that people are informed about program updates.

Recommendations

Each year, the council recommends a variety of strategies to improve Florida KidCare. Every recommendation continues to be important for long-term program improvement. This year, however, the council identified its priority recommendations for state legislative action that present the best opportunity to make it easier for eligible children to remain in the program or to help newly eligible children enroll.

Twenty-nine council members or their designees attended the January 14, 2008, meeting at which voting for the council’s 2008 recommendations occurred. Of these, 26 participated in the voting process. The recommendations presented in this report reflect the interests of the council as a whole. Individual members or the organizations they represent, however, may not support some of the recommendations or priorities.

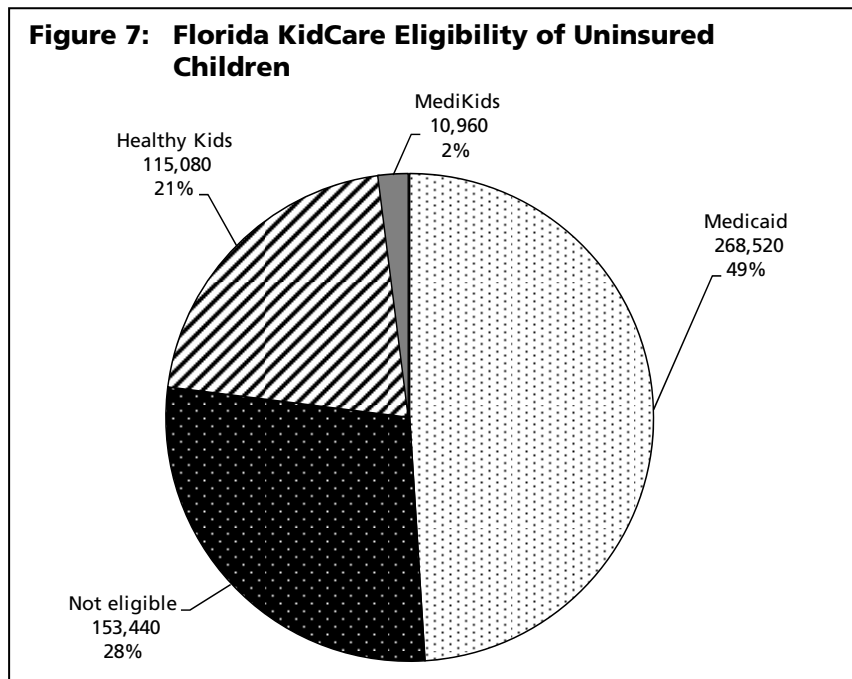
State Legislative Priority Recommendations

1. Program Funding. Fully fund the Florida KidCare program, including its annualization needs and projected growth needs in order to maximize the use of Florida’s SCHIP federal funds and include all eligible uninsured children.

About 32 percent of Florida’s 4.3 million children under age 19 currently are enrolled in one of the Florida KidCare program components, primarily in Medicaid. Uninsured children are more likely to have parents who are self-employed, employed part-time, or employed seasonally than insured children. Most uninsured children are uninsured for an extended period of time; almost two-thirds of Florida’s uninsured children have been without coverage for more than 1 year (University of Florida, Institute for Child Health Policy, *Florida Children’s Health Insurance Study*, January 2008).

Estimates of Florida’s uninsured children in all income groups range from about 548,000 (12.6% of children in the state) to 771,000 (18.9% of children in the state) (University of Florida, Institute for Child Health Policy, *Florida Children’s Health Insurance Study*, January 2008; U.S. Census, *Table HI05, Health Insurance Coverage Status and Type of Coverage by State and Age for All People*, 2006).

The Institute for Child Health Policy estimates that about 72 percent of Florida’s uninsured children are eligible for Florida KidCare coverage. Of these, about 3 percent meet the CMS Network clinical eligibility criteria. **Figure 7** shows the breakdown of Florida KidCare eligibility of uninsured children.



Florida continues to have a large unspent balance of federal Title XXI funds. After accounting for projected expenditures this year, the state will have a remaining federal balance of about \$437.5 million (Agency for Health Care Administration, Estimated SCHIP Allotment Balances, January 2008).

