Current State of Children’s Coverage and Obstacles Ahead

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Prior to the Affordable Care Act, Uninsurance was decreasing for Children while Increasing for Adults

![Graph showing the percentage of uninsured children and adults from 1984 to 2012.](chart)

Current Health Insurance Context for Children

- Medicaid expansions for children in the 1980s and early 90s
  - to reduce uninsurance among poor children;

- The Children’s Health Insurance Program, added in 1997
  - to reduce uninsurance among near poor without affordable health insurance and increase Medicaid take up among poor children
  - CHIP was reauthorized in 2009; received federal funding extensions under ACA in 2010 and again in 2015 through FY 17 as part of MACRA legislation

- In 2013, Medicaid and CHIP covered 38.7 and 8.1 million children, respectively over the course of the year

- Medicaid provides comprehensive benefit package with little cost sharing; States have more flexibility over CHIP program, but actuarial values are close to Medicaid; federal matching rates higher in CHIP than Medicaid
  - Medicaid and CHIP coverage varies across states
Income Eligibility Levels for Children in Medicaid/CHIP by State

Source: March 2014 MacStats
The Cost of Dependent Coverage Under Employer Sponsored Insurance

- 96.9% of enrollees in employer-sponsored plans have access to dependent coverage

- The additional cost to families for covering children varies across firms, amounting to as much as $8,875 per year for some workers with one dependent child and $10,531 with two or more dependent children

- Adding dependent coverage could cost families more than 8.05% of their income, which would qualify them for a hardship exemption from purchasing coverage

ACA Policy Changes that Could Affect Children’s Coverage

- Streamlined enrollment policies
- New outreach funding
- Penalties for lacking coverage
- Expansion of Medicaid to parents
- Availability of newly created health insurance exchanges and tax credits
- New requirement that children have public coverage as a condition for parents gaining public coverage
- Shift toward expectation that people will have coverage

- Maintenance of Eligibility for children through FY19
Marketplace Coverage

- Eligibility for subsidized Marketplace coverage

- Legal residents who are ineligible for public coverage and have MAGI below 400% of FPL with no “affordable offer of employer-sponsored insurance (ESI) coverage:”
  
  - ESI coverage defined as affordable if one family member is offered single coverage at a cost up to 9.5% of family MAGI
  
  - The cost of family coverage is not factored in; children and other dependents are barred from exchange subsidies even if the employer covers none of the premium (also known as kid/family glitch)
  
  - Children can only qualify for subsidized marketplace coverage if they are not eligible for Medicaid or CHIP

- Subsidies are not adjusted to reflect premium payments made for coverage outside of the marketplace (also known as premium stacking)

- 900,000 marketplace plans selected for children as of March 2015 (HHS)
Eligibility for Marketplace Subsidies Among Children Who are Not Eligible for Medicaid or CHIP

- Does a family member have an offer of "minimum value" single ESI coverage?
  - Yes
    - Is dependent coverage offered that could cover child?
      - Yes
        - Is the lowest single premium 9.5% of family income or less?
          - Yes
            - The child is not eligible for Marketplace subsidies.
          - No
            - The child is eligible for Marketplace subsidies.
      - No
        - The child is eligible for Marketplace subsidies.
  - No
    - The child is eligible for Marketplace subsidies.

- Employer pays most of the premium for dependent coverage
- Employer contributes to dependent coverage at a lower rate
- Employer does not contribute to dependent coverage
Insurance Status for Children (0-18) in 2014

- **54.8%** Public
- **39.5%** Private
- **5.8%** Uninsured

Sources: 2014 National Health Interview Surveys (NHIS)
Notes: Children are age 0-18. Health insurance coverage is defined at the time of survey.
Uninsurance for Children Ages 0 to 18 January 2013 through March 2015

Source: 2013 and 2014 National Health Interview Surveys and Early Release of National Health Interview Survey 2015
Uninsurance Rates Narrowed for Children in Different Racial and Ethnic Groups between 1998 and 2014

Source: Preliminary Urban Institute Tabulations of 1998-2014 National Health Interview Survey

