



CHILDREN'S ACTION ALLIANCE

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FACT SHEET

KidsCare Saves Money, Good for Families and Economy

During these tough economic times, Arizonans are more concerned than ever about affordable health coverage. Thanks to the vision and bipartisan commitment of the Arizona legislature since 1998, KidsCare has been available to link working families with affordable health insurance through a public-private partnership. KidsCare offers comprehensive and cost-effective care to children, giving children the medical care they need when they need it, so they can grow up healthy and succeed.

Arizonans are concerned about health coverage – health care remains one of the top concerns for businesses and voters in Arizona. A recent survey of 3,000 small businesses named health care costs as one of the most critical issues for their business. More than 7 out of 10 respondents listed health care costs as “critical” or “important”.¹ In two separate public opinion polls in 2007, Maricopa County voters listed access to health care and the cost of health care among their top concerns² and 79% of Arizona voters said they favor full access to health care for all Arizona children (who legally reside in the state).³

KidsCare provides cost-effective health coverage for thousands of Arizona children – KidsCare, which covers more than 64,000 Arizona children who would otherwise be uninsured,⁴ is supported through a combination of funds, with 76 cents of every dollar coming from the federal government. To cover these 64,000 children for one year, it costs Arizona less than \$15.50 per household. KidsCare families pay monthly premiums between \$10-\$35 per family, or up to \$176 if parents are also enrolled. Without KidsCare, these families would face monthly health insurance costs of more than \$650.⁵ At more than 20% of their monthly income, this would put health care coverage out of reach and leave families uninsured.

KidsCare is good for Arizona's economy – KidsCare dollars are spent immediately and locally, adding a stimulus to our economy. Medical debt is one of the leading causes of bankruptcy and home foreclosure in this country.⁶ Without KidsCare, more families will be in a financial crisis due to a medical crisis. Cutting KidsCare will only make Arizona's economic troubles worse. If the program were eliminated, Arizona would lose 4,929 jobs and almost \$600 million in business activity.⁷

¹ Arizona Economic Indicators Monitor, O'Neil Associates, Quarter 3, 2008.

² Cronkite/Channel 8 poll, November 15-18, 2007 <http://www.azpbs.org/horizon/poll/2007/11-20-07.htm>

³ April 2007 poll of statewide registered voters likely to vote in 2008; conducted by Lauer Johnson Research for St. Luke's Health Initiatives.

⁴ AHCCCS. KidsCare Statistics, December 1, 2008.

⁵ Based on average annual deductible and premium for a family high-deductible plan at \$4653 (see Jacobs & Claxton, *Health Affairs*, 4/15/08) and average monthly premium for same type of plan at \$263 (see www.esurance.com); Medical Expenditure Panel Survey (MEPS) April 2008 Statistical Brief #202, "Premiums In The Individual Health Insurance Market for Policyholders under Age 65: 2002 and 2005" adjusted for inflation, including premiums and co-pays.

