

oppaga Program Review



January 2002

Report No. 02-02

Healthy Kids Slots Used; Waiting Lists Eliminated, But Could Reoccur If Local Match Is Reinstated

at a glance

In 1998, the Legislature created the Healthy Kids Program to provide health insurance for low-income children. In the past two years, 27 Florida counties have never enrolled more than the 500 base slots allotted each county. This is largely due to their smaller, rural populations, not access barriers. The program now redistributes unused slots and funds to counties with higher enrollment.

We recommend that the corporation work to estimate unmet need for the Healthy Kids Program in each county and continue its policy of redistributing funds not used by counties with low enrollment.

The corporation determines program eligibility within a reasonable time period.

There were no children on waiting lists as of November 1, 2001. However, in the past, the corporation instituted waiting lists to restrict services in some counties that did not pay their required local match after reaching the slot limit. The Legislature eliminated the local match requirement for Fiscal Year 2001-02, but future waiting lists could occur when the local match is restored.

We recommend that the Legislature consider two policy options.

- Continue the local match requirement and direct the corporation to adopt the multi-year proposal in the 2000 local match study which reduces the local match requirement over time, or
- permanently eliminate the local match and replace these funds with state funds such as Tobacco Trust Fund dollars.

Purpose

The 2001 Joint Legislative Auditing Committee directed OPPAGA to answer the questions below about the Florida Kidcare program. This report addresses issues pertaining specifically to Florida Healthy Kids component of KidCare.

- Are there areas of the state where the 500 allotted and funded slots are not being utilized? If so, do access problems contribute to the slots not being utilized?
- How many children are on the program's waiting list?
- What is the length of time needed to determine a child's eligibility for the program?

Background

The 1998 Florida Legislature established KidCare (Ch. 98-288, *Laws of Florida*) to take advantage of federal funds made available when Congress

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created Title XXI of the Social Security Act in 1997, the State Children's Health Insurance Program. KidCare provides health care services to low-income uninsured children through four programs—Florida Healthy Kids, Medicaid, Children's Medical Services, and MediKids. (See Appendix A for a description of each KidCare component.)

KidCare is intended to help families with incomes below 200% of the federal poverty level whose children do not have health insurance. Children without health insurance are much less likely than insured children to receive preventive and primary care, and their parents are more likely to skip or delay treatment for their children. As a result, uninsured children are five times more likely to use emergency room care compared to insured children.

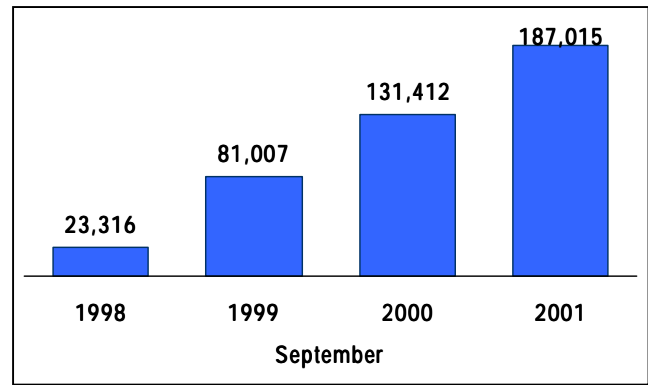
As part of the 1998 KidCare initiative, the Legislature significantly expanded the existing Healthy Kids Program. The Legislature originally established the Healthy Kids Program in s. 624.91, *Florida Statutes*, in 1990 to provide health insurance to uninsured school-age children who were not enrolled in Medicaid. Florida Healthy Kids began providing services in one county in 1992 and served 5,000 children by the end of that year. By 1997, the program was serving 47,000 children in 19 counties.¹

Under the KidCare program, Healthy Kids was expanded to cover children ages 5-19 with family incomes up to 200% of the federal poverty level.² By August 2000, the program was providing services in all 67 counties. As of September 2001, Healthy Kids had enrolled 187,015 Title XXI-eligible children, which is an increase of approximately 55,000 children from the prior year (see Exhibit 1 for program enrollment trends.) The program's projected

enrollment for Title XXI Healthy Kids for 2001-02 is approximately 230,000 children.

Exhibit 1

Title XXI Healthy Kids Enrollment Has Substantially Increased Since 1998



Source: KidCare enrollment data for September 2001 and Healthy Kids Program data.

Program Organization

The Legislature created the non-profit Florida Healthy Kids Corporation in 1990 to administer the Healthy Kids Program. The corporation operates under the supervision of a board of directors chaired by the Insurance Commissioner or his designee and is composed of 12 other members selected for three-year terms of office. The corporation's major responsibilities include

- establishing standards for preventive health services, providers, and insurance benefits;
- establishing eligibility and enrollment criteria for program participation and processing applications; and
- contracting with insurers and providers of health care services.

