



Rx: Health Care FYI #50

Subject: *Ensuring Our Children Receive Health Care*
From: *Rep. Tim Murphy (PA-18)*
Date: *March 5, 2007*

The problem: Researchers estimate that up to 74 percent of children currently without health insurance are actually eligible for coverage under existing government programs.¹

What is the State Children's Health Insurance Program (SCHIP)?

- Congress has provided \$40 billion over the last 10 years to the State Children's Health Insurance Program (SCHIP) to provide health care to children who live in families with incomes above Medicaid eligibility up to 200% of the Federal Poverty Level (FPL) (\$41,300 for a family of four). States applied for waivers to go above 200% of poverty. States have three years to spend funds, after which unspent funds may be redistributed by the federal government.

SCHIP is a flexible program:

- States have flexibility in setting up SCHIP programs: 18 states created separate child health programs, 11 states expanded Medicaid programs and 21 combined the two. 39 states require cost-sharing, 41 states opted to cover children in families with incomes above 200% of the FPL, 7 cover children in families of 300% of FPL or higher (over \$61,950 for a family of four). In addition to children, 14 states also cover adults, including the parents of SCHIP children, pregnant woman or childless adults.²

A number of states with a shortfall in SCHIP funding have a majority of adults enrolled in their programs:

- 639,000 total adults enrolled are currently enrolled in the SCHIP program. In six states experiencing a shortfall of funding under SCHIP, adults accounted for an average of 55% of enrollees.³

Millions of children remain eligible for health care coverage:

- 6 million uninsured children are eligible for Medicaid or SCHIP but not enrolled.⁴

¹ Dubay, Lisa. et al., "The Uninsured and the Affordability of Health Insurance Coverage," Health Affairs. November 2006.

² CMS. February 2007.

³ Allen, Kathryn. Children's Health Insurance. State's SCHIP Enrollment and Spending Experiences and Considerations in Reauthorization. February 15, 2007.

⁴ Lambrew, Jeanne. Testimony before the U.S. House Energy and Commerce Committee. February 14, 2007

- Over 18% of uninsured children who meet the income requirements for SCHIP are noncitizens.⁵
- 60% of SCHIP-income eligible children have a parent working for a large firm (500 workers) with employer-sponsored insurance.⁶

Enrolling eligible children in health care improves outcomes:

- One study found unmet child health care needs fell by 41 percent in 1 year after enrollment in a state insurance program that provided medical or dental care.⁷
- A study of 383 enrolled children in SCHIP had six fewer asthma attacks and reduced hospitalization by 8%.⁸
- Among the parents of low-income uninsured children, 84% have stated they would enroll if told the child is eligible.⁹

Recommendations:

- Reauthorize the State Children’s Health Insurance program to continue providing health care and lower the number of children without health insurance.
- Encourage continuation of employer sponsored health care benefits for families.
- Increase public education to families on eligibility and benefits for enrolling children in SCHIP and Medicaid.
- Encourage states to link Medicaid and SCHIP eligibility data to school lunch assistance program data to simplify enrollment for parents.
- Expand children and family access to primary and preventive care at Community Health Centers saving 30 percent in annual Medicaid spending.
- Help make health care more available by reducing costs such as eliminating healthcare-acquired infections saving \$50 billion per year.

⁵ Ibid.

⁶ Kenney, Genevieve and Allison Cook. Coverage Patterns among SCHIP-Eligible Children and Their Parents. Urban Institute. February 2007.

⁷ Lave, J.R. Et. al. Impact of a Children’s Health Insurance Program on Newly Enrolled Children. Journal of the American Medical Association. 1998.

⁸ Szilagyi, P.G.; Dick, A.W.; Klein, J.D. Et al. Improved Asthma Care After Enrollment in the State Children’s Health Insurance Program in New York. Pediatrics. 2005.

⁹ Congressionally Mandated Evaluation of the State Children’s Health Insurance Program. Final Report to Congress. Mathematica Policy Research. October 26, 2005.