

November 28, 2008

**[Paying Direct Costs of Health Care]**

A public insurance system currently exists in Arizona to pay for the health care of low income children and pregnant women. That system is statewide and has established eligibility criteria for recipients, and processes are in place to reimburse health care providers contracted with the state. These programs are administered through the Arizona Health Care Cost Containment System (AHCCCS) and the Arizona Department of Economic Security (DES) and pay for the direct cost of care for more than one million Arizona adults and children. Children can be enrolled if family income is 200% of Federal Poverty Level or below. Pregnant women are eligible to receive prenatal care if their income is at or below 150% of Federal Poverty Level.

In addition to publically paid insurance programs, health care (including prenatal care) is available through a network of federally supported community health clinics that are located in geographic areas considered to be medically underserved by the Arizona Department of Health Services Division of Public Health Services, Bureau of Health Systems Development and Oral Health. Care is provided at low cost or sliding fee scales that are established to accommodate individuals who do not have insurance coverage. Many Arizona communities, including outlying and rural areas, also have non-profit organizations and agencies that provide direct health care through free clinics (such as St. Vincent DePaul Society in Phoenix) to children and adults who have no other means to obtain health care. These clinics are often the only source of care for adults and children who are undocumented.

First Things First was established to build a statewide system of early childhood development and health, without duplicating systems already in place. By including children's health in the initiative there is recognition that young children's physical health and well-being are fundamental to their optimal development and readiness for success. However, limited resources coupled with well-established systems of health care lead First Things First to build on the state's assets rather than attempt to create parallel systems that are duplicative and could further fragment services to children and families. It is not the initiative's intent to build a parallel system of medical care delivery for Arizonans. Such work would require the development of an extensive infrastructure that, when added to the costs of direct medical care, would far exceed the funds available through this initiative. Even viewing First Things First as a payer of last resort would require considerable organizational structure to administer payments and to indemnify providers.

Therefore, the intent of First Things First goals related to children's health focus on ways to connect young children and families to the systems currently available, rather than developing new systems for health service delivery. First Things First can assist with outreach and application assistance, service coordination and case management to support optimal access and availability of essential health care services. Outreach and enrollment, care coordination, case management, information and referral, transportation and childcare, and advocacy are all appropriate activities that can help families utilize the current system of medical care programs and services.