The corporation aggregates local, state, federal, and family funds to pay premiums to commercial health plans that assume the insurance risk. During Fiscal Year 2001-02, the corporation contracted with 13 health plans to serve all 67 counties. The corporation holds a contract with Dental Health and Administrative Consulting Services to manage client accounts and serve as the central point for eligibility

¹ This enrollment is prior to Title XXI legislation and cannot be compared to Title XXI enrollment as shown in Exhibit 1.

² Healthy Kids is also authorized to serve a limited number of children who are not eligible for Title XXI. These children include those over the age of 18, ineligible non-citizens, children of state employees, or children from families with incomes over 200% of the federal poverty level.

review for the KidCare program, including Healthy Kids.

Families whose children are Title XXI-eligible are required to pay \$15 per month per family. A family selects a physician participating in the health plan's network to serve as the child's primary care provider. The health plan provides a wide range of services including immunizations, prescriptions, primary and specialty care, and inpatient hospital care. The Legislature added dental benefits to the benefit package in 2000.

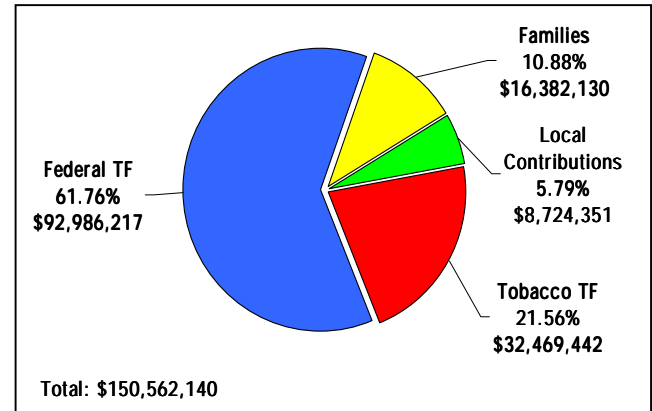
The Agency for Health Care Administration administers the contract with the Healthy Kids Corporation, which facilitates the release of state and federal funds to Healthy Kids. The Department of Health conducts outreach for the KidCare program including Healthy Kids.

Program Resources

Healthy Kids operates with a combination of federal and state appropriations, local dollars, and family contributions. Florida's match rate for Title XXI is 69% federal funding to 31% state funding. Because Title XXI is not an entitlement program, the Legislature places a ceiling on annual state expenditures. The sources of the 31% state share in Fiscal Year 2000-01 include the Tobacco Settlement trust fund money and local dollars. The average monthly cost per child for Title XXI Healthy Kids during Fiscal Year 2000-01 was approximately \$84. Exhibit 2 shows estimated expenditures by source for Fiscal Year 2000-01.

Exhibit 2

Estimated Expenditures for Title XXI Healthy Kids for Fiscal Year 2000-01 Totaled \$150,562,140¹



¹ While the federal match rate is 69%, the federal portion of expenditures does not account for 69% of the total expenditures because some of the state expenditures do not qualify as federal matching dollars.

Source: Healthy Kids Program.

Local Match Policy

The program has required counties to contribute funds to support the health insurance premium since 1993. Healthy Kids began in 1990 as a three-year Medicaid demonstration project, funded with federal and state dollars. In order to continue the project after the federal funds expired, counties had to provide local funds. The corporation negotiated individually with each county to establish the local match requirement, beginning with a 5% minimum with annually scheduled increases. By 1995, match rates for the seven counties that participated in the program ranged from 5% to 55%.^{3, 4}

In 1998 with the creation of KidCare, the Legislature authorized Healthy Kids to establish a base number of enrollment slots that do not require any local match in each county. The corporation initially established 200 base slots

³ The seven counties were Volusia, Highlands, Okeechobee, Broward, Santa Rosa, St. Lucie, and Hardee.

⁴ *Florida Healthy Kids Local Match Policy Assessment: Final Submission to the Florida Legislature*, Medimetrix Consulting, November 2000.

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per county and subsequently increased it to 500 base slots per county in February 1999. In order to enroll more children than the base allotment, counties were required to provide local matching dollars as a percentage of the premium costs. In Fiscal Year 2000-01, the percentage of premiums that counties paid varied from 4% to 20%. The price of premiums also varies by county. (See Appendix C.)

Counties generate local match in many ways. Some counties have dedicated funding sources through a special taxing district or tax plan, while other counties generate the match from local governments, private not-for-profit organizations, or school districts.

