

Agenda Item 4
Board of Directors Meeting 9/3/08

August 26, 2008

To: The Board of Directors

From: Dev Mahadevan, Interim Executive Director

Re: Monthly Report for August 2008

The 525 Veterans Boulevard interior improvements project is out to bid and a number of construction contractors have done the walk-through today and expect to submit bids for the project. The bids will be opened on September 9, at 3:15 PM, soon after the closing time of 3:00 PM. The lowest competent bid will be brought to the Board of Directors for action.

The strategic planning consultants prepared a draft of the strategic plan which we will discuss as part of the board meeting's agenda on September 3, 2008.

Local agencies are required to review their conflict of interest (COI) codes biennially to determine if any changes are necessary. A copy of the current COI is included in the Board packets. Staff and legal counsel have reviewed the current COI and believe that no amendment is required. Upon the Board's approval of the item, the Notice to the County will be submitted along with a copy of the conflict of interest code.

The financial statements for June 2008 are included in the Board packet. The Net Loss for the month of June was \$464,819 and the Net Surplus for the year was \$3,789,539. The June deficit was due primarily to adjustments for prior year community grant program adjustments which were not fully accrued in prior years. There is a substantial improvement over budget projections for the year (\$3.789 million compared to \$1.818 million) was due primarily to higher than budgeted Tax Revenue (\$524,600) and Interest Income (\$869,700). All of these are net of the effect of the \$75 million Grant to the development of the new Sequoia Hospital, which was not recorded in the Income Statement prior to this and is reflected in the figures for the year ending June 30, 2008.

The audit of the books for the year ending June 30, 2008 has begun. We expect to have financial statements finalized within the next sixty days.

The final report of the San Mateo County Children's Health Initiative evaluation by the Urban Institute for the first five years has just been received. The executive summary is attached for your information. The full report (about 110 pages) is available in the office to anyone interested in further detail. Briefly, the report says that the Initiative has had a substantial impact on the lives of the enrolled children and enrollment has been effective.

EXECUTIVE SUMMARY

The San Mateo County Children's Health Initiative (CHI) began in January 2003, as an effort to improve the health of low-income children in the county by assuring that they have health insurance coverage and access to care. Multiple public and private organizations have collaborated to fund and oversee the initiative. Among other activities, the CHI partners reach out to and enroll children in the health insurance program they are entitled to. The county has established the Healthy Kids program (administered by the Health Plan of San Mateo) to cover children who are not entitled to any other insurance program.

In 2003 the county funded the Urban Institute—along with its partners, consultant Dana Hughes of the University of California, San Francisco; Mathematica Policy Research; and JBS International, Inc., Aguirre Division—to conduct a five year evaluation of the CHI. This report summarizes key findings from the evaluation. More information is contained in other evaluation reports and briefs. (See Appendix B for a project bibliography.)

The CHI outreach and enrollment activities were implemented quickly in the first year, resulting in rapid enrollment growth in the new Healthy Kids program. Enrollment leveled off in subsequent years. As a result, the county has not yet had to establish a waiting list as has been done in other counties with Healthy Kids programs. Enrollment in Healthy Families (the California SCHIP program) has grown moderately since the CHI began, and enrollment in Medi-Cal has been steady (during a period of relative economic prosperity). Unfortunately, there are no accurate data to assess precisely how the initiative has affected the number of uninsured children in the county.

The Healthy Kids program has had a substantial impact on the lives of enrolled children and their families. The program has resulted in:

- Dramatic increases in the proportion of children with a usual source of medical and dental care (30 and 45 percentage point increases respectively).
- Substantial increases in the proportion of children with a medical or dental visit in the past six months (18 and 41 percentage point increases respectively).
- An almost 20 percentage point rise in the proportion of children with preventive care in the past six months.
- Reductions in the proportion of children with an overnight hospital stay in the past six months (but no change in emergency room use).
- Substantial reductions in unmet need for medical and dental care (13 and 10 percentage points respectively), as well as a virtual elimination of cost as a reason for unmet need of either type.
- Reductions in the proportion of children who miss school due to health problems.

Another positive finding from the evaluation is that the use of key services targeted by the CHI for improvement—preventive care and dental care—continues to improve after children have been enrolled in the program continuously for three years.

Given the programs' eligibility level of 400 percent of the Federal Poverty Level, one key goal for the CHI is to prevent crowd-out of private insurance. The evaluation shows that few children who enroll in Healthy Kids (or their family members) have access to private insurance. In addition, while enrollment for children in higher income groups (250–400 percent of poverty) grew faster than for other children in the first two years of the CHI, enrollment leveled off recently and accounts for only a very small percentage of children in that income group in the county.

There are some areas for continued concern and improvement as the CHI enters its sixth year. For example, while many children have mental health needs, few children are yet receiving mental health services through the Healthy Kids program. Continued improved collaboration between the agencies serving such children, and culturally appropriate outreach to families, should help to ensure that children and their families receive the help they need. Also, while most parents are very satisfied with the quality of care their child obtains under Healthy Kids, some parents feel there are areas for improvement such as their need for after-hours care and better communication with providers.

A major area of concern for the future sustainability of the CHI is the cost of the Healthy Kids program, and the ability of the county to sustain financing without help from the state or federal government. Costs have climbed per child, primarily in the areas targeted for improvement such as ambulatory care and dental care. In addition, support from private sources (foundations) has declined, resulting in more county funds being spent to fund Healthy Kids. As an economic downturn approaches, these financing concerns could become more severe.

Still, the strong positive findings from this evaluation demonstrate that the county has effectively used its investment to improve the lives of many of the county's most vulnerable children. These lessons should be used by other local governments in California and around the country to accomplish similar goals.