Georgetown University
Health Policy Institute
CENTER FOR CHILDREN
AND FAMILIES

Children's Coverage in Florida: A Closer Look at Medicaid and the Children's Health Insurance Program

by Joan Alker and Karina Wagnerman

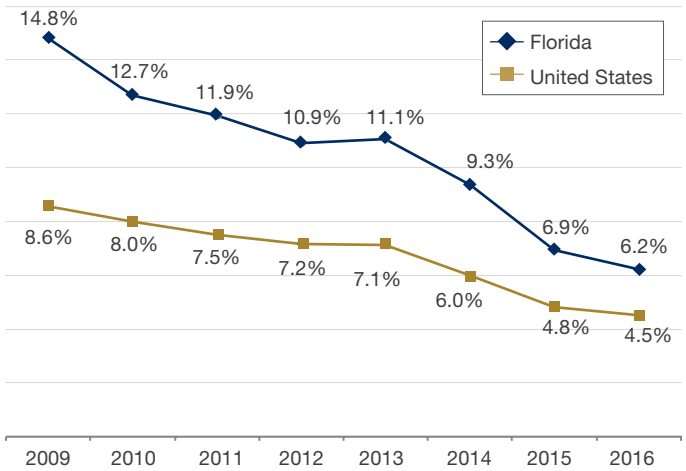
Key Findings

- Florida's uninsured rate for children, while still higher than the national average, is at an all-time low of 6.2 percent.[1] This progress is the result of many years of work enrolling children in Medicaid and the Children's Health Insurance Program. More recently the implementation of the Affordable Care Act solidified the gains. More than four in 10 of Florida's children receive their coverage through Medicaid and CHIP, and half of all births in Florida are covered by Medicaid.
- Federal funding for the Children's Health Insurance Program (CHIP) is due to expire on September 30, 2017, and as of this writing Congress has taken no action to extend it. Coverage for more than 340,000 children in Florida is at risk without additional federal funding. Florida's CHIP program is the fourth largest in the nation, thus much is at stake for the state.
- Health coverage for children is important because it helps them access the services they need to stay healthy, be more successful in school, and have better economic outcomes for themselves and their families.[2]

Introduction

Nationally, the uninsured rate for children fell to 4.5 percent in 2016—a historic low.[3] However, Florida lags behind the nation with an uninsured children's rate of 6.2 percent. As Figure 1 shows, Florida made considerable progress between 2009 and 2016: The rate of uninsured children declined by almost 10 percentage points from 14.8 percent to 6.2 percent. In addition, the number of uninsured children in Florida was cut by more than half during this time period, dropping from 601,000 in 2009 to 257,000 in 2016.[4] Despite the progress, Florida still has one of the highest rates of uninsured children in the South.

Figure 1. The Rate of Uninsured Children in Florida, 2009-2016



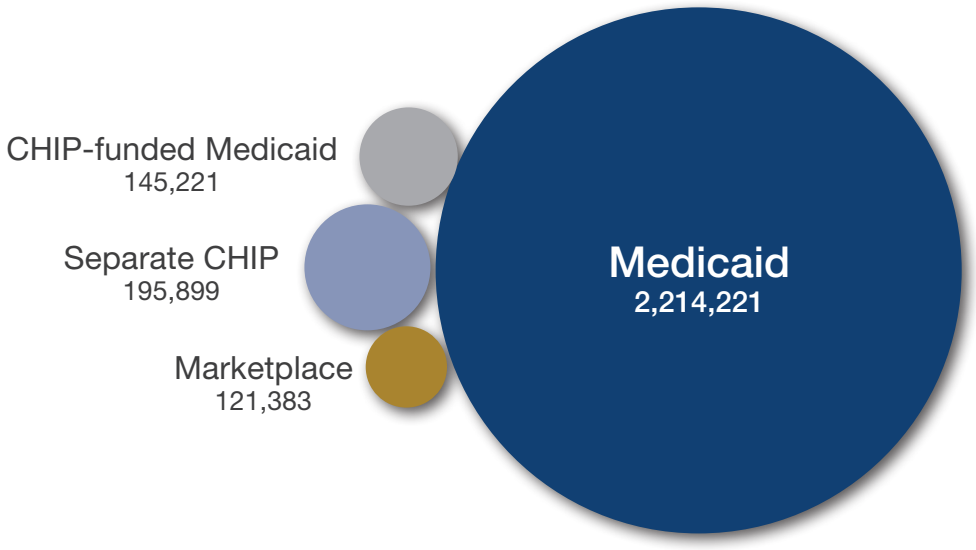
Source: Data retrieved from the 2009-2016 American Community Survey.