The statute authorizes the corporation to vary local matching requirements and enrollment by county based on a number of factors that may influence the county's ability to generate local matching funds. In the 2000 General Appropriations Act, the Legislature directed the corporation to fix the amount of local match requirement at each county's Fiscal Year 1999-2000 amount. It also directed the corporation to freeze admissions in counties that did not meet the local match requirement in order to emphasize the importance of counties maintaining their prior local match commitment. Finally, it limited the total local match statewide to \$14.4 million and directed the corporation to conduct a review of the local match and develop a multi-year proposal aimed at reducing the local match requirement.⁵

The corporation's board adopted the study's first-year recommendations for a new local match policy. The new policy reallocates base enrollment slots based on county population. It also determines the local match requirement for each county based on economic factors and each county's prior year enrollment. Upon presenting the recommendations to the Legislature in November 2000, the board voted to adopt the new local match policy in

April 2000, which reduced the total local match requirement to \$7.1 million for Fiscal Year 2001-02.

However, the 2001 Legislature eliminated the local match requirement through proviso language in the General Appropriations Act. As a result, counties are currently not required to submit any local match regardless of the number of children enrolled.⁶ The program is using available funds to offset the reduction in local match funds.

The Governor challenged the Legislature's elimination of the local match requirement by filing a lawsuit in the Second Judicial Circuit Court in Leon County.⁷ In his legal challenge, the Governor argued that the proviso language in the General Appropriations Act violates the constitution by changing substantive law. The Legislature resolved this issue during 2001 Special Session C by eliminating in statute a local match requirement in each county for Fiscal Year 2001-02. This provision expires July 1, 2002, when the local match will again be required.

Questions and Answers

Are there areas of the state where the 500 allotted and funded slots are not being utilized? If so, do access problems contribute to the slots not being used?

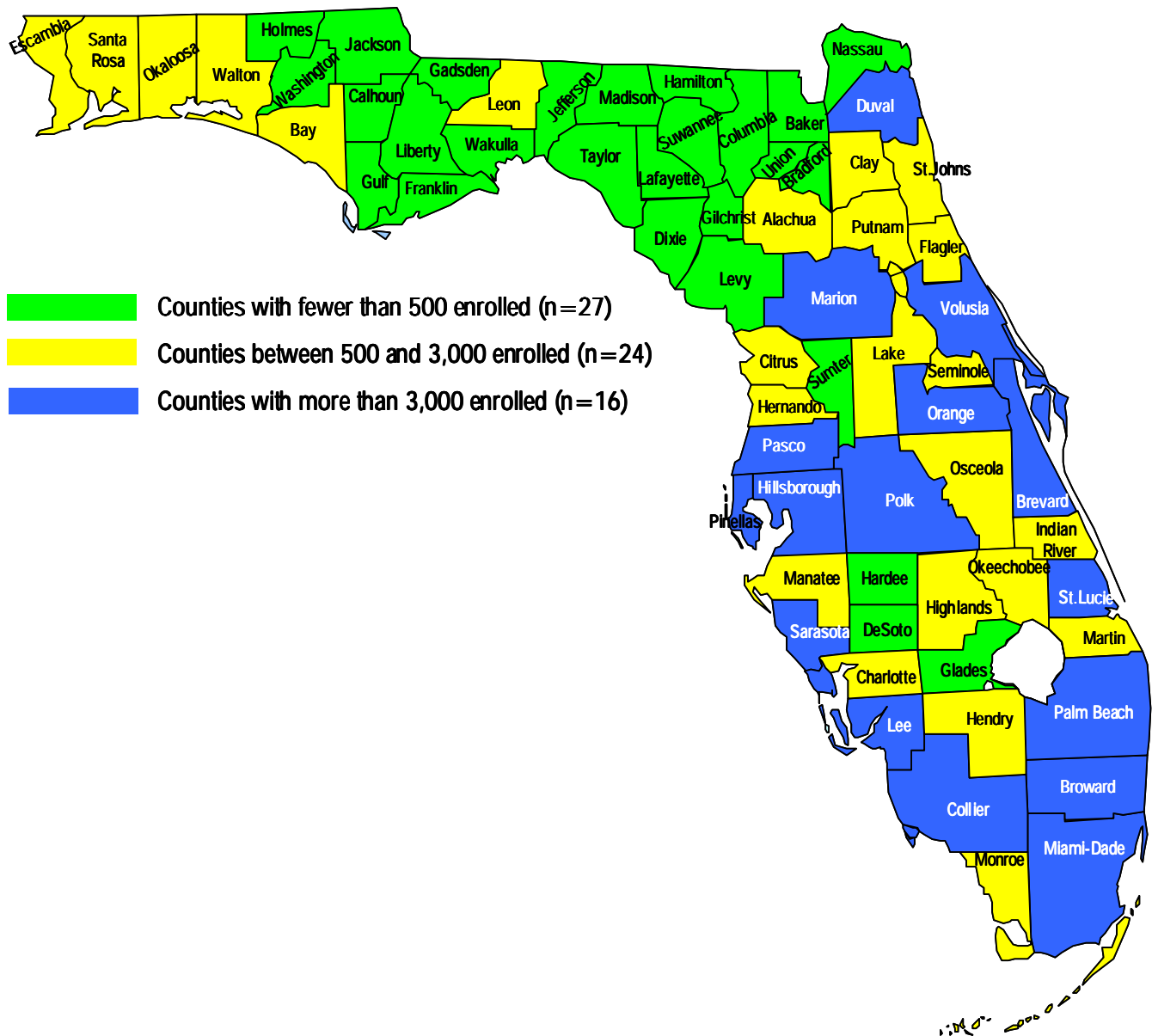
Since the KidCare program was created in 1998, 27 counties have never used their 500 allocated slots. (See Exhibit 3.) These counties are among the state's least populated and most rural counties. These factors, rather than access problems, appear to be the main reason for low enrollment in these counties. The corporation no longer reserves funds for unused slots.

