



Children's Action Alliance

A Voice for Arizona's Children since 1988

FACT SHEET

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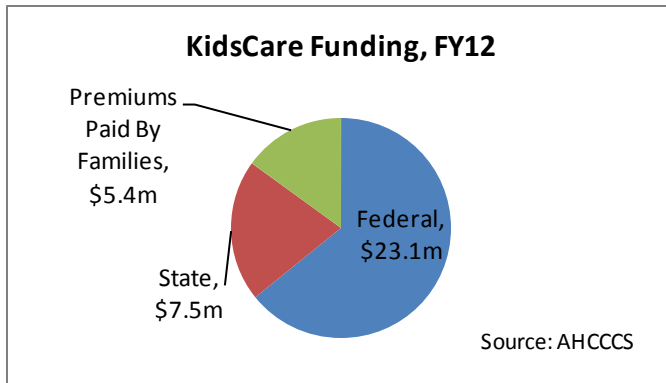
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KidsCare Is a Smart Investment, Creating Jobs and Keeping Children Healthy

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

KidsCare is good for Arizona's economy – KidsCare dollars are spent immediately and locally, adding jobs to our economy. Medical debt is one of the leading causes of bankruptcy and home foreclosure in this country,¹ and KidsCare keeps Arizona families out of medical debt while providing them health insurance they can afford.

Ending the KidsCare freeze is an affordable investment – KidsCare enrollment has been frozen since January 1, 2010. Since that time, enrollment has fallen from 47,000 to 12,000 (as of January 2012).



Since the federal government matches more than \$3 for every \$1 Arizona invests, KidsCare is an even more affordable investment. Before the freeze, Arizona's share of KidsCare was \$24 million, which has shrunk to \$7.5 million this year as enrollment has fallen. Three Arizona

hospitals have agreed to add \$10.7 million a year of their money to cover KidsCare costs. **With the hospital funds and the investment the state already makes in KidsCare, lifting the freeze would cost just \$6 million more next year** – less than the increase Governor Brewer has proposed for the Arizona Office of Tourism.

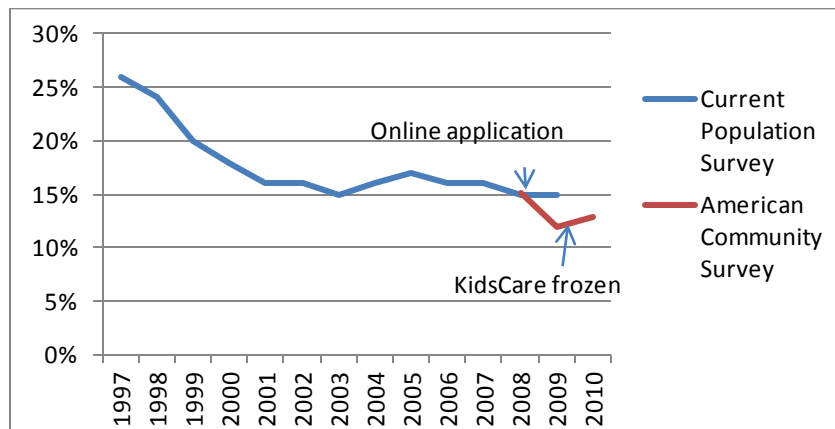
Beginning in fiscal year 2014, KidsCare will change along with many other health care changes, depending on the implementation of health care reform. Lifting the KidsCare freeze now is a short-term investment bridging to 2014 with a long term payoff of a stronger economy and healthier children.

(continued)

KidsCare brings Arizona’s tax dollars back home – Federal KidsCare funding does not add to the deficit, as it is funded by a dedicated tax on tobacco purchases in Arizona as in other states. When Arizona does not use its share of money for KidsCare it does not reduce federal spending. Instead, under federal law, Arizona’s share of money for KidsCare gets redistributed to the 49 other states that are currently enrolling kids into their Children’s Health Insurance Programs, taking money out of Arizona’s economy.

KidsCare has resulted in fewer uninsured kids, until it was frozen – Children covered by KidsCare would likely be uninsured without it. From the time KidsCare was created in 1998 until 2009, the rate of Arizona children with health insurance increased from 75% to 85%, according to the Current Population Survey of the US Census. More recent data from the Census’s American Community Survey shows the rate of children with health insurance in Arizona continued to climb from 85% to 88% between 2008 and 2009. But the rate of insured children declined to 87% by the summer of 2010, months after the KidsCare freeze began. The rate of insured children is expected to continue to drop as long as KidsCare remains frozen.

Uninsured Children Age 18 and Under in Arizona



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;ⁱⁱ and do better in school.ⁱⁱⁱ

ⁱ 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

ⁱⁱ Dubay, 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.

ⁱⁱⁱ Children’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.