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CENTER FOR CHILDREN AND FAMILIES

Georgetown UNIVERSITY
Health Policy Institute

Despite Economic Challenges, Progress Continues:

Children's Health Insurance Coverage in the United States from 2008-2010

Key Findings

1. **New data allows for a closer examination of how states are succeeding in covering children. Despite the rise in both unemployment and child poverty over the past few years, the uninsured rate for children nationally has declined from 9.3 percent to 8.0 percent. The success of Medicaid and CHIP programs in reducing the number of uninsured children despite the weak economy is a rare piece of good news.**

2. **Some states have done better than others in reducing the number of uninsured children. Massachusetts continues to have the lowest rate of uninsured children, while Nevada continues to have the highest. In all, 34 states experienced a decrease in their uninsured rate from 2008, while seven states saw an increase– but in only one state, Minnesota, was that increase significant.**

3. **There are some important differences worth noting among demographic groups. Hispanic and Native American children remain disproportionately uninsured, older children are less likely to be covered than younger children, and uninsured rates are higher for children below 50 percent of the poverty level.**

More and more Americans are joining the ranks of the uninsured as the cost of private coverage rose or they lost their jobs in the economic downturn. In 2010, the overall number of uninsured swelled to 47.2 million, an 8.5 percent increase from 2008. However, there was better news for America's children in 2010, as Medicaid and the Children's Health Insurance Program (CHIP) helped families secure coverage even as many more children found themselves living in poverty. The number of children in poverty increased significantly from 13.2 million in 2008 to 15.7 million in 2010.[1] Yet the number of uninsured children decreased from 6.9 million in 2008 to 5.9 million in 2010. In other words, despite the fact that the number of children living in poverty increased by 18.9 percent, the number of uninsured children decreased by 14.0 percent– a true bright spot in an otherwise challenging landscape for America's children.[2]

The progress made in increasing children's health insurance coverage can largely be attributed to the success of Medicaid and CHIP, as they have continued to fill the void created by a decline in employer-sponsored health insurance (ESI) and the rising cost of premiums. Over the last ten years, states have made advances in expanding eligibility to more moderate-income families and have also simplified application and renewal processes to increase children's enrollment and retention in the programs. Bolstered by both the 2009 reauthorization of CHIP and the stability protections in the Affordable Care Act (ACA), these programs have provided much-needed peace of mind to families struggling to gain solid footing during turbulent economic times.[3]

THE AMERICAN COMMUNITY SURVEY

In 2008, the American Community Survey (ACS) began collecting data on health insurance coverage for the first time. Three years of data collection have produced a wealth of information that can be used to assess changes in children's health coverage over time. Due to its large sample size, the ACS is a powerful resource that allows us to analyze health insurance coverage at both the national and state level. Key findings from the data reveal that the national uninsured rate for children has steadily decreased, while at the same time progress in states has varied, with some making great gains and others remaining stable or falling behind.

National Snapshot of Health Insurance Coverage

Over the three-year period from 2008 to 2010, the total uninsured population increased 8.5 percent. Yet, children have fared far better than adults, as the decline in the number of uninsured children has almost been matched by the increase in uninsured adults. During this time period, children's uninsurance rate fell 14.0 percent, while the uninsurance rate for adults rose 12.8 percent.

The uninsured rate for adults steadily increased over the period from 2008 to 2010, reaching 21.4 percent in 2010 (see Table 1). This is most likely due to the decline in ESI, which decreased by 2.1 percent during the same period.[4] This is not a surprise, given an unemployment rate of 9.3 percent in 2010 and the fact that ESI has been declining for most of the last decade.[5]

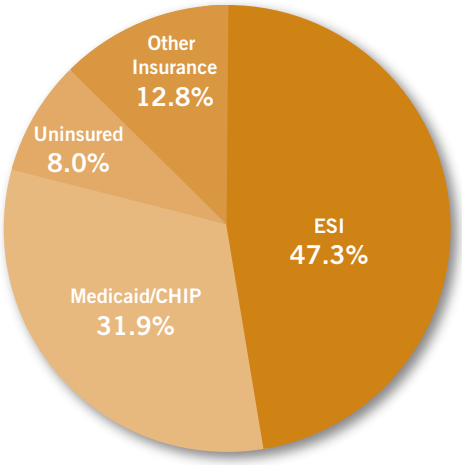
Table 1. Children Are Uninsured at Lower Rates than Adults