⁵ *Florida Healthy Kids Local Match Policy Assessment*, Medimetrix Consulting, November 30, 2000.

⁶ Although local match is no longer a reason for the corporation to limit enrollment, total enrollment in the program is limited to the state funding cap.

⁷ *Bush vs Harris and Milligan*, Case No. 2001-ca-001629.

Exhibit 3
Program Enrollment Varies By County ¹



¹ See Appendix B for Individual County Enrollment.

Source: OPPAGA analysis of Healthy Kids data as of September 1, 2001.

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It does not appear that access is a major factor that hinders enrollment in these counties. County characteristics rather than access barriers appear to account for the low enrollment in these counties. The 27 counties that enroll fewer than 500 children have relatively small populations compared to counties that enroll more children. These 27 counties are among the state's least populated, together have less than 5% of the state's total population, and are composed completely of rural areas. Enrollment in these counties composed 3.5% of the statewide enrollment of 187,015 children. In contrast, the 16 counties that each enrolled 3,000 or more children are among the most heavily populated counties in the state. These counties compose 77% of the statewide program enrollment and have 74% of the state's overall population.

In addition, some program officials believe that most of the uninsured children in the 27 counties are eligible for health care under Medicaid rather than Healthy Kids. The Healthy Kids Program income eligibility level is from 100% to 200% of the Federal Poverty Level (FPL), while Medicaid income eligibility is at or below 100% of the federal poverty level.⁸ However, the program will not have county level income data available to determine any level of unmet need in these counties until 2002, when new census data is published. The Institute for Child Health Policy is currently conducting a study to estimate the number of uninsured children in Florida.⁹

The corporation no longer reserves funds for unused slots. When KidCare was created in 1998, the corporation's policy was to reserve funds for unfilled county slots rather than

redistribute the funds to other counties. In April 2000, the board directed the corporation to redistribute unused slots and corresponding funds to counties with greater enrollment and to monitor enrollment on a statewide basis rather than by county. Under this method, the corporation no longer holds slots and funds for counties that do not use all of their base slots. The corporation also monitors state enrollment levels to ensure that enrollment is kept within the statewide appropriation.

In August 2001, the corporation reported to AHCA that an analysis of the change in net assets found approximately a \$40.4 million increase in net assets for continued operations.¹⁰ The corporation does not track funds that resulted from unfilled slots at the county level. The corporation's budget for Fiscal Year 2001-02 projects using available cash for legislatively mandated dental benefits, premium increases, projected enrollment increases, and to offset the local match eliminated by the Legislature.

How many children are on the program's waiting list?

There were no children on the program's waiting lists during the first quarter of Fiscal Year 2001-02 because the 2001 Legislature eliminated the local match requirement in proviso. The program has had waiting lists in the past in counties that failed to meet their local match requirement. When the local match requirement is reinstated, the potential exists that some children may be placed on waiting lists.

The corporation currently does not freeze enrollment levels because counties are not required to contribute local match. The Legislature initially eliminated the local match requirement through proviso language in the 2001 General Appropriations Act. In response to

⁸ A study by the Lawton and Rhea Chiles Center for Healthy Mothers and Babies estimates the number of uninsured children living below 200% of the Federal Poverty Level by county. However, it does not identify the number of children eligible for each individual KidCare component.

