

Expanding Coverage for Parents Helps Children: Children's Groups Have a Key Role in Urging States to Move Forward and Expand Medicaid

Medicaid is of vital importance to children, with 31 million children nationwide receiving their health coverage through the program. Since the Supreme Court decision that gives states the choice whether to expand Medicaid, state policymakers have begun debating the worth and value of Medicaid itself. Children have a great deal at stake in these debates.

The Affordable Care Act (ACA) expanded Medicaid coverage to include parents and low-income adults with incomes up to 133 percent of the poverty line, but as noted, the Court's decision means states can now decide whether or not to implement this expansion.

- In states that do *not* move forward, uninsured parents not eligible for Medicaid today whose income is *below* the poverty line will be left without a path to coverage. That is because only low-income uninsured parents with incomes *above* the poverty line can receive help purchasing coverage in the new health insurance exchanges.
- As a result (and as explained below), depending on where they live, children in some of the nation's poorest families may have uninsured parents and thus be more likely to end up uninsured themselves or to go without needed care.

Although tremendous progress has been made in lowering the number of uninsured children since the enactment of CHIP, the number of uninsured parents remains high. In 2011, 11.5 million parents were uninsured (18.2 percent of all parents) compared to 6.3 million children (8 percent of children). While employer-sponsored insurance has eroded for both parents and children, growth in Medicaid and CHIP coverage has more than offset the loss of employer coverage *for children*, allowing the rate of uninsured children to decline markedly. In sharp contrast, coverage *for parents* has declined substantially. This is in large part due to the much greater generosity of public coverage for children.

- The typical state covers children through Medicaid and the Children's Health Insurance Program (CHIP) up to 250 percent of the poverty line (\$47,725 for a family of three in 2012).
- But the typical state covers *working* parents with incomes only up to 63 percent of the poverty line (\$12,027 for a family of three) and *unemployed* parents with incomes up to only 37 percent of the poverty line (\$7,063 for a family of three).

Since the Supreme Court decision was issued, Governors and/or state legislators in about two-thirds of the states have expressed opposition, hesitation, or uncertainty about moving forward with the Medicaid expansion. Consumer advocates, health care providers, insurers, and other groups will be working hard to explain to state policymakers what a good financial deal the expansion is for

their states, so that states move ahead with the expansion. As explained below, low-income children have much to gain in states that expand coverage for parents. Children's groups are key to these efforts, which could succeed in persuading many states where policymakers currently are opposed to, or uncertain about, implementing the expansion to move forward with it.

Here's what the research says about why covering low-income parents is important for children:

- **Covering parents means that more eligible children will enroll.** Low-income families with uninsured parents are *three times as likely* to have eligible but uninsured children as families with parents covered by private insurance or Medicaid. Previous expansions of Medicaid coverage for parents have led to a significant increase in enrollment of eligible children and a drop in the number of uninsured children.
- **Covering parents means that children are more likely to *stay* enrolled.** Studies have found that covering parents makes it less likely that children experience breaks in their own Medicaid and CHIP coverage and remain insured.
- **Covering parents makes it more likely that children receive needed care like preventive care and other health care services.** Studies have found that insured children whose parents are also insured are more likely to receive check-ups and other care, compared to insured children whose parents are uninsured.
- **Parents' health can affect children's health and well-being.** The Institute of Medicine has reported that a parent's poor physical or mental health can contribute to a stressful family environment that may impair the health or well-being of a child. Moreover, uninsured parents who can't get care may be unable to work or may end up with big medical bills when they do get care. In either case, the financial consequences have a big impact on children even if the children have coverage.

Sources:

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