Uninsured Rates	2008	2009	2010
Children <18	9.3%	8.6%	8.0%
Adults 18-64	19.3%	20.6%	21.4%

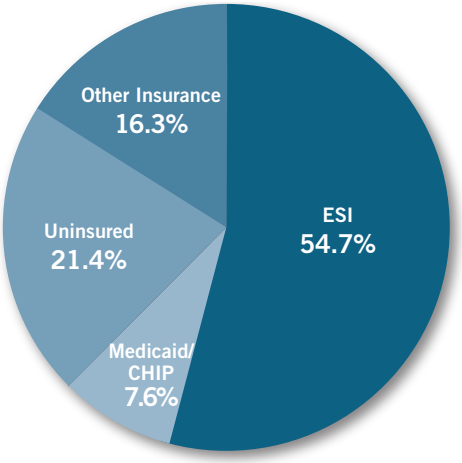
Public vs. Private Insurance

Comparing the rates of health insurance coverage for children and adults by insurance type helps to shed more light on these trends. Despite the decline in ESI for adults, they still continue to be covered by their employers at higher rates than children. This trend is reversed for Medicaid coverage, as children are covered at a rate four times that of adults, reflecting far higher eligibility levels in most states (see Figure 1). While states have made significant progress in expanding coverage for children, eligibility for their parents continues to lag far behind and low-income adults without dependent children remain ineligible for Medicaid in the vast majority of states.[6] As a result, while private coverage decined for both adults and children over the 2008 to 2010 period, public coverage filled in the gap for children (see Table 2 on page 3).

Figure 1. Children Are More Likely to Have Medicaid than Adults



Children's Insurance by Type, 2010



Adults' Insurance by Type, 2010

Note: The rates above for Medicaid and ESI refer to those children and adults that are covered by only that type of insurance. The "Other" category refers to those that may be insured by direct-purchase insurance, Medicare, TRICARE, or the VA, in addition to those that may have a combination of public and/or private coverage.

Table 2. Public Coverage Has Filled the Gap in Declining ESI for Children

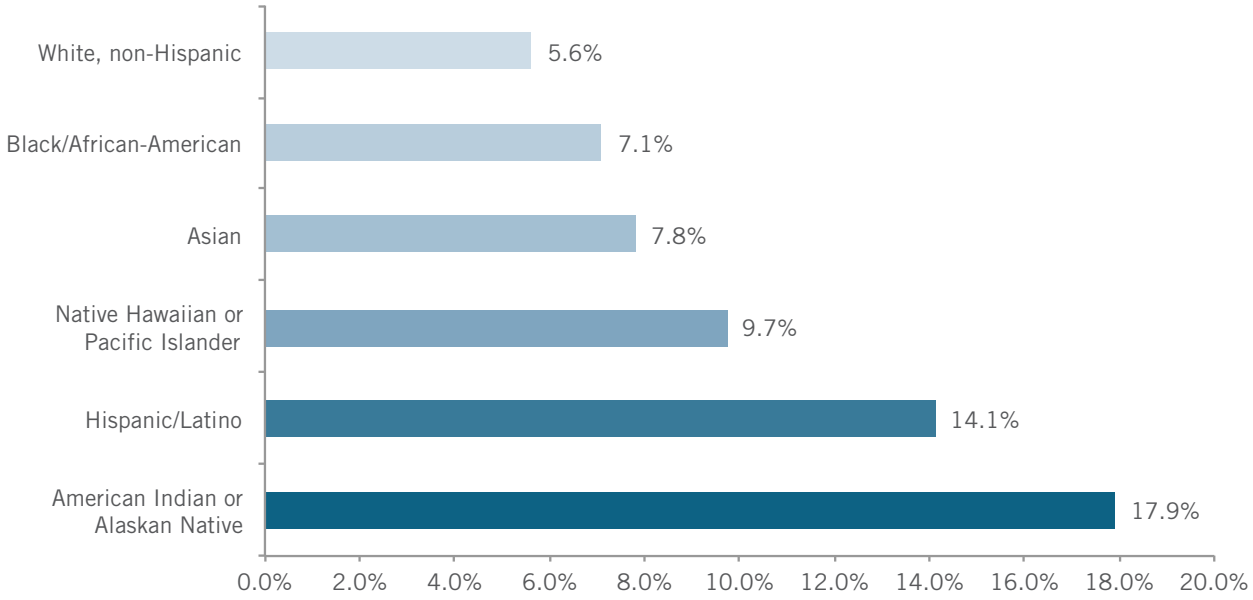
	2008		2010		PERCENTAGE POINT CHANGE FROM 2008-2010	
	Private	Public	Private	Public	Private	Public
Children	64.1%	30.2%	59.6%	36.0%	-4.5%	+5.8%*
Adults	71.8%	12.3%	68.0%	13.5%	-3.8%	+1.2%*