⁹ This is a follow-up study to the 1999 Florida Health Insurance Study conducted by the Agency for Health Care Administration. The Institute for Child Health Policy conducts research and evaluations for the KidCare program and the Healthy Kids Program.

¹⁰ Net assets are total assets (such as fixed assets, accounts receivable, and cash) minus total liabilities (such as accounts payable and accrued leave). The program's increase in net assets from Fiscal Year 1991-92 through 2000-01 is \$40.4 million, of which \$27.8 million is for Fiscal Year 2000-01.

the Governor's legal challenge, the Legislature eliminated it in statute for Fiscal Year 2001-02. This means that regardless of the number of children enrolled in a county, eligible children are enrolled in the program rather than placed on a waiting list.¹¹

Four counties experienced waiting lists in the past because they did not meet local match requirements. The 2000 Legislature directed the corporation to freeze enrollment in any county that did not fulfill its local match requirement. During an enrollment freeze, the program continues to accept and process applications. If children are determined eligible during this time, they are put on a waiting list until the county fulfills its local match requirement.

There are several reasons that some counties cannot fulfill their local match requirement. Some are unable to make a recurring financial commitment to the program because they do not have dedicated funding sources through a special taxing district or tax plan. Others have difficulty gaining the support of local businesses, agencies, or governments. In addition, counties with small populations often have other priorities for using their limited revenues.

The corporation froze enrollment in Pinellas County during Fiscal Year 1999-2000 and in Duval, Escambia, and Broward counties during Fiscal Year 2000-01 because these counties did not meet the required local match. This resulted in waiting lists that ranged from 537 in Escambia County to an estimated 2,300-2,500 children in Duval County. Eligible children spent between 2 to 11 months on waiting lists in these counties before receiving Healthy Kids services.

There may be waiting lists in the future when the local match is reinstated. While the Legislature eliminated the local match requirement for Fiscal Year 2001-02, it will again be required in Fiscal Year 2002-03. Some local program officials that we spoke with are

concerned that they will have difficulty providing the local match when it is reinstated. Contributors in some counties, such as local governments and non-profit agencies, have committed Healthy Kids local match funds to other programs because the Legislature eliminated the local match requirement for Fiscal Year 2001-02. These county officials said that they would have difficulty getting local contributors to reinvest in the Healthy Kids Program.

Local match policy issues

Advantages of local match. The corporation uses county contributions to augment state funds, which increases the amount of federal matching funds allowing the state to cover more children under Title XXI.¹² In return for every dollar the state spends on Title XXI programs, the federal government contributes \$2.22, which is a 69% match. For Fiscal Year 2000-01, counties contributed an estimated \$8.7 million (5.79%) of the program's expenditures. These local dollars drew down approximately \$19.4 million in federal matching funds for a total of \$28.1 million. Based on an average monthly cost per child of \$84, the counties' contributions plus federal matching funds would represent coverage for approximately 27,800 children.

Supporters of local match view it as essential to community partnership and buy-in. Since 1993, counties have contributed local funds to pay for a percentage of the health plan premium. Consultants who assessed the local match policy in 2000 found that supporters of local match believe that this financial support helps ensure that counties will have a vested interest in the design and implementation of the program. Supporters also believe that counties will more closely monitor and evaluate the value, success, and outcomes of their investments. The program's executive director said that the counties that pay local match, particularly the counties that entered the program early, show interest in monitoring their programs and are

¹¹ Although local match is no longer a reason for the corporation to limit enrollment, total enrollment in the program is limited to the state funding cap.

¹² Title XXI authorizes states to use local dollars as matching funds.

eager to discuss county issues with Healthy Kids staff.

Disadvantages of the local match policy. When a county does not pay its local match, several adverse effects can result. First, families whose children are placed on a waiting list do not always follow through when enrollment is re-opened. In addition, when the corporation freezes enrollment, counties limit outreach in order to avoid negative publicity, which discourages families from applying for one of the other KidCare programs. Moreover, when counties limit outreach, people cannot learn about the KidCare program or how to apply. Finally, when counties cannot or do not pay local match, children without health insurance who are eligible for Healthy Kids may not get coverage because of where they live.

What is the length of time needed to determine a child's eligibility for the program?

The corporation determines eligibility within eight weeks, which is a reasonable time period and in accordance with industry standards.

Enrollment data from September 1999 to September 2001 shows that the corporation typically determines eligibility for the Healthy Kids Program within 29 days. In addition, 75% of applicants are determined eligible for the program within eight weeks. According to industry standards, this is a reasonable time period in which to process applications and determine eligibility.

