

Children's Health Coverage in Florida: Fewer Uninsured But Challenges Lie Ahead

Florida's rate of uninsured children has declined in recent years, though it remains considerably higher than that of the nation and other southeastern states. This encouraging trend could be disrupted, however, by policy decisions in 2015 that could negatively impact as many as 400,000 children.

FLORIDA'S PROGRESS ON CHILDREN'S HEALTH COVERAGE

During the past five years, the number and rate of uninsured children has declined in Florida, mirroring the trend nationwide¹ (See Figure 1).

Children with public or private health insurance enjoy considerably improved access to needed preventive and primary care services compared with uninsured children. Children enrolled in Medicaid are significantly less likely to have unmet or delayed needs for medical care, dental care and prescription drugs due to costs compared with low-income uninsured children.

In 2008, about 668,000 Florida children ages 18 and under were uninsured; by 2013 that number had declined to 445,000.

Because Florida is a populous state, it ranks 49th in the country for the number of uninsured children; 8.5% of the nation's uninsured children live in Florida.

Florida ranks 47th among the states and the District of Columbia for the percent of children who are uninsured –11.1%. States with higher rates of uninsured children are, in order, Nevada 14.9%, Texas 12.6%, Arizona 11.9% and Alaska 11.6%.

Compared with its neighbors in the Southeast, Florida's rate of uninsured children is high. (Figure 2).

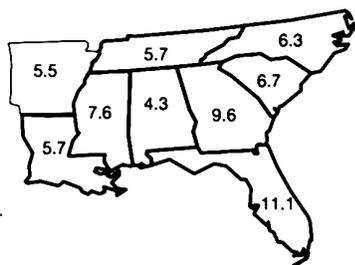
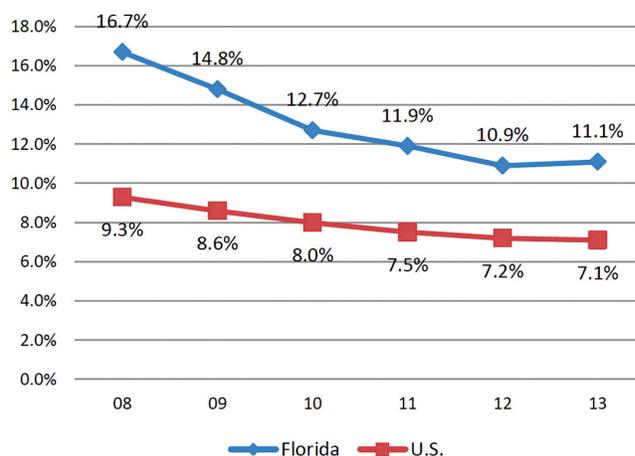


FIGURE 2. At 11.1%, Florida's rate of uninsured children is considerably higher than that in nearby states.

FIGURE 1. PERCENT OF CHILDREN WHO ARE UNINSURED, 2008-2013



Despite generally encouraging trends, Florida did not see a decline in its rate of uninsured children in 2012-13². The national rate also remained relatively flat. This was the first year since 2008 when the rate of uninsured children did not decline in Florida and the U.S. It is possible that states, following a renewed focus on children's coverage by states and other stakeholders at the time of the debate and passage of the Children's Health Insurance Program Reauthorization Act (CHIPRA) in 2009, shifted their attention to implementing provisions of the Affordable Care Act or, in the case of Florida, focused on a major shift to managed care as the delivery system for its Medicaid program.



This educational brief, authored by Joan Alker, executive director of the Center for Children and Families at the Georgetown University Health Policy Institute, was commissioned by Florida Philanthropic Network and its Florida Health Funders member affinity group, which represents grantmakers who share an interest in supporting health issues, organizations and needs in Florida.

WHERE ARE FLORIDA'S UNINSURED CHILDREN?

Florida's uninsured children can be found all across the state.