*Significant at the 90% confidence level

Note: Private insurance includes employer-based coverage, as well as direct purchase insurance, and TRICARE. Public Insurance includes Medicaid, Medicare, and VA sponsored health care.

Figure 2. Hispanic and Native American Children are More Likely to be Uninsured

2010 Uninsured Rates



Coverage by Race and Ethnicity

There is large variation in coverage rates for children of different racial and ethnic groups, ranging from a low of 5.6 percent for White non-Hispanics[7], to a high of 17.9 percent for those who identify as American Indian or Alaskan Natives. As Figure 2 shows, the uninsured rates for White, non-Hispanic and African American children are much lower than uninsured rates for Hispanic, American Indian or Alaskan Native children.

Income

Despite the strong gains that have been made in children's health insurance coverage, a troubling finding is that the poorest children have a higher uninsured rate (10.3 percent) as compared to the national average (8.0 percent). These children are all likely eligible for Medicaid, but are not enrolled.[8] Yet, children living in families that are below 50 percent of the federal poverty level (FPL) ($9,155 for a family of three in 2010), continue to be uninsured at higher rates. Table 3 on the following page shows the important role Medicaid plays for low-income families; in fact, Medicaid provides coverage to more than half of children in families with income below 200 percent of the FPL.

Table 3. Medicaid Plays a Major Role in Covering Low-Income Children

	Children's Insurance Coverage by Income Level, 2010					
Percent of FPL	ESI		Medicaid		Uninsured	
Under 100% of FPL	1,757,957	(11.2%)	12,170,146	(77.3%)	1,739,569	(11.0%)
100-199% FPL	5,477,463	(33.4%)	8,581,861	(52.3%)	2,026,540	(12.3%)
200-299% FPL	7,755,643	(61.7%)	2,998,367	(23.9%)	1,122,895	(8.9%)
300-399% FPL	7,047,918	(76.4%)	1,060,523	(11.5%)	478,678	(5.2%)
400% FPL+	16,312,168	(85.6%)	911,497	(4.8%)	438,964	(2.3%)

Age

Coverage for children also varies by age, as older children are one and a half times more likely to be uninsured (9.3 percent) than children under age six (6.4 percent). Older children are less likely to be covered by Medicaid (32.2 percent) than are young children (42.6 percent).

Health Insurance Coverage Across States

While the country has made great progress in covering children, coverage varies dramatically from state to state. The map on page 5 (see Figure 3) shows the disparities in 2010. There are 16 states with a higher rate of uninsured children than the national average, 30 states with lower rates, including D.C., and five states with rates that are not statistically different from the national average. States with rates that are higher than the national average are concentrated in the West and the South, while the majority of states with rates below the national average are located in the Northeast or the Midwest.[9] Just six states (Arizona, California, Florida, Georgia, New York, and Texas) account for more than half of the children without insurance nationally.

