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GOVERNMENT

Uninsured child population shrinks by 1 million

But state budget officers predict that Medicaid and other spending will continue to outpace state revenue growth.

By **DOUG TRAPP**, amednews staff. *Posted Dec. 19, 2011.*

Washington -- The number of uninsured children decreased significantly in recent years, largely because Medicaid started covering more kids who otherwise would have remained uninsured. But state leaders are concerned that budget deficits will continue in the near future because of a weak economic recovery and steadily increasing Medicaid spending.

The uninsured child population shrank by approximately 1 million between 2008 and 2010 to reach 5.9 million -- a 14% drop, according to a report released Nov. 29 by the Georgetown University Health Policy Institute's Center for Children and Families. Over the same period, the number of children in poverty increased from 13.2 million to reach 15.7 million, said the study, which is based on U.S. Census Bureau estimates.

"This report highlights a rare piece of good news at a challenging time for children," said Joan Alker, co-executive director of the Center for Children and Families.

Thirty-four states saw statistically significant declines in their uninsured kids population. Florida's shrank by 24%, the largest drop of any state. The state now has fewer than 507,000 uninsured children. Florida has maintained Medicaid and Children's Health Insurance Program outreach efforts in schools and with community-based organizations, said Shelisha Durden, spokeswoman for the Florida Agency for Health Care Administration, the state's Medicaid agency.

Florida also reduced administrative barriers to signing up for and keeping Medicaid and CHIP coverage, although it's not clear that these actions helped increase enrollment, said Laura Goodhue, executive director of Florida CHAIN, a network of consumer advocates. For example, in 2009, the Florida Legislature reduced the requirement that children must be uninsured for 60 days to a waiting period of 30 days. Researchers will have to study program data to determine if the Legislature's actions made enrollment easier. In any case, the state's public coverage gains were instrumental in reducing the percentage of uninsured kids in the state, she said.

Other heavily populated states also experienced large decreases in their number of uninsured children. Texas' population of uninsured children shrank by 12% to about 1 million, while California's decreased by 11% to about 931,000, making them the states with the second- and third-largest declines in uninsured kids over the two-year period.

Minnesota loses ground

One state -- Minnesota -- saw a 16% increase in its uninsured child population to reach more than 84,000, the only statistically significant increase of any state. But the report's uninsured estimate for the state doesn't appear to be correct, said Stefan Gildemeister, director of the Health Economics Program at the Minnesota Dept. of Health. He said a more accurate estimate is a rise to between 75,000 and 80,000 uninsured children.

Still, either estimate shows that children in Minnesota are losing coverage faster than in other parts of the U.S., Gildemeister said. "We're troubled by seeing those numbers."

The economic recession may have boosted Minnesota's uninsured child population faster than in other states for two reasons. Minnesota had a higher rate of private coverage than many states before the recession, Gildemeister said. Also, the state's Medicaid program already covers a high percentage of kids eligible for the program, so higher public program enrollment is more difficult to achieve than in other states.

The report also found that a larger percentage of children who are ethnic minorities are uninsured. Hispanic children in the U.S. are more than twice as likely as whites to be without coverage, and Native Americans are more than three times as likely to be uninsured, according to the report.

States worried about coverage costs

Millions of adults are expected to gain Medicaid coverage beginning in 2014 through the health system reform law, which expands eligibility across the board to 133% of the poverty level.

The expansion will allow many childless adults to obtain Medicaid coverage, which states have restricted mostly to children and their parents. Medicaid or CHIP coverage is available in almost every state for children in families that earn up to \$45,000, which is about twice the federal poverty level for a family of four. Many states limit Medicaid

eligibility for childless adults to those earning less than the federal poverty level. While the number of uninsured children declined between 2008 and 2010, the uninsured adult population grew.

But state leaders are worried about Medicaid spending because it is expected to grow faster than states' revenues, according to a biannual fiscal report released Nov. 29 by the National Assn. of State Budget Officers.

"I hope I'm wrong, but slow growth for state finances appears at this point to be how things are going," wrote Scott D. Pattison, the association's executive director, in a Nov. 29 blog post about the report. State revenues grew by an average of 5.6% annually before the economic recession took hold in 2008, but Pattison expects annual growth of only about 2.9% for the next few years.

Alker, with the Georgetown center, said cuts to Medicaid and CHIP easily could lead to more uninsured children. "These gains are fragile and could quickly be reversed if state or federal support erodes."

ADDITIONAL INFORMATION:

States have differing levels of kids' coverage

The percentage of uninsured children declined in 43 states and the District of Columbia and increased in seven states between 2008 and 2010. However, not all states had changes that were large enough to be statistically significant.

Significant decrease: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Iowa, Louisiana, Maine, Michigan, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia

Less-than-significant decrease: Alabama, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, Montana, New Hampshire, North Dakota, Wyoming

Significant increase: Minnesota

Less-than-significant increase: Alaska, Hawaii, Kansas, Rhode Island, South Dakota, Wisconsin

Source: "Despite Economic Challenges, Progress Continues: Children's Health Insurance Coverage in the United States from 2008-2010," Georgetown University Health Policy Institute, Center for Children and Families, Nov. 29 (ccf.georgetown.edu/index/despite-economic-challenges-progress-continues-children-health)

Income trends for uninsured kids

Children in lower-income families make up a disproportionate number of the uninsured. Not all types of coverage are represented.

Children's insurance coverage in 2010			
Income	Employer-sponsored	Medicaid	Uninsured
Less than 100% of poverty	1.76 million (11.2%)	12.17 million (77.3%)	1.74 million (11.0%)
100% to 199% of poverty	5.48 million (33.4%)	8.58 million (52.3%)	2.03 million (12.3%)
200% to 299% of poverty	7.76 million (61.7%)	3.0 million (23.9%)	1.12 million (8.9%)
300% to 399% of poverty	7.05 million (76.4%)	1.06 million (11.5%)	478,678 (5.2%)
400% +	16.31 million (85.6%)	911,497 (4.8%)	438,964 (2.3%)

Source: "Despite Economic Challenges, Progress Continues: Children's Health Insurance Coverage in the United States from 2008-2010," Georgetown University Health Policy Institute, Center for Children and Families, Nov. 29 (ccf.georgetown.edu/index/despite-economic-challenges-progress-continues-children-health)

Which children are more likely to lack insurance?

There is large variation in coverage rates for children of different racial and ethnic groups, ranging from a low of 5.6% for white non-Hispanics to a high of 17.9% for those who identify as American Indian or Alaskan Natives.

Uninsured rates in 2010

- 5.6%:** White, non-Hispanic
- 7.1%:** Black/African-American
- 7.8%:** Asian
- 9.7%:** Native Hawaiian or Pacific Islander
- 14.1%:** Hispanic/Latino
- 17.9%:** American Indian Native or Alaskan Native

Source: "Despite Economic Challenges, Progress Continues: Children's Health Insurance Coverage in the United States from 2008-2010," Georgetown University Health Policy Institute, Center for Children and Families, Nov. 29 (ccf.georgetown.edu/index/despite-economic-challenges-progress-continues-children-health)

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