Large, highly populated counties have larger numbers of uninsured children.

But smaller, less populated counties often have higher rates of uninsured children.

Putnam County in North Central Florida, for example, is a largely rural county with a 40% children's poverty rate; 17% of its children are uninsured.

Collier County, in Southwest Florida, is home to the wealthy community of Naples. However, it has a 16.9% child uninsurance rate, due perhaps to the county's large agricultural industry that attracts many low-wage farm workers.

FLORIDA COUNTIES WITH LARGEST NUMBER OF UNINSURED CHILDREN

Miami-Dade County	64,806
Broward County	48,217
Orange County	35,429
Palm Beach County	33,233
Hillsborough County	26,639
Duval County	17,138
Polk County	17,061
Lee County	16,560
Pinellas County	14,628
Osceola County	12,447

WHO ARE FLORIDA'S UNINSURED CHILDREN?

Almost two-thirds of Florida's uninsured children — 65% — are white.

Hispanic children, who can be of any race, are disproportionately represented among Florida's uninsured children.

The likelihood of a child being uninsured increases with age. Only 7.9% of children under age 6 are uninsured. Among school-aged children (ages 6-17) the rate of uninsurance jumps to 12.6%.

RACE, ETHNICITY OF FLORIDA'S UNINSURED CHILDREN

RACE	% OF CHILD POPULATION	% OF UNINSURED POPULATION
White	67.8%	65.3%
Black	21.1%	20.3%
Asian	2.7%	3.1%
Other	8.4%	11.2%
ETHNICITY		
Hispanic	29.0%	37.7%

HOW HAS IMPLEMENTATION OF THE AFFORDABLE CARE ACT AFFECTED CHILDREN IN FLORIDA?

While available U.S. Census data predates implementation of the major provisions of the Affordable Care Act (ACA), there are some preliminary data sources that provide insight on its early impact in Florida — and it appears that impact is significant.

Early research suggests that, under the Affordable Care Act, the number of uninsured children initially has remained unchanged nationwide. However, the number is expected to decline over time, especially in states that take up the Medicaid expansion for parents and other adults.³

Why? Because most uninsured children (68%) are eligible for Medicaid or the Children's Health Insurance Program (CHIP) but are not enrolled. Florida's 2012 participation rate for children eligible for Medicaid and CHIP is 83% compared to the U.S. average of 87%.⁴

As parent coverage becomes more widely available and more parents enroll, research shows, children's coverage rates also rise due to what is known as the "welcome mat" effect from coverage being available to the entire family. As outreach and enrollment efforts related to the Affordable Care Act go forward, more children can be expected to sign up for Medicaid and CHIP coverage, even if their parents remain uncovered. However, the "welcome mat" effect is likely to be greater if their parents are covered.

Florida in particular is impacted by a specific policy requirement within the Affordable Care Act. The law requires that children ages 6-18 with family incomes between 100%-138% of the poverty level (\$19,790-\$27,310 annually for a family of three), known as "stairstep kids," must transfer to Medicaid from separate CHIP programs.

This provision was included in the Affordable Care Act because, in the past, children in some states, including Florida, were required to switch programs (i.e. from Medicaid to CHIP) when they turned 6 even if their younger siblings remained in Medicaid. The ACA provision moves to align family eligibility at 138% of FPL.

The state estimates that by the end of 2014, 51,059 children will be transferred from Florida Healthy Kids to Medicaid as a result.⁵

Florida was one of only a handful of states (seven) that charged premiums to children in this income range in the Healthy Kids Program. While premiums were permitted under Healthy Kids, they are prohibited for these children under Medicaid. Since premiums are known to depress enrollment in families with low and moderate incomes, the "stairstep" provision is likely to cause more eligible families to enroll and fewer children to lose coverage in Florida because their families can't afford to pay the premiums.

Likely as a result of these changes, Florida children's enrollment in Medicaid and CHIP is growing — and at a relatively fast rate.

