ASPE ISSUE BRIEF

CHILDREN'S HEALTH COVERAGE ON THE 5TH ANNIVERSARY OF CHIPRA

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The fifth anniversary of the Children's Health Insurance Program Reauthorization Act (CHIPRA), which President Obama signed into law on February 4, 2009, provides an opportunity to take stock of the impact of the Children's Health Insurance Program (CHIP) and Medicaid on the health insurance coverage of children; their access to health care services; and the financial security of their parents.[1]

Key Findings

Health Insurance Coverage:

- The expansion of health insurance coverage through Medicaid and CHIP has reduced the share of low-income children who are uninsured from 25 percent in 1997 to 13 percent in 2012. There are 4 million more children insured in Medicaid or CHIP since CHIP was reauthorized; this corresponds to a decline of 3 percentage points in the share of children without health insurance.
- The gains in coverage have been experienced among low-income children in all racial and ethnic groups, but are especially striking for low-income Latino children: the share of low-income Latino children who are uninsured fell from 34 percent in 1997 to 17 percent in 2012.

Access to Health Care Services:

- The availability of CHIP has improved children's access to health care services: four-fifths of children received a preventive visit and 86 percent had a doctor or other health professional visit in 2012.

Parents' Financial Security:

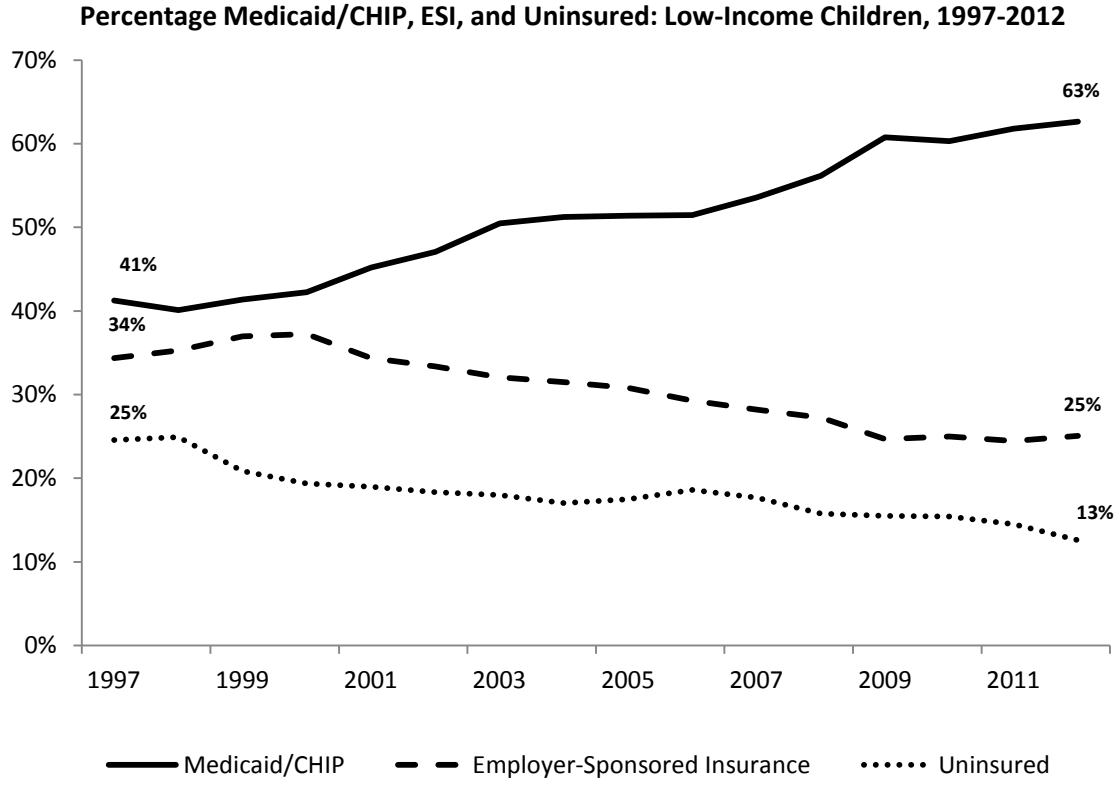
- CHIP coverage has provided parents with financial security regarding the health care needs of their children and has reduced parents' worries about their children's health: 92 percent of parents of CHIP enrollees never or rarely had problems paying their child's medical bills for care.

[1] The CHIPRA Annual Reports available at http://www.insurekidsnow.gov/professionals/reports/index.html provide details of the accomplishments summarized in this brief.

