



Memorandum

March 13, 2007

SUBJECT: Estimates of SCHIP Child Enrollees Up to 200% of Poverty, Above 200% of Poverty, and of SCHIP Adult Enrollees**FROM:** Chris L. Peterson and Elicia J. Herz
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Based largely on data from the Centers for Medicare and Medicaid Services (CMS), more than 7.4 million people received coverage from the State Children's Health Insurance Program (SCHIP) in FY2006. Approximately 6.7 million of these were children (under age 19) and 701,000 were adults.

The CMS data permit state-level analyses of enrollees by income-eligibility level. The SCHIP statute defines a "low-income child" as those at or below 200% of poverty.¹ This memorandum provides estimates of child enrollees in SCHIP with family income up to 200% of poverty, those who are above 200% of poverty, and the number of adult SCHIP enrollees.

Of the 6.7 million children enrolled in SCHIP in FY2006, approximately 6.15 million are estimated to be at or below 200% of poverty; 586,000 are estimated to be above 200% of poverty, as shown in **Table 1**. Virtually all of the 700,596 adult SCHIP enrollees were at or below 200% of poverty.²

Children at or below 200% of poverty make up 83% of total SCHIP enrollment. Children above 200% of poverty comprise 8%, and adults (regardless of income) another 9% of total SCHIP enrollment. The state-level percentages of SCHIP enrollees in FY2006 are shown in **Table 2** (totals may not sum due to rounding).

¹ Title XXI of the Social Security Act, Section 2110(c)(4). In FY2006, 200% of poverty for a family of four was \$40,000 [<http://aspe.hhs.gov/poverty/figures-fed-reg.shtml>].

² Rhode Island was the only state with SCHIP-enrolled adults (specifically pregnant women) above 200% of poverty in FY2006. The state covered pregnant women up to 250% of poverty in its SCHIP program in FY2006. (Most of the state's adult SCHIP enrollment is among parents, who are eligible up to 185% of poverty.) Rhode Island reported 354 adult enrollees who qualified as pregnant women. Of these 354 enrollees, 211 were above 200% of poverty.

Source of Data. The data for this analysis were provided by CMS from their SCHIP Statistical Enrollment Data System (SEDS). SCHIP enrollment data are reported by states to CMS on a quarterly and annual basis using SEDS. Enrollment counts are provided for separate SCHIP programs (SSP), SCHIP Medicaid expansions (MXP), and traditional Medicaid. Data are also collected for adults in SCHIP waiver demonstrations. Counts of children are broken out by age and income categories that are state-defined. At a minimum, states report enrollment for children in families with income below and above 150% FPL. States may define other income groupings depending on their cost-sharing rules (for example, when they require different premiums or co-payments for different income-level groups).

There are two types of income disregards used by states, each accounted for differently in the numbers reported in SEDS. The first type is exclusions of particular dollar amounts or types of income (or certain *expenses*, such as child care expenses). Nearly every state uses such disregards in SCHIP.³ These disregards often mirror the disregards in states' Medicaid programs, particularly for SCHIP Medicaid-expansion programs.⁴ Although an individual's *gross* family income may be above the state's upper-income eligibility level for SCHIP, the person may qualify because the person's *net* family income (taking into account the state's disregards) falls below the upper-income threshold. The SCHIP statute provides flexibility for states to use such disregards.⁵ The income levels in SEDS reflect income net of the

³ Forty-six states used a basic income disregard in their SCHIP programs as of December 31, 2002, through July 31, 2003, according to Table 1 of CRS Report RL32389, *A State-by-State Compilation of Key State Children's Health Insurance Program (SCHIP) Characteristics*, by Elicia J. Herz et al., May 19, 2004, available at [<http://www.congress.gov/erp/rl/pdf/RL32389.pdf>].

⁴ Income disregards in the Medicaid context (in particular, for the Section 1931 pathway for families) are discussed in CRS Report RL33019, *Medicaid Eligibility for Adults and Children*, by Jean Hearne, September 19, 2005, available at [<http://www.congress.gov/erp/rl/pdf/RL33019.pdf>]. As discussed in that report (p. 7), "States are required to disregard certain amounts and types of income when determining eligibility, because those 'income disregards' were part of the income counting methods in place in 1996. In almost all states, that means that the first \$50 of child support payments is 'disregarded' or not counted for the purpose of determining Medicaid eligibility. In addition, certain portions of a family's earned income is not counted and the portion is disregarded in decreasing amounts over time. During the first four months of employment, \$120 plus one-third of remaining earnings per month are not counted. After four months of enrollment, \$120 per month of earnings are disregarded. Finally, after a family is on the program for 12 months, \$90 of earnings per month are disregarded. The earned income disregards are intended to lessen the immediate impact of the transition to work. Many states also disregard a child care allowance of \$175 per month per child over age two and \$200 per month for children under age two. In addition to these minimum income disregards, many states have used the additional flexibility to define countable income to make this pathway considerably more generous than under the former AFDC program rules."