Florida's progress covering uninsured children is largely a result of public coverage eligibility expansions and improvements for children through Medicaid and the Children's Health Insurance Program (CHIP) that began decades ago. More recently, the implementation of the Affordable Care Act (ACA) in 2014 accelerated the positive trend for children. Florida saw a sharp decline in the rate of uninsured children from 11.1 percent in 2013 to 6.2 percent in 2016. The ACA built on public coverage gains for children by requiring states to preserve their income eligibility levels for children in Medicaid and CHIP (a provision known as the "maintenance-of-effort" or MOE), as well as creating subsidies for children who do not qualify for Medicaid or CHIP to purchase coverage through the "Marketplace."

Children's Health Coverage in Florida

The importance of Medicaid and CHIP for children in Florida cannot be overstated. *Forty-four percent of all children in Florida receive their coverage through Medicaid and CHIP*.[5] Among sources of public coverage in Florida, the largest number of children are enrolled in Medicaid, followed by CHIP, and the Marketplace (see Figure 2). Children covered through CHIP are generally not eligible for Medicaid because their family incomes are too high.

Figure 2. Children's Public Health Coverage in Florida

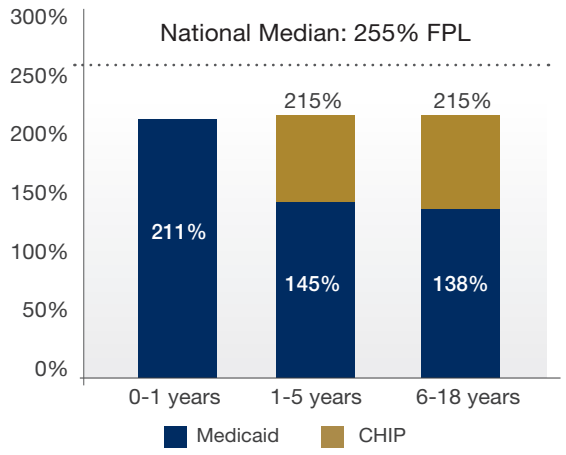


Source: Medicaid data was retrieved from Florida Agency for Health Care Administration, "July 2017 Comprehensive Medicaid Managed Care Enrollment Report" (July 2017), available at http://ahca.myflorida.com/medicaid/Finance/data_analytics/enrollment_report/index.shtml. Marketplace data retrieved from Centers for Medicare & Medicaid Services, "2017 OEP State-Level Public Use File" (May 2017), available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/Plan_Selection_ZIP.html. See Figure 4 for separate CHIP and Medicaid CHIP enrollment sources.

Notes: Medicaid enrollment is as of July 1, 2017 and reflects children under age 19. Marketplace enrollment is as of January 31, 2017. Enrollment in Medicaid and CHIP-funded Medicaid may not be mutually exclusive in this figure.