The council recommends that the state further increase its investment in children's health by appropriating the necessary state funds to maximize its use of federal funds and cover more uninsured children.

2. Outreach and Marketing. Restore and fund Florida KidCare community coordination, retention efforts, and health, family education and utilization functions to reach uninsured children. Marketing should be conducted for the entire Florida KidCare program. Family advocates should be included in the planning, development and implementation of the marketing messages and open enrollment announcements. In addition, provide funding for marketing and education for hard-to-reach and special populations. Evaluate marketing efforts to measure value received for expenditures.

While providing funding for coverage is important, unless families learn about Florida KidCare, how to apply, and where to seek assistance if they need it, the program will not reach the population it is intended to serve. Florida KidCare enrollment declined significantly starting in 2004, when a series of policies such as paper documentation requirements and limited open enrollment periods were implemented. Coupled with the new requirements was a lack of broad-based information and local sources families could turn to if they needed help with the process.

Before state and federal funding was eliminated in 2003, Florida had an award-winning outreach program, which was recognized by the federal Centers for Medicare and Medicaid Services (formerly HCFA) and was a model for other states when they were starting up their SCHIP programs. The program financed 17 regional projects located throughout Florida. These were grassroots organizations that conducted the work of recruiting families to enroll, and providers and others organizations to become partners in the outreach and education effort. Volunteers and community organizations throughout Florida supplemented the state's outreach efforts.

In the last year before the funding was eliminated, the total budget was about \$4 million, most of which was federal funds. Before its termination, the outreach program funded the regional outreach projects, purchased statewide media buys, purchased and distributed Florida KidCare applications and other materials, assisted families with enrollment and coverage issues, contracted for evaluations and analyses to determine the most successful outreach strategies, provided county level reporting, conducted statewide training and technical assistance, and facilitated Florida KidCare partner agency communication and cooperation.

As part of the annual evaluation, the University of Florida's Institute for Child Health Policy asks families how they learn about Florida KidCare. The researchers consistently find that families learn about the program differently depending on their children's ages and needs, but family and friends, school, and health care providers are the top three information sources. **Table 6** shows the top information sources by program component of how families learned about the Florida KidCare program during FY 2006-07.

Table 6: How Families Learned about Florida KidCare by Top Three Information Sources and Program Component, State FY 2006-07

Program Component	Number 1	Number 2	Number 3
MediKids (young children)	Family/Friend	Doctor/Provider	Kid's School
Healthy Kids (school age children)	Kid's School	Family/Friend	Doctor/Provider
CMS Network (children with special health care needs)	Doctor/Provider	Family/Friend	Kid's School
Medicaid	Family/Friend	Doctor/Provider	Kid's School

Source: Florida KidCare Program Evaluation Report for 2007, December 2007, Draft Report, Institute for Child Health Policy, University of Florida

In 2007, the Florida Healthy Kids Corporation and the Florida KidCare partners initiated a variety of strategies to increase awareness and enrollment, but this has been done with non-recurring revenue. The council recommends sufficient funding to restore a full-fledged outreach initiative that includes family advocates. Additional special emphasis on hard-to-reach populations is recommended as well, such as Hispanic and African American children and adolescents, who are disproportionately represented among the uninsured.

3a. Presumptive Coverage. Reinstate and implement presumptive eligibility for all Florida KidCare program components.

The Legislature enacted presumptive eligibility for children into state law in 2000, but the provision was never implemented due to budgetary concerns and the 2004 Legislature eliminated the language from the Florida KidCare Act.

Presumptive eligibility allows qualified health providers or agencies to grant short-term eligibility to children, enabling them to receive health services for which providers are compensated while a formal eligibility determination is made.

Although there have been improvements in the amount of time from application to enrollment, there are still gaps during which families may delay seeking care for their children due to cost. Benefits of implementing presumptive eligibility include improved health outcomes for children due to removing cost barriers to obtaining needed care early, improved access to preventive and primary services, and lower uncompensated care costs.