Although one-fourth of the applications take longer than eight weeks to process, these applications have missing or inaccurate information. Incomplete applications require additional correspondence with the families. The length of time that it takes to process these applications is directly related to the amount of missing or inaccurate information and how quickly families respond to additional information requests. We concluded that the application processing time is reasonable.

Conclusions and Recommendations

The 2001 Joint Legislative Auditing Committee directed OPPAGA to answer the questions below about the Florida Kidcare program.

- Are there areas of the state where the 500 allotted and funded slots are not being utilized? If so, do access problems contribute to the slots not being utilized?
- How many children are on the program's waiting list?
- What is the length of time needed to determine a child's eligibility for the program?

While 27 counties had never achieved enrollment levels of more than 500 children as of September 2001, program experts believe that most of the uninsured children in counties with low enrollment are eligible for Medicaid rather than Healthy Kids. The Institute of Child Health Policy is currently conducting a study to estimate the number of uninsured children in Florida. The corporation should use this study along with 2002 census data to estimate the number of children potentially eligible for the Healthy Kids Program. The corporation no longer reserves funds for counties that do not use all of their base slots. The corporation should continue its new policy of redistributing reserve funds for counties with low enrollment.

The corporation determines eligibility within eight weeks. This is a reasonable time period and in accordance with industry standards.

We therefore recommend that the Healthy Kids Corporation

- use 2002 census data and the Institute of Child Health Policy study to determine unmet need for the Title XXI Healthy Kids Program and
- continue its policy of not reserving funds for counties with low enrollment.

Because the Legislature eliminated the local match requirement for Fiscal Year 2001-02, the Healthy Kids Program currently has no waiting lists for Title XXI-eligible children. However, the local match policy prevented some children from being enrolled in the program immediately upon eligibility determination. Four counties experienced waiting lists when the corporation froze enrollment because the counties could not provide their local match. Counties could experience waiting lists in the future when the local match is reinstated.

The local match policy has benefits and drawbacks. Local matching dollars helped the state cover more children under Title XXI. In addition, supporters view it as essential to community partnership and buy-in. However, because some counties have difficulty submitting local match, children are placed on waiting lists and counties limit outreach activities. Moreover, the local match policy has resulted in children receiving health insurance based on where they live.

When families do not have health insurance, parents are likely to skip or delay treatment for their children. Moreover, children without health insurance are much less likely than insured children to receive preventive and primary care, leading to expensive emergency room visits.

We recommend that the Legislature consider the two options below regarding the local match policy.

- Continue the local match requirement. If the Legislature wishes to continue the local match requirement beginning in Fiscal Year 2002-03, it should consider directing the corporation to adopt the multi-year proposal in the 2000 local match study, which reduces the local match requirement over time. This approach reduces the local match to \$7.1 million in the first year, \$6 million in the second year, and \$5 million in the third year.
- Permanently eliminate the local match requirement. If the Legislature wishes to permanently eliminate the local match requirement, it should pass a substantive law to amend s. 624.91, *Florida Statutes*. This would require a recurring funding source, which could include the Tobacco Trust Fund, to replace the local match so that Healthy Kids can continue covering as many children as it had with local dollars.

Agency Response ---

In accordance with the provisions of s. 11.45(7), *Florida Statutes*, a draft of our report was submitted to the executive director of the Florida Healthy Kids Corporation to review and respond. The written response is reproduced herein beginning on page 13.

Appendix A

Florida KidCare Program Eligibility

The Florida KidCare is an “umbrella” program that currently includes four components. All four components provide comprehensive health benefits for children whose family meet eligibility requirements. Table A-1 illustrates eligibility requirements for each component.