Page 10 of the report also says, "About half of the states report imposing a gross income standard [for the Medicaid Section 1931 eligibility pathway]. This is an income test that is applied before any income is disregarded or alternative methodologies for counting income are used. It is the sum of the total countable gross monthly earned income of all family members and the total countable monthly unearned income of family members. The family is able to proceed to the eligibility determination process only if its gross income is, at most, a certain percentage of the selected standard, often between 133% and 185% of the federal poverty level."

⁵ For example, the SCHIP statute's definition of a "targeted low-income child" includes a child
(continued...)

disregards of this type, since this is how states provide the information to CMS (and is the basis on which enrollees' eligibility is determined). It is not possible to ascertain from these data what these enrollees' gross income was, even if one knew the amounts and types of disregards the state employs.

The second type of income disregard is when a state excludes an entire block of percent-of-poverty income. For example, New Jersey's SCHIP program covers children with *net* family income up to 200% of poverty. The state excludes all family income between 200% and 350% of poverty. As a result, children with *gross* family income up to 350% of poverty may be eligible for the state's SCHIP program. States are required to report their enrollment by income *without* taking into account the impact of this kind of disregard on net income. As a result, New Jersey shows enrollment of 108,160 children at or below 200% of poverty and 34,645 children above 200% of poverty. If the state reported enrollment by income *net* of its percent-of-poverty disregard, all of its child enrollment would be at or below 200% of poverty.

The SEDS makes it possible to group 97% of child SCHIP enrollees as either at or below 200% of poverty versus above 200% of poverty. However, approximately 215,000 SCHIP-enrolled children in seven states⁶ were in an income-eligibility band that included both groups. For example, of New York's 688,362 child enrollees, 135,586 were in the income category of 160%-222% of poverty, according to SEDS. In order to estimate the number of these enrollees who were at or below 200% of poverty, it is assumed that the 135,586 were proportionally distributed across the range of 160%-222% of poverty. Accordingly, it is assumed that 87,475 in the 160%-222% category were actually at or below 200% of poverty.⁷ The same methodology is applied to the other six states.

⁵ (...continued)

“whose family income (*as determined under the State child health plan*) exceeds the medicaid applicable income level but does not exceed 50 percentage points above the medicaid applicable income level” (Section 2110(b)(1)(B)(ii)(I) of the Social Security Act, emphasis added). The Medicaid statute provides similar flexibility to states in defining countable income (e.g., Section 1902(r)(2) of the Social Security Act).

⁶ Connecticut, Minnesota, Missouri, New Hampshire, New Mexico, New York, and Rhode Island.

⁷ $135,586 \times (200-160)/(222-160) = 87,475$

Table 1. Estimated Number of Individuals Enrolled in SCHIP in FY2006

State	Children			Adults				Total enrollees
	At or Below 200%	Above 200%	Total children	Pregnant women	Parents	Childless adults	Total adults	
U.S.	6,147,569	586,117	6,733,686	4,123	498,513	197,960	700,596	7,434,282
Alabama	84,257		84,257					84,257
Alaska	22,227		22,227					22,227
Arizona	96,669		96,669		24,769	84,969	109,738	206,407
Arkansas	90,218		90,218					90,218
California	1,060,709	330,696	1,391,405					1,391,405
Colorado	69,997		69,997	2,625			2,625	72,622
Connecticut	2,838	20,272	23,110					23,110
Delaware	10,751		10,751					10,751
DC	6,332		6,332					6,332
Florida	303,595		303,595					303,595
Georgia	316,832	26,858	343,690					343,690
Hawaii	22,031		22,031					22,031
Idaho	24,727		24,727	^a	277	105	382	25,109
Illinois	316,781		316,781		209,622	1,492	211,114	527,895
Indiana	133,696		133,696					133,696
Iowa	49,575		49,575					49,575
Kansas	48,934		48,934					48,934
Kentucky	64,861		64,861					64,861
Louisiana	142,389		142,389					142,389
Maine	31,114		31,114					31,114
Maryland	119,434	16,600	136,034					136,034
Massachusetts	190,640		190,640					190,640
Michigan	118,501		118,501			101,919	101,919	220,420
Minnesota	5,252	91	5,343		34,313		34,313	39,656
Mississippi	83,359		83,359					83,359
Missouri	89,655	16,922	106,577					106,577
Montana	17,304		17,304					17,304
Nebraska	44,981		44,981					44,981
Nevada	35,952	3,365	39,317					39,317