3b. Transitions Between Program Components. To promote smooth transitions between Florida KidCare program components and prevent breaks in coverage, when a child has been determined as over-income for Medicaid by the Department of Children and Families (DCF), accept the income and other necessary eligibility information electronically from DCF for Title XXI eligibility determination.

Section 409.913, F.S., defines the Florida KidCare program to include health benefits coverage provided to children through (1) Medicaid, (2) MediKids, (3) the Florida Healthy Kids Corporation, (4) certain employer-sponsored group health insurance plans, and (5) the Children's Medical Services Network. The Department of Children and Families (DCF) determines eligibility for Medicaid, and the Florida Healthy Kids Corporation determines eligibility for the Title XXI-funded Florida KidCare components.

Currently, the DCF sends a weekly electronic file to Florida Healthy Kids containing information for children who lost Medicaid eligibility due to income. The Healthy Kids third-party administrator checks its Children's Health Administration System (CHAS) to determine if any of the children on the file from DCF are "known" to CHAS. If a child's name is found on the CHAS system, the child's account is set to pending and the family receives a letter indicating what information is needed to activate the premium-based Florida KidCare coverage. If it has been more than 120 days since the child was last enrolled in the non-Medicaid Florida KidCare program, then the family will have to supply income documentation (earned and unearned) to substantiate their income.

If a family never applied on the mail-in or on-line Florida KidCare application to the Florida Healthy Kids Corporation, but instead applied through DCF, then the child's name will not be "known" to the CHAS computer system. In these cases, the family will receive a Florida KidCare application with a letter inviting the family to apply for Florida KidCare. The family has to complete the application, including all documentation requirements.

According to a Senate Interim Project report, between January and June 2006, DCF referred 42,994 children who had lost Medicaid eligibility due to age or income. Most of these children –almost 92 percent – were already in the CHAS system. Of those previously "known to the system," 41 percent were approved for Title XXI-funded coverage (Florida Senate Interim Project Report 2007-131, October 2006). Healthy Kids staff indicated that this is about the same percentage as newly enrolled children who applied for the program (Healthy Kids partner update at the KidCare Coordinating Council, December 1, 2006).

The issue of transitions from Medicaid to another Florida KidCare component without a break in coverage is a long-standing concern, and was scheduled to be partially resolved through new system updates by November 2006 (Florida Senate Interim Project Report 2007-131, October 2006). This change was not implemented, however, due to the corporation's third party administrator contract award and transition process. Administrative simplification enhancements that were scheduled to take effect with the new third party administrator in February 2008 have been delayed because the vendor is not yet ready to assume the contract responsibilities. Nevertheless, concerns have been raised that the Florida KidCare partner agencies may lack the statutory authority to accept income information from a separate source without requiring additional confirmation from the family. Therefore, the council recommends a change to the Florida KidCare statute allowing Healthy Kids to accept electronic information from the Department of Children and Families to determine eligibility for another Florida KidCare component.

4. Provider Reimbursement. Increase Medicaid reimbursement for physician and dental services provided to children ages 0 to 21, in order to ensure access to care. For physicians, the reimbursement should be increased at least to Medicare levels. For dentists, since there is no Medicare benchmark, the reimbursement should be appropriate to ensure access to care.

Low physician participation in Medicaid has a negative effect on enrollee access to medical care. The Center for Studying Health System Change reports that about one-fifth of physicians reported accepting no new Medicaid patients in 2004-05, a rate six times higher than for Medicare patients and five times higher than for privately insured patients.

The Center reported that care of Medicaid patients is becoming increasingly concentrated among a smaller proportion of physicians practicing in large groups, hospitals, academic medical and community health centers, with low payment rates and high administrative costs contributing to decreased participation among physicians in solo and small group practices (Peter Cunningham and Jessica May, *Medicaid Patients Increasingly Concentrated Among Physicians*, Results from the Community Tracking Study, No. 16, August 2006).

Medicaid patients' access to physician services, especially specialty services, is problematic in Florida. Low Medicaid reimbursement rates have been cited as a factor that affects providers' willingness to accept patients.