Notes: Children defined as ages 0 to 17. Uninsured is at the time of the survey. White and black indicate non-Hispanic white and non-Hispanic black, respectively.
Medicaid/CHIP Coverage Rates Increased for Children in different Racial and Ethnic groups between 1998 and 2014

Source: Preliminary Urban Institute Tabulations of 1998-2014 National Health Interview Surveys
Notes: Children defined as ages 0 to 17. Medicaid/CHIP indicates any reported Medicaid or CHIP coverage. White and black indicate non-Hispanic white and non-Hispanic black respectively.
Access to Care for Children Covered by Medicaid/CHIP

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Had Usual Source of Care</td>
<td>95.3%</td>
<td>97.1%</td>
</tr>
<tr>
<td>Any Unmet Need Because of Costs</td>
<td>9.5%</td>
<td>6.7%***</td>
</tr>
<tr>
<td>Delayed Care Due to Cost, past 12 months</td>
<td>4.6%</td>
<td>1.7%***</td>
</tr>
<tr>
<td>Seen a General Doctor, past 12 months</td>
<td>79.3%</td>
<td>85.3%***</td>
</tr>
<tr>
<td>Seen a Specialist, past 12 months</td>
<td>11.0%</td>
<td>13.1%*</td>
</tr>
<tr>
<td>Seen a Dentist, past 12 months</td>
<td>63.5%</td>
<td>77.6%***</td>
</tr>
<tr>
<td>Delayed Care Because Couldn't Get Appointment, past 12 months</td>
<td>4.7%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Source: Preliminary Urban Institute tabulation of 2000 and 2014 National Health Interview Surveys (NHIS)
Notes: Children defined as 0-17. Health insurance coverage is defined at the time of survey. Medicaid/CHIP is any reported Medicaid or CHIP coverage. Any unmet need includes medical care, dental care, mental health care, prescription drugs and eyeglasses. * and *** signify that point estimate for 2014 is different from 2000 at the p < 0.10 and p < .01 level, respectively.
Access Measures for Children (0-17) in 2014 by Coverage Type

- Had Usual Source of Care
  - Uninsured: 72.0%
  - Medicaid/CHIP: 97.1%
  - Private: 98.1%

- Any Unmet Need Because of Costs
  - Uninsured: 26.5%
  - Medicaid/CHIP: 6.7%
  - Private: 4.3%

- Delayed Care Due to Cost, past 12 months
  - Uninsured: 17.4%
  - Medicaid/CHIP: 1.7%
  - Private: 1.7%

- Seen General Doctor, past 12 months
  - Uninsured: 63.0%
  - Medicaid/CHIP: 85.3%
  - Private: 86.2%

- Seen a Specialist, past 12 months
  - Uninsured: 7.5%
  - Medicaid/CHIP: 13.1%
  - Private: 15.7%

Sources: 2014 National Health Interview Surveys (NHIS)
Notes: Children are age 0-17. Health insurance coverage is defined at the time of survey. Medicaid/CHIP includes Medicaid and CHIP.
Uninsurance Rates Among Children (0-18) by Selected Characteristics

- All Children: 5.8%
- Hispanic: 10.3%
- Ages 13-18: 7.6%
- Any Noncitizen in Household: 12.2%
- Income below 100% FPL: 7.1%
- Income between 100 and 200% of FPL: 9.0%

Source: 2014 National Health Interview Survey
Notes: Uninsurance is at time of survey.
Stated Reasons Children Lack Health Insurance Coverage

- Cost is too high: 38.1%
- Lost job or lost spouse's/parent's insurance: 23.6%
- Lost Medicaid/Medical Plan: 21.2%
- Chooses not to/No need: 2.4%
- Other: 19.0%

Source: 2014 National Health Interview Survey
Notes: Uninsurance is at time of survey.
Number (in millions) of Uninsured Children Eligible for Medicaid or the Children’s Health Insurance Program

Source: April 2015 The Urban Institute. Tabulations of the Urban Institute Health Policy Center’s ACS Medicaid/CHIP Eligibility Simulation Model developed by Victoria Lynch under a grant from the Robert Wood Johnson Foundation based on American Community Survey (ACS) data from the Integrated Public Use Microdata Series (IPUMS) from 2008-2013.