Newly available federal data shows Florida's child enrollment grew by 3.9% between March and August 2014.⁶ For states reporting this data, the national average for child enrollment growth in Medicaid and CHIP during that period is 2.3%.⁷ Florida's Social Services Estimating Conference also notes an increase in children's enrollment in its caseload projections for upcoming years.⁸

Medicaid and CHIP enrollment growth is likely to have a significant impact on the number of uninsured children in Florida, but we will have to wait for national data in 2015 to fully assess the results.

TABLE 3: CHILDREN'S COVERAGE SOURCE BY INCOME IN FLORIDA, 2013			
Percent of federal poverty line (FPL)	Medicaid	Employer-Subsidized Insurance	Uninsured
Under 100% FPL	75.6%	9.2%	12.2%
100-137% FPL	64.1%	17.2%	15.3%
138-199% FPL	46.9%	32.5%	16.3%
200-299% FPL	29.8%	48.5%	12.3%
300% FPL and above	10.0%	71.5%	6.1%

WHAT POLICY CHANGES LIE AHEAD THAT MAY IMPACT THE NUMBER OF UNINSURED CHILDREN?

Extension of Children's Health Insurance Program (CHIP) funding

Perhaps the most consequential issue facing Florida's low- and moderate-income children is whether or not Congress renews funding for the Children's Health Insurance Program (CHIP) – which, in Florida, is called KidCare/Healthy Kids.

If Congress does not take action, funding will expire on September 30, 2015.

Because of the structure of Florida's program and its size, Florida will be one of the most deeply affected states in the nation if CHIP ends.

*Preliminary estimates suggest that Florida would lose between \$495 million-\$560 million in federal funds annually and that approximately 400,000 children over the course of a year would lose CHIP coverage when they needed it.*⁹

In Florida, children with incomes between 138%-199% of the Federal Poverty Level have the highest rates of uninsurance (Table 3). This is the income eligibility band for kids eligible for Healthy Kids. If CHIP were to be eliminated, this rate would increase substantially. While some children would be eligible for advanced premium tax credits to purchase coverage in the federal ACA marketplace, many would not as a result of an implementation flaw in the Affordable Care Act known as the "family glitch." Families that have access to employer-sponsored insurance that is deemed affordable based on the cost to cover the employee only (even though the cost of covering dependents is typically far higher and would not be affordable) would not be eligible for tax credits. These families end up with no tax credit and with an employer-sponsored option that is not affordable to them.

While no Florida estimates are available, nationally it is estimated that approximately 2 million children now covered under CHIP would fall into the family glitch and become uninsured.

Medicaid expansion

Florida is one of 23 states that has not elected to accept federal funding under the Affordable Care Act to expand its Medicaid program to parents and childless adults below 138% of the poverty line.

As a result, parents in Florida are not eligible for Medicaid or premium tax credits if their incomes exceed 35% of the poverty line (\$6,927 annually for a family of three) but remain below 100% of the poverty line (\$19,790 annually for a family of three).

Research based on the experience of other states shows that offering whole family coverage improves children's coverage rates – sometimes very substantially.¹⁰

State policy changes to Healthy Kids

The State of Florida has substantial flexibility in how it runs its Healthy Kids program. While there are numerous policy changes that would likely increase enrollment and reduce the number of uninsured children, a few key options are highlighted below.

Extend KidCare eligibility to lawfully residing immigrant children:

Florida is one of 25 states that has not elected to use CHIP funding to cover lawfully residing immigrant children. Picking up this option would extend eligibility to just fewer than 20,000 legally residing children, a relatively small number, but would also create a more welcoming environment for families whose immigration status may be mixed and reduce the disproportionately high number of Hispanic children who are uninsured.