Research in Florida and nationally identified low reimbursement rates as a deterrent to dentists' participation in the Medicaid program. In Florida, Medicaid payments for children's dental services have remained low for many years. Access to children's dental services is a recognized critical need; untreated dental problems can lead to serious health conditions and hospitalizations.

In its legislative budget request for FY 2008-09, the Agency for Health Care Administration proposed increasing Medicaid fees halfway to the Medicare rate for the following specialty provider categories: Dermatologists, neurosurgeons, neurologists and orthopedists. The Agency also requested a "substantial increase in dental rates." (*Access to Specialty Health Care for Medicaid Beneficiaries*, Agency for Health Care Administration presentation at the Access to Specialty Care Summit, November 2, 2007).

The council recommendations to increase physician and dental services would help providers cover the cost of serving children in Florida KidCare. It also would help ensure that children continue to have access to these essential components of the health care delivery system.

5. Year-Round Coverage. Implement 12 months of continuous eligibility for all Florida KidCare components.

Except for children ages 5 to 19 in the Medicaid program, Florida KidCare has 12 months of continuous coverage once a child is determined eligible, regardless of changes in circumstances other than attainment of the maximum age. "Continuous eligibility" allows a child to maintain coverage for a set time period, thereby reducing breaks in coverage and services, and ensuring continuity of care. The council recommends that 12 months of continuous eligibility be adopted for all Florida KidCare components.

Federal Recommendations

Adopted without objection, the council continued its 2007 federal recommendations to Florida's Congressional Delegation for consideration when the State Children's Health Insurance Program federal legislation is taken up for reauthorization.

- **SCHIP Reauthorization.** Reauthorize and increase SCHIP funding commensurate with each state's current growth projections.
- **Legal Immigrant and Public Employees' Children.** Provide sufficient federal funding and remove enrollment impediments from Title XXI of the Social Security Act, such as restrictions on public employees' children and immigrant children who would otherwise qualify for subsidies.
- **Redistribution Formula.** Continue the current process of the redistribution formula to ensure all eligible states receive redistribution funds.
- **Outreach.** Recognize and support efforts on the federal level to fund outreach and enrollment efforts in the states.
- **Vaccines for Children.** Allow the Title XIX Vaccines for Children program to be used for the State Children's Health Insurance Program.
- **Medicaid Buy-In.** Support initiatives to allow families who are ineligible due to income to buy into the Medicaid program.
- **Medicaid Documentation Requirements.** Repeal the Medicaid citizenship and identity documentation requirements.

SCHIP Reauthorization. The federal SCHIP law was scheduled for reauthorization in Federal Fiscal Year 2007. Due to differences in eligibility requirements and the amount and sources of funding for the program, the President vetoed two bills Congress passed in 2007. While analysts predict that Congress will take up SCHIP reauthorization again during 2008, the program currently is operating under an extension that runs through March 2009.

Prior to 2007, many states, including Florida, enacted measures to reduce program costs in response to concerns that federal funds would be expended too soon (the "Chip Dip") and that upon reauthorization, the federal investment might be scaled back, leaving states with large caseloads and more state-funded costs. States' actions to rein in costs included instituting enrollment barriers through increased documentation, eliminating outreach, freezing enrollment, reducing or restricting eligibility, freezing or reducing provider payments, reducing benefits, and instituting higher cost-sharing requirements for enrollees.

Advocates and others are concerned that states' prior cost-cutting actions may be interpreted as a lack of commitment to expanding coverage to more uninsured children. As a result, states with more aggressive programs will receive more federal funding when SCHIP is reauthorized, while those that held down costs will receive less federal money, even if the unmet need is greater.

The council recommends that the federal government not only reauthorize the SCHIP program, but also increase its funding commitment so that states may continue to reach out to and cover eligible uninsured children. In addition, estimates of child uninsurance should be taken into account when the federal funding formula is re-enacted to ensure that federal funds are available to those areas with the highest need.