I. Health Insurance Coverage

During the period from 1997 to 2012, the share of children with incomes at or below 200 percent of poverty who are uninsured was cut nearly by half, from 25 percent in 1997 to 13 percent in 2012 (Figure 1). The rate of uninsured low-income children declined by 3 percentage points from 2008 to 2012, despite the economic downturn that occurred in this period. There were 4 million more children insured in Medicaid or CHIP in 2012 compared with 2008, the year prior to enactment of CHIP reauthorization. Employer-sponsored coverage declined from 34 to 25 percent of low-income children over this 15-year period. Coverage in Medicaid and CHIP grew from 41 percent of low-income children in 1997 to 56 percent in 2008 to 63 percent in 2012.

Figure 1. Medicaid/CHIP Coverage Fueled Drop in Uninsurance Among Low-Income Children, Despite Decline in ESI



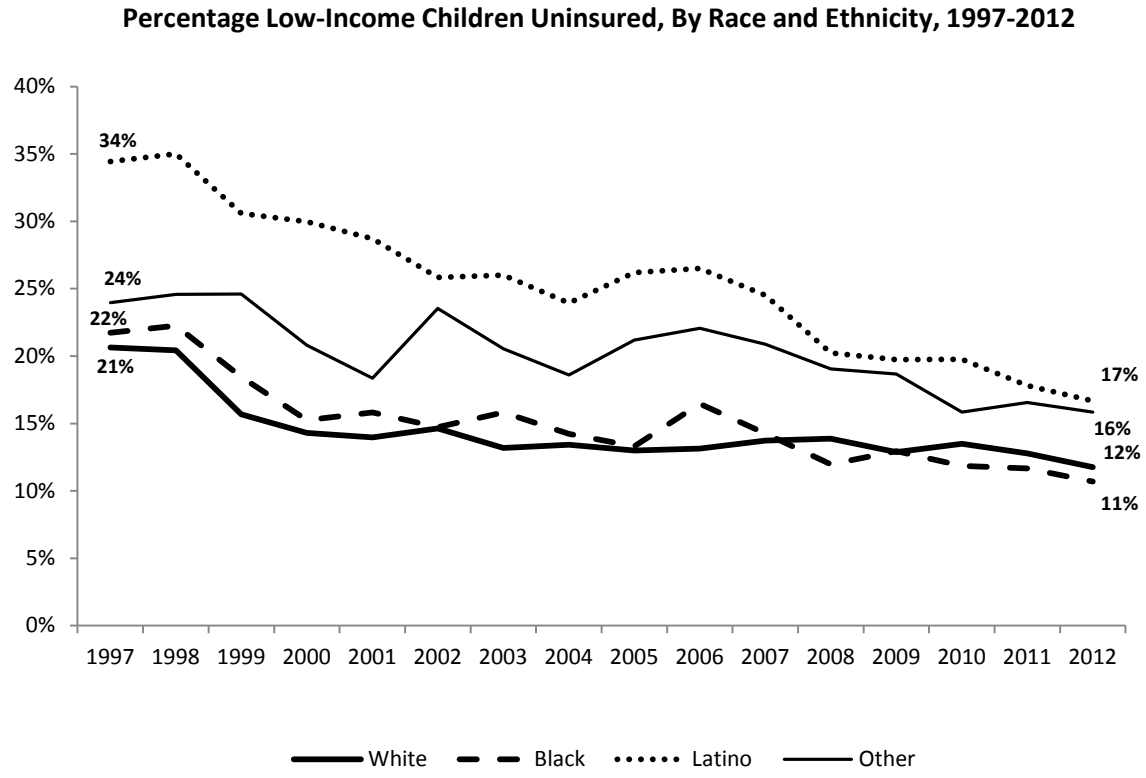
Source: ASPE computations from Current Population Survey Annual Social and Economic Supplement (CPS-ASEC) data for Calendar Years 1997-2012 (March 1998 – March 2013 surveys).

Notes: Children are ages 0-18. Low-income is below 200 percent of poverty.

These gains in coverage have occurred among all racial and ethnic groups, but they are especially striking among Latino children (Figure 2). The share of Latino low-income children who are uninsured fell from 34 percent in 1997 (9 percentage points higher than the rate for all low-income children) to 20 percent in 2008 to 17 percent in 2012 (only 4 percentage points higher than the rate for all low-income children). The percentage uninsured fell from 21 percent

to 14 percent in 2008 to 12 percent for White low-income children; from 22 percent to 12 percent in 2008 to 11 percent for African American low-income children; and from 24 percent to 19 percent in 2008 to 16 percent for Other low-income children, a category that combines Asian Americans, American Indians and Alaska Natives, and Native Hawaiians and Other Pacific Islanders due to small sample sizes for these groups.

Figure 2. Gains in Coverage Evident for Children in All Racial and Ethnic Groups, But Largest for Latinos



Source: ASPE computations from Current Population Survey Annual Social and Economic Supplement (CPS-ASEC) data for Calendar Years 1997-2012 (March 1998 – March 2013 surveys).