Eliminate waiting periods for Healthy Kids:

Currently, Florida requires children to be uninsured for two months before they are eligible to enroll in Healthy Kids. This is called a “waiting period.” While there are many exceptions to this requirement, waiting periods generally add a layer of administrative complexity and red tape, and are rooted in pre-Affordable Care Act incentive structures that no longer are relevant. In a system that aspires to universal coverage, where families are subject to penalties for not having coverage, waiting periods no longer make sense. For these reasons, 20 states have dropped waiting periods in the past year.

Eliminate premiums for some or all families:

While many states charge premiums to some CHIP enrollees, Florida is one of just seven states that charged premiums to the lowest income children who were eligible – children in families with income at 133% of the poverty line or \$2,193 a month for a family of three.

While the Affordable Care Act required Florida to limit premiums for “stairstep” children (from 100-133% of the poverty line), the state could opt to reduce premiums even

further. Florida’s premiums range from \$15-\$20 a month depending on income and family size, and likely function as a deterrent to enrollment for some low-income families.

Eighteen states do not charge premiums to children, and of those that do, only seven start charges below 150% of the poverty line. The majority of states (30) charge no premiums to families below 200% of FPL, which is Florida’s upper income limit for eligibility. Thus Florida’s premiums remain high relative to other CHIP programs nationwide.

CONCLUSION

The number of uninsured children in Florida has declined, though the rate of decline slowed considerably in 2013. While it is too soon to know for sure, there are encouraging signs that components of the Affordable Care Act will result in more improvements for children’s coverage in 2014. Federal and state policy choices in 2015 will impact the number of uninsured children considerably – especially whether Congress decides to extend funding for the Children’s Health Insurance Program.

ENDNOTES

- 1) Unless otherwise indicated, all data in this report about uninsured children is from a Georgetown University Center for Children and Families analysis of 2013 American Community Survey data from the U.S. Census Bureau.
- 2) The small increase detected from 2012 to 2013 is not statistically significant at the 90% confidence level.
- 3) Kenney, G and Alker, J et al. *A First Look at Children’s Health Insurance Coverage* under the ACA Health Reform Monitoring Survey, Urban Institute September 2014.
- 4) G Kenney et al. *Medicaid/CHIP Participation Rates for Children: An Update*. RWJF/Urban Institute, September 2013.
- 5) Social Services Estimating Conference *CHIP Transfer and Woodworking Summary*, prepared by Agency for Health Care Administration, 2/9/14.
- 6) Georgetown CCF analysis of CMS Medicaid and CHIP Eligibility Determinations and Enrollment Report as of October 17, 2014.
- 7) *Recent Trends in Medicaid and CHIP Enrollment*, Artiga et al., Kaiser Commission on Medicaid and the Uninsured, Oct. 28, 2014.
- 8) Social Services Estimating Conference, Medicaid Caseloads and Expenditures June 27, July 22 and August 4, 2014 Executive Summary.
- 9) Georgetown University CCF/Center on Budget and Policy Priorities estimates from unpublished memo *CHIP Financing Considerations and State-Level Funding and Coverage Loss Estimates* October, 2014. Memo can be made available upon request.
- 10) *Medicaid Expansion: Good for Parents and Children* Georgetown University Center for Children and Families, December 2013, available at ccf.georgetown.edu

AUTHOR

Joan Alker - Georgetown Health Policy Institute
Center for Children and Families
Georgetown University
Box 571444 | 3300 Whitehaven Street NW
Washington, D.C. 20057
202-687-0880 | ccf.georgetown.edu

1211 N. Westshore Blvd.
Suite 314
Tampa, Florida 33607
www.fpnetwork.org



The author wishes to thank Alisa Chester and Sarah Koslov for their research assistance with this brief.

This educational brief was commissioned by Florida Philanthropic Network and its Florida Health Funders member affinity group, which represents grantmakers who share an interest in supporting health issues, organizations and needs in Florida. The brief was made possible through the generous support of the Winter Park Health Foundation and the Jessie Ball duPont Fund.