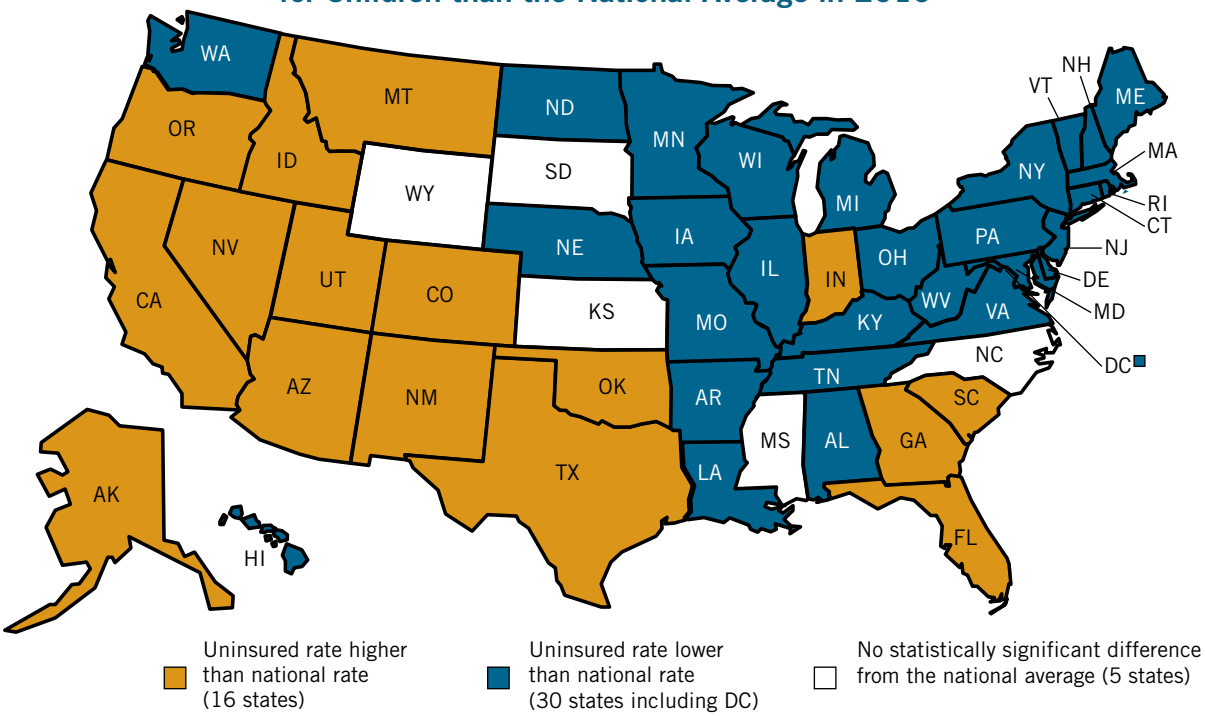
Examining coverage rates by state allows for a more complete understanding of how children's health insurance coverage fared from 2008 to 2010. While some states have improved their rates substantially, others remained relatively steady, or have even fallen behind. For example, Florida had the largest decrease both in the number and rate of uninsured children, while Minnesota had the greatest increase. Still, Florida has six times the number of uninsured children as Minnesota.

In 2010, 34 states saw a statistically significant decrease in the rate of uninsured children from 2008 (see Table 4 in Appendix A). Thirteen states (Arizona, Colorado, Delaware, Florida, Idaho, Maine, Mississippi, Nevada, New Mexico, Oklahoma, Oregon, South Carolina, and Texas) saw their uninsured rate decrease by at least two percentage points. Four states (Connecticut, District of Columbia, Maine, and Vermont) reduced their uninsured rate by a third or more, although, it should be noted that the rates in these states were already relatively low in 2008. While the rate of uninsured children did increase in seven states (Alaska, Hawaii, Kansas, Minnesota, Rhode Island, South Dakota and Wisconsin) over the same three-year period, only Minnesota's increase was statistically significant.

Conclusion

While many uninsured adults will likely have to wait until the implementation of the Affordable Care Act in 2014 to obtain affordable insurance, state progress in the context of a strong foundation of federal law and support has clearly been vital for protecting and expanding children's health insurance coverage. However, the disparities that continue to exist across different racial/ethnic groups, ages, income levels, and between states should also serve as an important reminder of the need to continue to move forward on ensuring children's access to coverage. This will entail continued efforts to remove barriers to enrolling and retaining children in coverage.

Figure 3. 30 States Had Lower Uninsured Rates for Children than the National Average in 2010



Methodology

This fact sheet analyzes data from summary charts on health insurance collected for the 2008, 2009, and 2010 ACS surveys, in order to examine children's coverage in the United States, both at the national and state levels. For more details on the survey, please see the box in Appendix B, "What is the ACS and How Can Its Data be Used?"