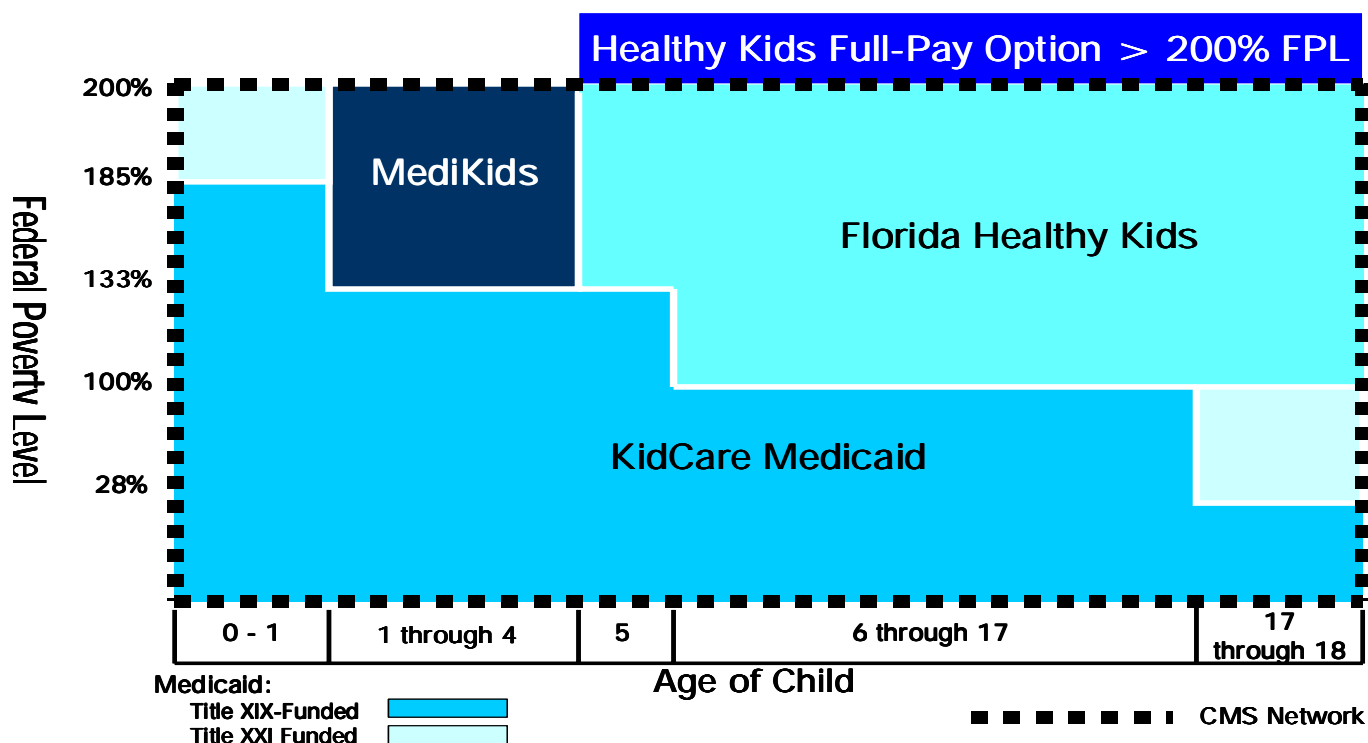
MediKids: Children 1 through 4 years; \$15 per month, per family

Florida Healthy Kids: Children 5 through 18 years; \$15 per month, per family for most families, with some small co-payments (families may purchase the insurance at non-subsidized rates)

Children’s Medical Services Network: Children from birth through 18 years who have special health care needs, chronic medical conditions, severe mental, behavioral, or substance abuse conditions (includes the Behavioral Health Specialty Care Network); \$15 per month per family

Children’s Medicaid: children from birth through 18 years; no premiums or co-payments

Table A-1
Florida KidCare Eligibility by Age and Federal Poverty Level



Source: Florida KidCare Program.

Appendix B

Title XXI Healthy Kids Enrollment by County as of September 1, 2001

County	Total	County	Total
Dade	31,786	Flagler	900
Broward	23,977	Indian River	832
Palm Beach	16,137	Hendry	779
Orange	9,679	St. Johns	640
Hillsborough	9,046	Putnam	590
Volusia	8,358	Walton	530
Duval	6,621	Levy	480
Pinellas	6,619	Columbia	471
Lee	5,229	Jackson	448
Brevard	4,593	Nassau	422
Polk	4,371	Gadsden	382
Collier	4,177	DeSoto	345
St. Lucie	3,952	Hardee	313
Sarasota	3,831	Suwannee	311
Pasco	3,755	Sumter	300
Marion	3,411	Wakulla	286
Seminole	2,990	Holmes	275
Osceola	2,833	Washington	273
Escambia	2,628	Taylor	251
Manatee	2,580	Franklin	232
Lake	1,917	Madison	216
Santa Rosa	1,837	Gilchrist	209
Bay	1,786	Gulf	197
Hernando	1,591	Baker	188
Alachua	1,519	Bradford	174
Charlotte	1,502	Calhoun	169
Highlands	1,442	Dixie	146
Leon	1,335	Jefferson	130
Okaloosa	1,165	Glades	100
Citrus	1,144	Hamilton	82
Monroe	1,143	Liberty	82
Martin	1,106	Union	64
Okeechobee	1,038	Lafayette	63
Clay	1,037		

Source Healthy Kids Expenditure Report for September 2001.