State	Children			Adults				Total enrollees
	At or Below 200%	Above 200%	Total children	Pregnant women	Parents	Childless adults	Total adults	
New Hampshire	2,112	10,281	12,393					12,393
New Jersey	108,160	34,645	142,805	205	88,401		88,606	231,411
New Mexico	7,187	17,968	25,155		2,756	3,031	5,787	30,942
New York	603,753	84,609	688,362					688,362
North Carolina	248,340	26	248,366					248,366
North Dakota	6,318		6,318					6,318
Ohio	218,529		218,529					218,529
Oklahoma	116,012		116,012					116,012
Oregon	59,039		59,039	a	7,306	6,444	13,750	72,789
Pennsylvania	188,765		188,765					188,765
Rhode Island	22,447	3,045	25,492	354	20,771		21,125	46,617
South Carolina	68,870		68,870					68,870
South Dakota	14,584		14,584					14,584
Texas	585,461		585,461					585,461
Utah	51,967		51,967					51,967
Vermont	0	6,314	6,314					6,314
Virginia	137,642		137,642	939			939	138,581
Washington	575	14,425	15,000					15,000
West Virginia	39,855		39,855					39,855
Wisconsin	56,627		56,627		110,298		110,298	166,925
Wyoming	7,715		7,715					7,715

Source: Congressional Research Service (CRS) analysis of data from the SCHIP Statistical Enrollment Data System (SEDS) provided by the Centers for Medicare and Medicaid Services (CMS).

a. States did not report for these populations.

Note: Tennessee had no SCHIP enrollees in FY2006.

Table 2. Estimated Percentage of Individuals Enrolled in SCHIP in FY2006

State	Children			Pregnant women	Adults			Total enrollees
	At or Below 200%	Above 200%	Total children		Parents	Childless adults	Total adults	
U.S.	83%	8%	91%	0%	7%	3%	9%	100%
Alabama	100%		100%					100%
Alaska	100%		100%					100%
Arizona	47%		47%		12%	41%	53%	100%
Arkansas	100%		100%					100%
California	76%	24%	100%					100%
Colorado	96%		96%	4%			4%	100%
Connecticut	12%	88%	100%					100%
Delaware	100%		100%					100%
DC	100%		100%					100%
Florida	100%		100%					100%
Georgia	92%	8%	100%					100%
Hawaii	100%		100%					100%
Idaho	98%		98%	a	1%	0%	2%	100%
Illinois	60%		60%		40%	0%	40%	100%
Indiana	100%		100%					100%
Iowa	100%		100%					100%
Kansas	100%		100%					100%
Kentucky	100%		100%					100%
Louisiana	100%		100%					100%
Maine	100%		100%					100%
Maryland	88%	12%	100%					100%
Massachusetts	100%		100%					100%
Michigan	54%		54%			46%	46%	100%
Minnesota	13%	0%	13%		87%		87%	100%
Mississippi	100%		100%					100%
Missouri	84%	16%	100%					100%
Montana	100%		100%					100%
Nebraska	100%		100%					100%
Nevada	91%	9%	100%					100%

State	Children			Adults			Total enrollees
	At or Below 200%	Above 200%	Total children	Pregnant women	Parents	Childless adults	
New Hampshire	17%	83%	100%				100%
New Jersey	47%	15%	62%	0%	38%		38%
New Mexico	23%	58%	81%		9%	10%	19%
New York	88%	12%	100%				100%
North Carolina	100%	0%	100%				100%
North Dakota	100%		100%				100%
Ohio	100%		100%				100%
Oklahoma	100%		100%				100%
Oregon	81%		81%	a	10%	9%	19%
Pennsylvania	100%		100%				100%
Rhode Island	48%	7%	55%	1%	45%		45%
South Carolina	100%		100%				100%
South Dakota	100%		100%				100%
Texas	100%		100%				100%
Utah	100%		100%				100%
Vermont	0%	100%	100%				100%
Virginia	99%		99%	1%			1%
Washington	4%	96%	100%				100%
West Virginia	100%		100%				100%
Wisconsin	34%		34%		66%		66%
Wyoming	100%		100%				100%

Source: Congressional Research Service (CRS) analysis of data from the SCHIP Statistical Enrollment Data System (SEDS) provided by the Centers for Medicare and Medicaid Services (CMS).

a. States did not report for these populations.

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