Beginning in 2009, the ACS began to apply eligibility edits to account for missing data. Therefore, the original 2008 health insurance coverage data are not directly comparable to data from future years. In order to correct this, the Census Bureau edited the 2008 data and released the "Re-run 2008 1-Year American Fact Finder Data Products." The 2008 data used in this fact sheet come from that re-run.

Percentage rates were not readily available for those re-run 2008 summary tables, but were instead calculated using the given population numbers. Formulas for computing the standard errors of the derived percentages came from the ACS "Instructions for Applying Statistical Testing to ACS 1-Year Data." This allowed us to assess whether the changes in the rate of uninsured children at the state level were statistically significant.

It should also be noted that the 2008 and 2009 data have different sampling weights than the 2010 data, as they are based on different decennial census population baselines. With respect to the accuracy of the information contained in this fact sheet, it is the Census Bureau's initial analysis that the differing population controls will not have a "meaningful impact in the percent distributions, rates, or ratios for non-demographic characteristics for many of the largest geographic areas." The only cross-year comparisons that are made here are at the state level, which typically contain a large enough population sample not to throw off the estimates. However, we have disaggregated the data by age, and therefore some caution should be used.[10]

Finally, the Census estimates used within the fact sheet are not adjusted to address the possible Medicaid undercount found in surveys, which may be accentuated by the absence of state specific health insurance program names in the survey.

Endnotes

1 Poverty figures come from 2008 and 2010 ACS data tables.

2 Both the 2010 increase in child poverty and the decrease in uninsured children represent statistically significant changes from 2009 at the 90 percent confidence level.

3 The ACA included stability protections, or maintenance of effort requirements, that require states to maintain their eligibility and enrollment policies for children in Medicaid and CHIP through 2019.

4 M. Brault & L. Blumenthal, "Health Insurance Coverage of Workers Aged 18 to 64, by Work Experience: 2008 and 2010," U.S. Census Bureau (September 2011).

5 E. Gould, "Economic Indicators: 2010 Marks Another Year of Decline for Employer-Sponsored Health Insurance Coverage," Economic Policy Institute (September 13, 2011).

6 M. Heberlein, et al., "Holding Steady, Looking Ahead: Annual Findings of a 50-State Survey of Eligibility Rules, Enrollment and Renewal Procedures, and Cost Sharing Practices in Medicaid and CHIP, 2010-2011," Kaiser Commission on Medicaid and the Uninsured (January 11, 2011).

7 The Census Bureau uses the "alone" category to refer to those individuals that identified themselves as only belonging to that one racial category. Individuals that identify as Hispanic or Latino may belong to any race.

8 All children under 50 percent of the federal poverty level are eligible for Medicaid unless they are undocumented immigrants or are immigrants that have been in the country less than five years and reside in a state that has not adopted the option to cover these children.

9 U.S. Census Bureau, "Census Regions and Divisions of the United States."

10 U.S. Census Bureau, "American Community Survey Research Note: Change in Population Controls" (September 22, 2011).

11 For more information on Medicaid eligibility edits see: U.S. Census Bureau, "2010 Subject Definitions" (October 2011).

12 For a thorough review of differences between U.S. Census Bureau surveys on health insurance coverage see: U.S. Census Bureau, "Health Insurance Survey Comparison table," available at http://www.census.gov/hhes/www/hlthins/about/index.html (accessed October 24, 2011).

13 op. cit. (9).

14 op. cit. (8).

This brief was prepared by Tara Mancini, Martha Heberlein, and Joan Alker of the Georgetown Center for Children and Families.

For additional information, contact
(202) 687-0880
or childhealth@georgetown.edu

Appendix A.