Notes: Estimates reflect an adjustment for the misreporting of coverage on the ACS. *** indicates difference from prior year is significant at the .01 level. Children defined as ages 0 to 18.
Eligibility of Uninsured Children for Medicaid/CHIP Coverage, 2013

- Not Eligible for Medicaid/CHIP (1.8 million) - 31.2%
- Eligible for Medicaid/CHIP, Less than 133% FPL (2.5 million) - 42.7%
- Eligible for Medicaid/CHIP, Greater than 133% FPL (1.5 million) - 25.2%

5.8 million uninsured in total

Source: Analysis of Urban Institute Health Policy Center’s ACS Medicaid/CHIP Eligibility Simulation Model, based on data from the 2013 American Community Survey (ACS). Notes: Estimates reflect an adjustment for misclassified coverage.
What would happen without Federal CHIP Funding?

- Children in **Medicaid CHIP programs** retain Medicaid, but states would receive lower Medicaid match rate; **Separate CHIP programs** would be discontinued.

- Children eligible for Marketplace subsidies can **join their parents’ Marketplace plan or be covered by a child-only plan** (for example, children of undocumented immigrants).

- Children with coverage available through a **parent’s employer** can be added to that plan.

- **Additional costs** associated with covering the child will depend on whether parents already enrolled, with much higher costs if not.
Health Coverage Among Children Age 0–18 Under Discontinuation of Separate CHIP

Approximately 3.7 million children projected to be in separate CHIP in 2016 if CHIP is continued.

Note: ESI is employer-sponsored insurance.
Projected Number of Uninsured Children and Child Uninsured Rate, 2016

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Pre-ACA</th>
<th>Current Eligibility</th>
<th>Without S-CHIP</th>
<th>Without MOE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without the ACA</td>
<td>7.5%</td>
<td>3.6%</td>
<td>5.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td></td>
<td>5.9 M</td>
<td>2.9 M</td>
<td>4.0 M</td>
<td>4.9 M</td>
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</table>

Projected Number of Uninsured Children and Uninsured Rates by Income

*In 2016 under Alternative CHIP and MOE Scenarios*

<table>
<thead>
<tr>
<th></th>
<th>All Incomes</th>
<th>Less than 138% of FPL</th>
<th>138–200% of FPL</th>
<th>200–400% of FPL</th>
<th>Over 400% of FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Uninsured</td>
<td>Rate</td>
<td>Uninsured</td>
<td>Rate</td>
<td>Uninsured</td>
</tr>
<tr>
<td>Without the ACA</td>
<td>5,911,000</td>
<td>7.5%</td>
<td>2,726,000</td>
<td>9.1%</td>
<td>939,000</td>
</tr>
<tr>
<td>Current ACA</td>
<td>2,876,000</td>
<td>3.6%</td>
<td>818,000</td>
<td>2.7%</td>
<td>501,000</td>
</tr>
<tr>
<td>Without S-CHIP</td>
<td>4,024,000</td>
<td>5.1%</td>
<td>818,000</td>
<td>2.7%</td>
<td>1,205,000</td>
</tr>
<tr>
<td>Without MOE</td>
<td>4,852,000</td>
<td>6.1%</td>
<td>818,000</td>
<td>2.7%</td>
<td>1,881,000</td>
</tr>
</tbody>
</table>

**Source:** Urban Institute analysis of HIPSM-ACS enhanced with MEPS-IC data from the AHRQ.

**Note:** FPL = the federal poverty level. Under the “Without S-CHIP” scenario, eligibility for separate CHIP programs is eliminated in states that have such programs. Under the “Without MOE” scenario, Medicaid and CHIP eligibility above 138 percent of FPL is eliminated in all states.
Issues to Track

- Coordination of coverage between Medicaid, CHIP, Marketplaces
  - Churning and gaps in coverage and resulting discontinuities in care

- Enrollment and retention of children in Medicaid and CHIP

- Access and affordability for children with Medicaid, CHIP, employer coverage and marketplace plans

- 2017 is just around the corner….so future of CHIP will be front and center again fairly soon—with even more uncertainty in 2019 as the MOE expires
Selected References


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