Appendix C

Medical Premium Rates Vary by County

County	Rates
Alachua	\$97.10
Baker	\$85.63
Bay	\$99.75
Bradford	\$81.99
Brevard	\$74.57
Broward ¹	\$75.04
	\$63.76
	\$86.10
Calhoun	\$86.64
Charlotte	\$101.34
Citrus	\$88.59
Clay	\$85.63
Collier	\$73.53
Columbia	\$80.31
Dade ¹	\$84.97
	\$91.24
	\$73.87
	\$89.11
DeSoto	\$101.34
Dixie	\$81.99
Duval	\$98.81
Escambia	\$86.73
Flagler	\$91.50
Franklin	\$86.64
Gadsden	\$87.04
Gilchrist	\$81.99
Glades	\$113.35
Gulf	\$99.75
Hamilton	\$81.99
Hardee	\$113.35
Hendry	\$113.35
Hernando	\$115.22
Highlands	\$113.35
Hillsborough	\$68.00
Holmes	\$91.85
Indian River	\$98.17
Jackson	\$91.85
Jefferson	\$84.26

County	Rates
Lafayette	\$81.99
Lake	\$77.60
Lee	\$108.92
Leon	\$69.41
Levy	\$81.99
Liberty	\$80.26
Madison	\$84.26
Manatee	\$109.33
Marion	\$72.42
Martin	\$97.55
Monroe	\$125.50
Nassau	\$85.63
Okaloosa	\$91.85
Okeechobee	\$113.35
Orange ¹	\$65.31
	\$65.27
Osceola	\$65.31
Palm Beach ¹	\$82.01
	\$71.97
	\$71.95
Pasco	\$69.89
Pinellas	\$81.51
Polk	\$71.38
Putnam	\$85.63
Santa Rosa	\$86.73
Sarasota	\$101.34
Seminole	\$65.31
St. Johns	\$78.76
St. Lucie	\$130.24
Sumter	\$88.59
Suwannee	\$80.31
Taylor	\$93.78
Union	\$81.99
Volusia	\$91.50
Wakulla	\$80.26
Walton	\$91.85
Washington	\$91.85

¹ Healthy Kids Corporation contracts with more than one HMO in this county to deliver services.

Source: Florida Healthy Kids Corporation, rates as of December 1, 2001.

Appendix D

Agency Response

In accordance with the provisions of s. 11.45(7)(d), *Florida Statutes*, a draft of our report was submitted to the executive director of the Florida Healthy Kids Corporation for her review and response.

The executive director's written response is reprinted herein beginning on page 14.

Healthy Kids and Kidcare

Post Office Box 980
Tallahassee, Florida 32302
850.224.KIDS(5437)
850.224.0615(FAX)

December 18, 2001

Mr. John W. Turcotte
Office of Program Policy Analysis and
Government Accountability
111 West Madison Street Room 312
Tallahassee, Florida 32399-1475

Dear Mr. Turcotte:

This letter serves to document the Florida Healthy Kids response to the Office of Program Policy Analysis and Government Accountability's program review entitled:

**Healthy Kids Slots Used; Waiting Lists Eliminated,
But Could Reoccur If Local Match is Reinstated**

Overall, the findings contained in the program assessment are consistent with the local match study and Board adopted policies. However, we would like to provide clarification on two issues.

The Program Resources section and Exhibit 2 cite Tobacco Settlement trust fund money and local dollars as the sources of state funding for fiscal year 2000-01. However, the Corporation also received general revenue in support of non-Title XXI program participants.

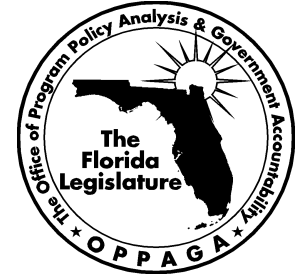
The report concludes that waiting lists could reoccur if local match is reinstated. While waiting lists could be impacted by the reinstatement of local match, there are additional factors that significantly contribute to the prospect. A statewide enrollment cap and significant waiting lists will result if appropriations are insufficient. The Corporation currently anticipates a deficit of approximately \$55.7 million between the projected cost of Florida Healthy Kids enrollment for the year ended June 30, 2003 and current levels of state funding. Without the additional funding, waiting lists would be required to be on a statewide basis regardless of local match. Additionally, a funding cap for non-Title XXI participants has resulted in a current waiting list for applicants who are not eligible for federal funding. These non-Title XXI applicants include dependents of state employees, children age 19 and certain ineligible non-citizens.

We appreciate the opportunity to respond to the report and if you have additional questions or issues, feel free to contact me at (850) 224-5437 extension 6101 or Erica Floyd at extension 6143.

Sincerely,

/s/
Rose M. Naff
Executive Director

RMN\elf



The Florida Legislature

Office of Program Policy Analysis and Government Accountability

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- [Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance. Check out the ratings of the accountability systems of 13 state programs.
- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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