Table 4. Rate of Uninsured Children, by State, 2008-2010

STATE	2008 PERCENT	2010 PERCENT	PERCENTAGE POINT CHANGE	STATE RANKING FOR CHANGE IN UNINSURED RATE
United States	9.0	8.0	-1.0 *	—
Alabama	7.6	5.9	-1.7	19
Alaska	11.6	12.2	+0.6	49
Arizona	15.1	12.8	-2.3*	9+
Arkansas	8.1	6.6	-1.5*	21
California	10.0	9.0	-1.0*	28
Colorado	13.8	10.1	-3.7*	2
Connecticut	4.6	3.0	-1.6*	20
Delaware	7.5	5.3	-2.2*	11
District of Columbia	3.6	2.3	-1.3	22
Florida	16.7	12.7	-4.0*	1
Georgia	11.0	9.8	-1.2*	25+
Hawaii	3.4	3.7	+0.3	47
Idaho	12.7	10.5	-2.2*	12
Illinois	5.2	4.5	-0.7*	30+
Indiana	9.6	8.9	-0.7	34+
Iowa	5.1	4.0	-1.1*	27
Kansas	7.4	8.2	+0.8	50
Kentucky	6.5	6.0	-0.5	40+
Louisiana	7.2	5.5	-1.7*	15+
Maine	6.6	4.0	-2.6*	6
Maryland	5.0	4.8	-0.2	42
Massachusetts	1.7	1.5	-0.2	43
Michigan	4.8	4.1	-0.7*	30+
Minnesota	5.8	6.6	+0.8*	51
Mississippi	11.6	8.4	-3.2*	4
Missouri	6.8	6.2	-0.6	36+
Montana	13.0	12.4	-0.6	36+
Nebraska	6.8	5.6	-1.2*	23+
Nevada	19.4	17.4	-2.0*	13
New Hampshire	4.9	4.8	-0.1	44
New Jersey	6.7	6.0	-0.7*	30+
New Mexico	13.3	10.2	-3.1*	5
New York	5.3	4.8	-0.5*	40+
North Carolina	9.4	7.7	-1.7*	15+
North Dakota	7.1	6.5	-0.6	36+
Ohio	6.8	6.0	-0.8*	29
Oklahoma	12.4	10.0	-2.4*	8
Oregon	12.1	8.8	-3.3*	3
Pennsylvania	5.8	5.2	-0.6*	36+
Rhode Island	5.2	5.6	+0.4	48
South Carolina	11.7	9.4	-2.3*	9+
South Dakota	8.1	8.3	+0.2	46
Tennessee	6.5	5.3	-1.2*	23+
Texas	17.0	14.5	-2.5*	7
Utah	12.7	10.9	-1.8*	14
Vermont	3.7	2.0	-1.7*	15+
Virginia	7.3	6.6	-0.7*	30+
Washington	7.6	6.4	-1.2*	25+
West Virginia	6.2	4.5	-1.7*	15+
Wisconsin	4.8	5.0	+0.2	45
Wyoming	8.6	7.9	-0.7	34+

+ indicates that the state is tied with one or more states for that ranking

* indicates that the percentage point change is significant at the 90% confidence level

Table 5. Change in Number of Uninsured Children, by State, 2008-2010

STATE	2008 UNINSURED NUMBER	2010 UNINSURED NUMBER	CHANGE IN NUMBER OF UNINSURED	STATE RANKING BY CHANGE IN NUMBER OF UNINSURED
United States	6,878,540	5,918,388	-960,152*	—
Alabama	85,409	66,958	-18,451*	16
Alaska	20,964	22,843	+1,879	48
Arizona	258,339	207,967	-50,372*	4
Arkansas	56,501	46,495	-10,006*	27
California	930,526	832,752	-97,774*	3
Colorado	165,912	124,128	-41,784*	5
Connecticut	37,355	24,114	-13,241*	24
Delaware	15,403	11,012	-4,391*	34
District of Columbia	4,003	2,309	-1,694	40
Florida	667,758	506,934	-160,824*	1
Georgia	278,016	244,004	-34,012*	7
Hawaii	9,667	11,116	+1,449	47
Idaho	52,368	45,004	-7,364*	30
Illinois	164,817	140,105	-24,712*	10
Indiana	152,166	142,672	-9,494	28
Iowa	36,054	29,046	-7,008*	32
Kansas	51,930	59,783	+7,853*	50
Kentucky	64,851	61,180	-3,671	36
Louisiana	80,093	61,718	-18,375*	17
Maine	18,103	10,935	-7,168*	31
Maryland	66,719	64,298	-2,421	38
Massachusetts	24,422	21,682	-2,740	37
Michigan	114,388	95,103	-19,285*	14
Minnesota	72,493	84,165	+11,672*	51
Mississippi	88,587	63,502	-25,085*	9
Missouri	96,227	88,145	-8,082	29
Montana	28,734	27,558	-1,176	41
Nebraska	30,090	25,734	-4,356	35
Nevada	129,655	115,339	-14,316*	21
New Hampshire	14,262	13,679	-583	42
New Jersey	137,372	123,456	-13,916*	22
New Mexico	66,639	52,891	-13,748*	23
New York	231,735	208,461	-23,274*	11
North Carolina	211,252	176,700	-34,552*	6
North Dakota	9,990	9,703	-287	43
Ohio	185,154	161,954	-23,200*	12
Oklahoma	111,575	92,521	-19,054*	15
Oregon	105,038	75,751	-29,287*	8
Pennsylvania	158,688	144,184	-14,504*	20
Rhode Island	11,794	12,490	+696	45
South Carolina	124,889	101,857	-23,032*	13
South Dakota	15,770	16,695	+925	46
Tennessee	95,673	79,244	-16,429*	18
Texas	1,137,867	996,493	-141,374*	2
Utah	107,821	94,691	-13,130*	25
Vermont	4,749	2,627	-2,122*	39
Virginia	132,546	121,380	-11,166	26
Washington	116,656	101,614	-15,042*	19
West Virginia	23,685	17,518	-6,167*	33
Wisconsin	62,877	67,110	+4,233	49
Wyoming	10,958	10,768	-190	44

