



# Medicaid Expansion: Good for Parents and Children

The U.S. has made significant progress in meeting the health needs of children but there are still 5.3 million uninsured children and many more living in homes with uninsured parents. The most recent study of parents' insurance coverage showed that 11.5 million or 18.2 percent of parents were uninsured.

Just under 70 percent of uninsured children are eligible for Medicaid or Children's Health Insurance Program (CHIP) coverage but not yet enrolled. One of the most effective strategies for states to reach eligible but uninsured children is to put out the welcome mat for the whole family by extending Medicaid coverage to parents and other low-income adults. States choosing to expand Medicaid coverage to more low-income adults will not only reduce the number of uninsured children but will boost children and families' economic security and will benefit children by having healthier parents.

In states that do not move forward with the Medicaid expansion, a significant coverage gap for parents will remain. Today, twenty-six states (including the District of Columbia) are expanding Medicaid for parents and other low-income adults. In the 25 states that have not yet decided to expand Medicaid, the average eligibility level for parents is 52 percent of the federal poverty level or \$10,156 for a family of 3; with the lowest state's eligibility level at 16 percent of FPL, and the highest at 128 percent of FPL.

## Research underscores the value of investing in parent coverage

### Covering parents reduces the number of uninsured children.

- Massachusetts' health reform's coverage expansions for parents cut the uninsurance rate for children in half. Even children who were eligible for Medicaid but were uninsured experienced a 5 percentage-point decline in their uninsurance rate.
- Children are more likely to have insurance if their parents have insurance and are more likely to be uninsured if their parents are uninsured. Eighty-four percent of children in a GAO analysis had the same insurance status as their parents, while 16 percent of children did not. For example, a child was eight times more likely to have public insurance if their parent had public insurance, when compared to a child whose parent was uninsured.
- Arkansas recently enrolled significant numbers of already eligible children when the state expanded coverage to their parents. In September 2013, Arkansas's Department of Human Services mailed 132,000 households letters notifying people they were eligible for coverage using data from the Supplemental Nutrition Assistance Program. The letter included a form to return that listed the adults and children in the household who were



likely eligible for coverage. Arkansas's effort resulted in 57,982 new enrollees, including 2,539 children enrolled who were enrolled in ARKids First immediately.

### **Health coverage provides financial security for the whole family.**

- Half of uninsured families living below 200 percent of poverty have no savings at all, and the average uninsured household has no net assets. When medical bills go unpaid or are paid off too slowly, they get turned over to a collection agency, significantly limiting a person's ability to get credit. Almost a quarter of uninsured people have medical bills they are unable to pay at all, compared to only six percent of those with private insurance. Medical debts contribute to almost half of the bankruptcies in the US, and uninsured people are more at risk of falling into medical bankruptcy than people with insurance.
- In Oregon, there was a significant reduction in financial hardship for those receiving new Medicaid coverage. In particular, catastrophic expenditures were nearly eliminated.

### **Children need healthy parents. Health coverage improves parents' health and access to care.**

- Covering parents improves parents' health status while also likely promoting the well being of their children. Uninsured parents have more difficulty accessing needed care, potentially compromising their ability to work, support their families, and care for their children.
- In Oregon, newly insured Medicaid enrollees were more likely to receive care from a hospital or doctor than uninsured people. Medicaid coverage translated to a 35 percent increased likelihood of having an outpatient visit and a 15 percent increased likelihood of taking a prescription.

- More than half of all infants living in poverty have a mother suffering from depression. Untreated maternal depression can be damaging to a child's cognitive, social and emotional development. While depression is treatable, many poor mothers do not receive care. In Oregon, rates of depression decreased by 30 percent as a result of new Medicaid coverage.

**Updated January 2014**

### **Additional Resources**

Katherine Baicker, et al., "[The Oregon Health Insurance Experiment—Effects of Medicaid on Clinical Outcomes](#)," *New England Journal of Medicine* 368: 1713–1722, May 2, 2013.

A Finkelstein, et al., "[The Oregon Health Insurance Experiment: Evidence From the First Year](#)," National Bureau of Economic Research, July 2011.

United States Government Accountability Office, "[Medicaid and CHIP: Given the Association between Parent and Child Insurance Status, New Expansions May Benefit Families](#)," February 2011.

Martha Heberlein et al, "[Medicaid Coverage for Parents under the Affordable Care Act](#)," Georgetown University Center for Children and Families, June 2012.

Kaiser Commission on Medicaid and the Uninsured, "[Fact Sheet: Health Coverage for Low-Income Parents](#)," February 2007.

Kaiser Commission on Medicaid and the Uninsured, "[The Uninsured: A Primer – Key Facts about Health Insurance on the Eve of Coverage Expansions](#)," October 2013.

Christopher Lowenstein, et al., "[Linking Depressed Mothers to Effective Services and Supports: A Policy and Systems Agenda to Enhance Children's Development and Prevent Child Abuse and Neglect: Summary of May 2013 Culminating Roundtable](#)," Urban Institute, September 2013.

Tara Mancini, et al., "[Children's Health Coverage on the Eve of the Affordable Care Act](#)," Georgetown University Center for Children and Families, November 2013.

Anna Strong, "[Early Results in Arkansas Show Affordable Care Act is Reaching Uninsured Children and Families](#)," CCF Blog, October 6, 2013.

Tracy Vericker, et al., "[Infants of Depressed Mothers Living in Poverty: Opportunities to Identify and Serve](#)," Urban Institute, August 2010.