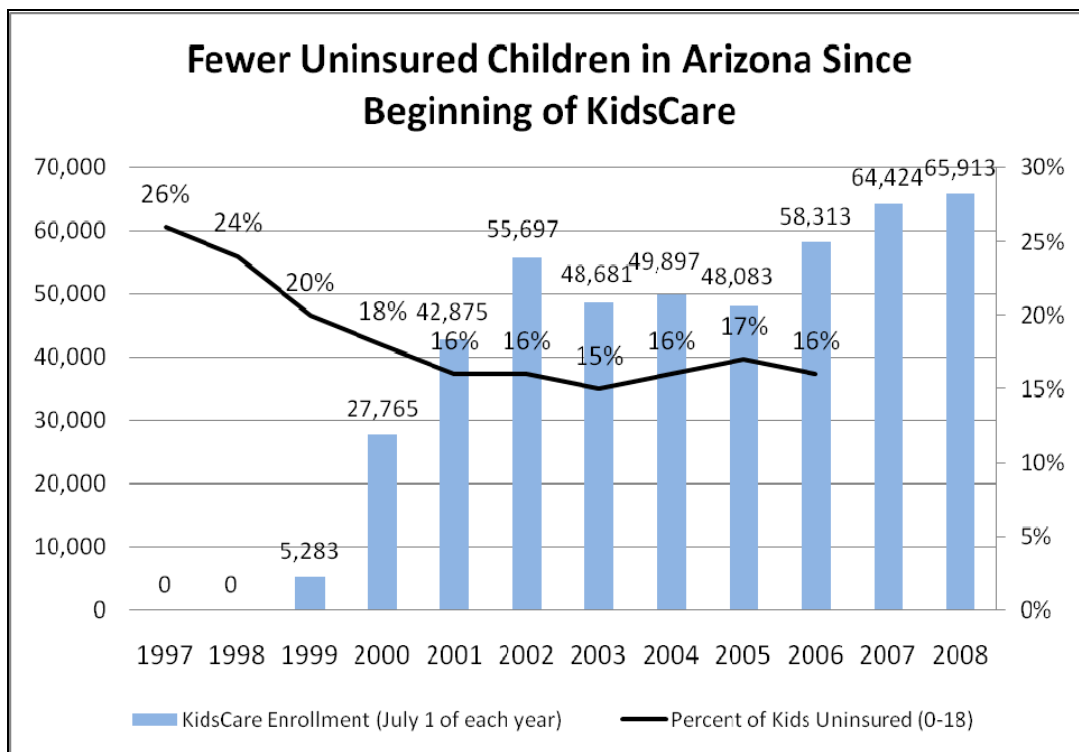
⁶ Himmelstein, David U.; Warren, Elizabeth; Thorne, Deborah; Woolhandler, Steffie. "Illness and Injury as Contributors to Bankruptcy." *Health Affairs* 25.2 (2005): 74-83.; American Bankruptcy Institute. "Quarterly U.S. Bankruptcy Statistics" 21 Oct. 2008, http://www.abiworld.org/AM/Template.cfm?Section=Filings_by_District1&Template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=56&ContentID=36298

⁷ Families USA Medicaid Calculator, based on FY2009 total funds appropriation for KidsCare - \$145,300,000. See <http://www.familiesusa.org/issues/medicaid/other/medicaid-calculator/medicaid-calculator.html?state=Arizona>

Slashing KidsCare would drive up healthcare costs - Cutting back on coverage for children would remove money from the health care system, hurt thousands of kids, drive up health care costs for other Arizonans, and push federal dollars out of Arizona and into other states. Studies show that children who are insured receive more consistent medical treatment, fewer hospitalizations, and fewer unmet medical needs – all of which reduce the cost of their care. When more people are without health insurance, premiums rise for those who are insured to make up for the care that goes unpaid.

Health coverage helps kids succeed – Research shows that children covered by public or private insurance: have greater access to health care, particularly preventive and primary care; are more likely to have well-child visits and childhood vaccinations than uninsured children; are less likely to receive their care in the emergency room;⁸ and do better in school.⁹

KidsCare has helped increase the rate of children with health insurance – KidsCare has dramatically increased the rate of Arizona children with health insurance – from 74% in 1997 to 84% today.¹⁰ This statistic is even more compelling when you consider that employer-based health coverage – the source of health insurance for many families – has declined during this same time period.¹¹ Today, barely half of Arizona’s employers offer health insurance and layoffs make the gap larger. Between May and November 2008, Arizona lost 53,700 jobs at companies like K-Mart, Google, GMAC Mortgage, American Airlines, Sun Microsystems, Freescale Semiconductor, Greyhound Bus, Albertsons, and Mesa General Hospital -- increasing the number of families without employer-based insurance in Arizona.¹²



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⁸Dubay, L., & Kenney, G. M., Health care access and use among low-income children: Who fares best? *Health Affairs*, 1-2/2001, vol. 20(1), pp. 112-21.

⁹Children’s Health Assessment Project, 2002. *The Health of Arizona’s School Children: Key finding of two surveys by Louis Harris and Associates*, The Flinn Foundation, 1993.

¹⁰ The Annie E. Casey Foundation, KidsCount Data Center, percent of children 18 and younger without health insurance.

¹¹ Kaiser State HealthFacts, Percent Point change in Coverage Type Among Children, 2000-2004 – Arizona.

¹² DES, Workforce Investment Act, “WARN notices.” Includes voluntarily reported lost jobs (non-farm employment). See <https://egov.azdes.gov/CMSInternet/main.aspx?menu=22&id=874>