* indicates that the change in the number of uninsured is significant at the 90% confidence level

Appendix B.

What is the American Community Survey?

WHAT IS THE AMERICAN COMMUNITY SURVEY (ACS) AND HOW CAN ITS DATA BE USED?

The American Community Survey (ACS), administered annually by the Census Bureau, provides a wide range of socioeconomic and demographic data for the United States, including information on health insurance coverage, which it began collecting in 2008.

HOW DOES THE ACS MEASURE HEALTH INSURANCE COVERAGE?

The survey asks one, eight-part question about health insurance coverage for each person in the household. Respondents are asked to answer "yes" or "no" to whether they are covered at the time of the survey by each of the eight types of insurance. Those who mark "yes" to "employer-sponsored," "direct-sponsored," or "TRICARE," are categorized as having private insurance, while those who mark "yes" to "Medicare," "Medicaid," or "VA" are categorized as having public insurance. Respondents who selected "some other type of insurance" are either reclassified to fit into one of the first seven response categories or determined not to have comprehensive coverage.

Logical eligibility edits are applied to those who appear eligible for certain types of coverage, but did not acknowledge being insured by that program. For example, Medicaid or other means-tested coverage was applied to foster children, certain individuals receiving SSI or Public Assistance, and the spouses and children of certain Medicaid beneficiaries.

HOW IS IT DIFFERENT FROM THE COMMUNITY POPULATION SURVEY?

The Census Bureau also publishes the Community Population Survey (CPS) Annual Social and Economic Supplement (ASEC), which provides important socioeconomic and demographic data, including data on health insurance coverage. There are a number of differences to consider when deciding which data source is most appropriate to use, including the sample size, the time period covered, and the wording of the question. The ACS uses a much larger sample size, which makes it a more reliable estimate for any geographic area with a population of at least 65,000. As mentioned above, the ACS reports whether someone has health insurance coverage at the time of the survey. The CPS asks whether someone has had health insurance coverage at any time during the past 12 months. An advantage of the CPS is that it is administered by an interviewer who is able to ask follow-up questions and clarify questions that the respondent may have. The same procedure does not exist for the ACS, as it is a self-administered paper survey that is mailed to respondents. The ACS does not use state-specific names of Medicaid/CHIP programs, as the CPS does, which can add to those not reporting Medicaid/CHIP coverage (often referred to as the Medicaid undercount).[11,12]

CAN DATA BE COMPARED CONSISTENTLY ACROSS YEARS?

Users should be careful when comparing coverage across years, for several reasons. The 2008 and 2009 ACS releases use population weights developed from the results of the 2000 Census, while the 2010 ACS release is weighted based on results from the 2010 Census. Currently, the Census Bureau is exploring the implications of comparing 2010 data with data from the two previous years for which health insurance coverage data is available. For a complete explanation visit the American Community Survey's Research Note.[13]

Additionally, after the 2008 ACS was released, the Census Bureau developed logical coverage edits to apply to families that would qualify for Medicaid based on their SSI status, or TRICARE, based on being a member of a military family. These edits were applied to some 2008 summary tables, but not others. For complete details, visit the Census Bureau "2010 Subject Definitions."[14]