Notes: Children are ages 0-18. Low-income is below 200 percent of poverty. Latino includes all races. Other includes Asian-American, Native-Hawaiian and Other Pacific Islander, and American Indian and Alaska Native. Non-Latino respondents indicating more than one race are assigned to a primary race.

II. Children's Access to Health Care Services

A survey of parents of CHIP enrollees in 10 states found that most CHIP enrollees (88 percent) had a usual source of care in the last 12 months and that 83 percent of CHIP parents found it

usually or always easy to get appointments.[2] The same survey also found that four-fifths of children received a preventive visit and 86 percent had a doctor or other health professional visit in 2012.

III. Parents Financial Security

Most parents of CHIP enrollees (84 percent) were never or not very often stressed about meeting their child's health care needs, and 92 percent of parents of CHIP enrollees never or rarely had problems paying their child's medical bills for care.[3] In contrast, almost half of the uninsured are not confident that they can pay for the health care services they need.[4]

IV. Innovations Introduced by CHIPRA

CHIPRA increased CHIP funding and gave states new flexibility to expand eligibility and increase participation rates among eligible children. CHIPRA authorized states to use Express Lane Eligibility (ELE), under which state CHIP or Medicaid agencies can use another public program's eligibility findings to make them eligible for health coverage.[5] For example, Louisiana's Department of Health and Hospitals chose the Department of Children and Family Services, which administers the Supplemental Nutrition Assistance Program (SNAP, formerly known as "Food Stamps"), as its partner in enrolling and renewing eligible children in Medicaid. Ten percent of children's new Medicaid enrollments, and twenty percent of children's Medicaid renewals, now come through ELE, and implementing ELE saves Louisiana nearly $1 million per year in administrative costs.[6]

CHIPRA also included outreach and enrollment grant funding to promote effective enrollment and renewal strategies (continued under the Affordable Care Act); provided performance bonuses for states adopting innovative approaches to covering more children; and extended automatic eligibility to newborns whose mothers are covered by CHIP.[7] CHIPRA, finally, gave states the option to eliminate the 5-year waiting period for immigrant children who are lawfully present in this country. More than half the states have done so.[8]

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[2] 2012 Survey of CHIP and Medicaid Enrollees and Disenrollees, conducted by Mathematica Policy Research for ASPE.
[3] 2012 Survey of CHIP and Medicaid Enrollees and Disenrollees, conducted by Mathematica Policy Research for ASPE.
[4] Kaiser Family Foundation, *Key Facts About the Uninsured Population*, September 26, 2013. http://kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/ (accessed February 2, 2014).
[5] Sheila Hoag et al. *CHIPRA Mandated Evaluation of Express Lane Eligibility: Final Findings.* Mathematica Policy Research. December 2013. http://aspe.hhs.gov/health/reports/2013/ELE/ELE%20Final%20Report%20to%20ASPE%2012%2011%2013.pdf (accessed February 2, 2014).
[6] Hoag et al., p. 122.
[7] Newborns whose mothers are covered by Medicaid were automatically eligible prior to CHIPRA.
[8] A detailed chart by state is available at http://www.insurekidsnow.gov/professionals/eligibility/lawfully_residing.html.

On the first anniversary of CHIPRA, February 4, 2010, Secretary of Health and Human Services Kathleen Sebelius issued her Connecting Kids to Coverage challenge, asking states and communities to help enroll eligible uninsured children in CHIP and Medicaid. Too many uninsured children appeared to be eligible for CHIP or Medicaid but were unenrolled. By 2012, the estimated number of eligible uninsured children had dropped from 4.9 million in 2008 to 3.7 million, and the estimated percentage of eligible children enrolled in Medicaid or CHIP had increased from 82 to 88 percent.[9] This progress, moreover, came at a time when economic conditions placed more children below Medicaid or CHIP income eligibility limits.

V. Conclusion

Looking at the big picture, CHIPRA's successes include:

- Increased health insurance coverage;
- Improved access to health care; and
- Reduced financial burdens and stress for parents.

In sum, CHIPRA has succeeded in significantly reducing the number of uninsured children in this country and in protecting their coverage during a period of significant economic hardship.

[9] Analysis 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 to 2012. For more information on data and methods, see http://www.urban.org/uploadedpdf/412901-%20Medicaid-CHIP-Participation-Rates-Among-Children-An-Update.pdf. Participation rates are the ratio of eligible children enrolled in Medicaid or CHIP to that number plus eligible children not enrolled in Medicaid or CHIP. The counts children with both Medicaid/CHIP and employer-provided/union-based, military, or private nongroup coverage and those with Medicaid/CHIP coverage without a known eligibility pathway.