Legal Immigrant and Public Employees' Children. Federal Medicaid and SCHIP laws preclude subsidized coverage for certain pregnant women and children who are in the U.S. legally. A large number of children are in the country legally, but must wait five years before they can qualify for SCHIP benefits.

Due to federal immigration policies, Florida is home to one of the largest immigrant populations in the country. Because immigration policy is a federal issue, Florida is one of many states that have advocated for access to federal SCHIP funds to provide health services to children in the U.S. legally.

The Florida Healthy Kids program currently covers a limited number of Title XXI ineligible children with state and local funds. Legislation enacted in 2004 precludes enrollment of new children in state-subsidized Healthy Kids coverage. This provision, coupled with the federal exclusion of Title XXI funding for legal immigrant children, exacerbates health disparities among children who already experience poorer health outcomes and access to care than other Florida children. Uncompensated care for these children will continue to increase as their parents seek health care services in emergency rooms for conditions that could be prevented or treated in a less expensive primary care setting.

To prevent states from shifting costs for dependent coverage of public employees to the federal government, the federal Title XXI law prohibits states from extending subsidized coverage to these children, even if they would otherwise qualify for the program.

To promote affordable coverage for children and ensure that the program is viewed as treating families fairly, the council recommends removing from the federal law restrictions on federal funding for legal immigrant children and public employees' children who would otherwise meet Title XXI eligibility requirements.

Redistribution Formula. Under current federal law, federal Title XXI funds that a state has not spent in three years are available for redistribution to other states that have used all of their funds. From FFY 2001-FFY 2003, almost \$120 million of Florida's SCHIP federal funds allocated during the first three years of the program reverted to the federal government for redistribution to other states.

As a result of fully spending its FFY 2001 and FFY 2002 SCHIP annual allotments, Florida received almost \$171 million in Title XXI redistribution funds. During 2004, the federal government raised the possibility of changing the redistribution formula to target unspent funds only to states that would have had inadequate funding in FFY 2005 to maintain their programs. Although not adopted, if this proposal had been implemented, only six states would have been eligible for a share of the \$643 million in unspent SCHIP federal funds. Florida would not have been one of these states.

In late 2006, Congress enacted legislation to transfer unspent federal Title XXI funds from states that did not use all of their allocations to states that were facing shortfalls. Florida lost an estimated \$20 million to support states that were more aggressive in covering their uninsured populations.

The council recommends fully funding the Florida KidCare program, including growth and annualization needs, which would result in maximizing the use of the State's federal Title XXI allotment. To support this, the council recommends that the federal government continue the current process of the redistribution formula to ensure that all eligible states receive an equitable share of the unspent funds.

Outreach. Migration is the largest source of population growth in Florida and potential new customers for Florida KidCare need to be aware that there is an affordable health insurance product available to families with uninsured children. While the 2007 Florida Legislature authorized \$1 million in non-recurring state general revenue funding for a community-based marketing and outreach grant program, there is still a need for broader efforts. Marketing and outreach not only helps people learn about the Florida KidCare program, community organizations also assist families in gathering the necessary documents, completing the application, and guiding them through the application and renewal process. These activities are essential to growing and sustaining program enrollment. The council supports initiatives that would provide additional federal funds to help support the resumption of a more robust outreach program in Florida.

Vaccines for Children. This program, administered by the national Centers for Disease Control, provides free vaccines to health care providers who serve eligible children. Under federal regulations, children from birth through age 18 are eligible to receive free vaccines if they meet the following requirements:

- Are enrolled in Medicaid, or
- Have no health insurance, or
- Are American Indians or Native Alaskans, or
- Are covered by a health insurance plan that does not provide for immunizations.

Children enrolled in Title XXI-financed coverage are not eligible to receive vaccines under the Vaccines for Children program. To ensure that all children have timely access to immunizations and reduce barriers for providers, the council recommends allowing providers to use the Vaccines for Children program for Title XXI-funded children, in addition to those currently eligible for the Medicaid program.

Medicaid Buy-In. As part of the Deficit Reduction Act of 2005, Congress authorized the Family Opportunity Act, which permits states to extend a Medicaid buy-in option to families with incomes up to 300 percent of the federal poverty level whose children would meet Supplemental Security Income (SSI) requirements, except for income. This provision gives states the flexibility to offer a Medicaid product to moderate income families. The council recommends more options to give other families with uninsured members a similar opportunity, particularly as employer-sponsored dependent coverage becomes less available and more costly for workers and their families.

Medicaid Documentation Requirements. The Deficit Reduction Act of 2005 contained new requirements for the Medicaid program to verify U.S. citizenship and identity. With few exceptions, these requirements apply to all Medicaid applicants and participating beneficiaries, including children. The federal Centers for Medicare and Medicaid Services, which administers Medicaid and SCHIP, has stated that: "All documents must be either originals or copies certified by the issuing agency. Copies or notarized copies may not be accepted." (State Medicaid Director letter, SMDL 06-012, June 9, 2006).

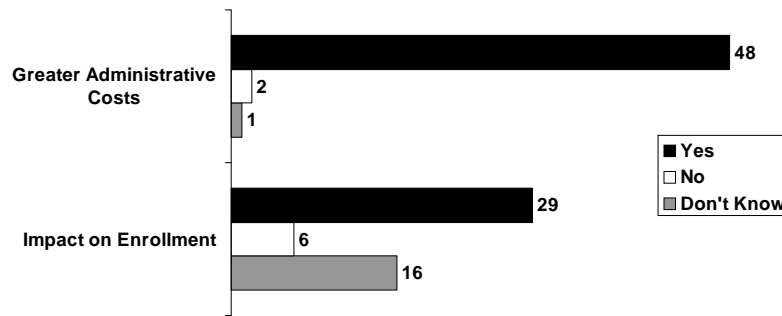
The Department of Children and Families (DCF), which is responsible for determining Medicaid eligibility in Florida, issued a list of documents that may be used to comply with the federal requirements (**Table 7**). Applicants and beneficiaries are given 10 days to return the documentation. If the person indicates difficulty or inability to obtain the documents, the department will assist them. While the department uses computer matches with the Department of Health’s Office of Vital Statistics to verify citizenship for people born in Florida, providing proof of citizenship for those not born in the state coupled with documentation of each individual’s identity is problematic.

Table 7: Medicaid Citizenship and Identity Documentation

These Documents Verify BOTH Citizenship & Identity:	These Documents Verify Citizenship:	These Documents Verify Identity:
<ul style="list-style-type: none"> • U.S. passport • Certificate of Naturalization • Certificate of U.S. Citizenship 	<ul style="list-style-type: none"> • U.S. birth certificate originally issued prior to age 5 • Vital Statistics Records • U.S. Citizen ID card • Northern Mariana ID card • American Indian card • A final adoption decree • A document showing civil service employment before June 1, 1976; • Official military record of service showing U.S. place of birth; or • Attestations: <ul style="list-style-type: none"> – Two written, signed statements (1 non-relative) from individuals who have personal knowledge of the birth and explaining why the documentation does not exist or cannot be obtained (if they are aware of the reasons) – A separate attestation from the applicant/beneficiary, guardian or representative, explaining why the documentation is not available 	<ul style="list-style-type: none"> • State driver’s license with photo • State issued ID card with photo • Work or school ID card with photo (no photo required for children under age 16) • Federal, State, or local government ID card with photo; • U.S. military ID card or draft record • Native American tribal document • If no other identifying documentation exists for a child under age 16, an affidavit signed by the parent or guardian stating the date and place of the child’s birth. Cannot use an attestation for both citizenship and identity, only for citizenship or identity.

The department has worked to minimize the potential impacts of the federal requirements, but increasing disenrollments subsequent to the law’s passage show that the documentation requirements have had an adverse impact on both Medicaid enrollment *and* Title XXI SCHIP enrollment. Children may not be considered for Title XXI-funded coverage until their Medicaid eligibility has been determined. If families do not provide required documents or identity attestation forms for their children, then the case is closed for non-compliance with Medicaid, and the children do not receive any coverage.

Figure 8: States' Reporting on Impact of Deficit Reduction Act Citizenship Documentation Requirements



Source: Kaiser Commission on Medicaid and the Uninsured survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2006

Research from a 50-state survey by the Kaiser Commission on Medicaid and the Uninsured shows that the documentation requirements also increase states' administrative costs. **(Figure 8)** The council recommends that the federal Medicaid citizenship and identity requirements be repealed to remove administrative barriers to coverage.

Other Recommendations for Long-Term Program Improvement

The following recommendations received fewer votes as legislative priorities for 2008, but remain on the list of council recommendations for long-term program improvement.

- Allow coverage in all of the Florida KidCare program components for children with family incomes up to 200% of the federal poverty level not eligible for Title XIX or Title XXI, using only state and local funds with no federal match.
- Make loss of employer-sponsored coverage due to cost in excess of 5% of a family's income a qualifying reason for subsidized Florida KidCare coverage if a child would otherwise meet the program's eligibility requirements.
- Implement a medical income disregard for children with catastrophic illnesses who would otherwise qualify for Title XXI subsidies.
- Remove the enrollment caps on full pay MediKids and Healthy Kids.
- Increase Medicaid eligibility for children ages 5 through 18 to 133% of the federal poverty level.
- Adopt a seamless system for children with special health care needs by moving CMS Network (CMSN) eligible children with family incomes up to 200% of the federal poverty level to Medicaid using Title XXI funding.
- Use a single entity to determine a child's financial eligibility for all of the Florida KidCare program components.
- Revise the earned and unearned income documentation requirements to first use electronic verification of income and then require other written income documentation only if the electronic verification does not substantiate the family's income.
- Implement the state option Family Opportunity Act pursuant to the Deficit Reduction Act of 2005.
- The Legislature should give clear and broad rule-making authority to the Agency for Health Care Administration for Florida KidCare, and where appropriate, statutory language should be revised to conform to the Agency's rule-making authority. The Agency must develop these rules in conjunction with the Florida KidCare partners.
- Create a single administration for marketing, eligibility, contracting, quality assurance, and financing.
- All enrollees in Florida KidCare should receive the same retention efforts.
- Ensure rigorous independent evaluation of the effects of Medicaid reform.

Florida KidCare Coordinating Council: 2008 Recommendation Priority Rankings

State Legislative Priority Recommendations						
Recommendation	Priority #1	Priority #2	Priority #3	Priority #4	Priority #5	TOTAL VOTES
1. Program Funding. Fully fund the Florida KidCare program, including its annualization needs and projected growth needs in order to maximize the use of Florida's SCHIP federal funds and include all eligible uninsured children.	13	4	0	1	2	20
2. Outreach and Marketing. Restore and fund Florida KidCare community coordination, retention efforts, and health, family education and utilization functions to reach uninsured children. Marketing should be conducted for the entire Florida KidCare program. Family advocates should be included in the planning, development and implementation of the marketing messages and open enrollment announcements. In addition, provide funding for marketing and education for hard-to-reach and special populations. Evaluate marketing efforts to measure value received for expenditures.	0	7	4	1	3	15
3a. Presumptive Coverage. Reinstate and implement presumptive eligibility for all Florida KidCare program components.	1	5	7	6	0	19
3b. Transitions Between Program Components. To promote smooth transitions between Florida KidCare program components and prevent breaks in coverage, when a child has been determined as over-income for Medicaid by the Department of Children and Families (DCF), accept the income and other necessary eligibility information electronically from DCF for Title XXI eligibility determination.	2	3	7	2	3	17
4. Provider Reimbursement. Increase Medicaid reimbursement for physician and dental services provided to children ages 0 to 21, in order to ensure access to care. For physicians, the reimbursement should be increased at least to Medicare levels. For dentists, since there is no Medicare benchmark, the reimbursement should be appropriate to ensure access to care.	4	0	1	7	0	12
5. Year-Round Coverage. Implement 12 months of continuous eligibility for all Florida KidCare components.	3	2	4	2	4	15