The number of children enrolled in the Marketplace in Florida is small compared to those in Medicaid and CHIP, but the Marketplace still plays an important role. Children make up 7 percent of the Marketplace enrollment in Florida.[6] In addition, 11 percent of all the children enrolled in the Marketplace nationwide are in Florida.[7] Children in households with income above CHIP's eligibility level (see Figure 3) are eligible for subsidies to purchase health insurance in the Marketplace if they do not have access to affordable, employer-sponsored insurance.[8]

Figure 3: Children's Medicaid and CHIP Income Eligibility in Florida



Source: Tricia Brooks et al., "Medicaid and CHIP Eligibility, Enrollment, Renewal, and Cost Sharing Policies as of January 2017: Findings from a 50-State Survey" (Washington: The Kaiser Family Foundation, January 2017), available at http://www.kff.org/medicaid/report/medicaid-and-chip-eligibility-enrollment-renewal-and-cost-sharing-policies-as-of-january-2017-findings-from-a-50-state-survey/.

Medicaid

Children constitute the largest group of Medicaid beneficiaries, accounting for 60 percent of Medicaid enrollees in Florida.[9] Medicaid is particularly important to children in Florida during key developmental years: Medicaid covers 51 percent of children under 6 years old.[10] Florida's Medicaid program also covers pregnant women and funds half of all births[11] in the state, as well as covering very poor parents, individuals with disabilities, and some seniors—especially those receiving long-term care services.

Because Florida has chosen not to adopt the Medicaid expansion under the ACA, adults are not eligible for Medicaid in Florida unless they are pregnant, receive or are eligible for disability payments, or are parents with a child in the home and household income below 33 percent of the federal poverty level or FPL ($561.55 per month for a family of three).[12,13]

Medicaid guarantees both coverage and benefits. Eligibility for children depends on having a family income below a certain threshold, but children may also qualify for Medicaid because they are blind or have a disability. As a result, Medicaid provides health coverage to a large, diverse group of children. Federal law requires that children enrolled in Medicaid receive the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit. This is a comprehensive set of services designed to identify and address not just physical and mental health issues but also oral health, vision, and hearing needs.[14] Medicaid does not discriminate on the basis of pre-existing conditions for children or any other population.

CHIP

CHIP covers fewer children than Medicaid in Florida and nationwide.[15] In general, CHIP covers children who live in families with incomes too high for Medicaid but too low to afford private insurance. CHIP has played a very important role by stimulating attention, outreach, and efforts to reduce the number of uninsured children in Florida and elsewhere. Its more generous matching rate provides financial support to the state for some children enrolled in Medicaid and has encouraged states to expand eligibility. Florida, for instance, recently lifted the five-year waiting period for lawfully residing children to receive Medicaid and CHIP.

States have options in the design of their CHIP programs. They can operate a free-standing CHIP program, completely independent of their Medicaid program, with its own administrative structure, eligibility processes, plan and provider enrollment systems, and quality assurance mechanisms. They can enroll their CHIP-funded children in their Medicaid program, avoiding duplicative administrative structures and systems. Or, most commonly, they can use a combination of the two, as Florida has chosen to do. Over 40 percent of Florida's CHIP-funded beneficiaries are enrolled in Medicaid coverage.

In addition to Medicaid, Florida has three separate CHIP programs: MediKids, Healthy Kids, and the Children's Medical Services Managed Care Plan. MediKids serves children ages 1 to 4; Healthy Kids serves children ages 5 to 18; and the Children's Medical Services Managed Care Plan serves children ages 1 to 18 with special health care needs (see Figure 4 for enrollment by program).[16] CHIP funding is also used to enhance the match rate for some children in Medicaid, as discussed below. Children enrolled in CHIP-financed Medicaid receive the EPSDT benefit and all other Medicaid protections. CHIP's benefit package can be less generous, and there is more flexibility for states to charge premiums and cost-sharing in CHIP. Florida charges $15 monthly premiums to families with incomes up to 158 percent of the poverty line and $20 a month to families over that income threshold. Copayments are allowed in CHIP but not generally for children in Medicaid.

In contrast to Medicaid, CHIP guarantees only that children within the predetermined funding limit will receive coverage. As a consequence of CHIP's not being an entitlement, Congress must consistently act to renew its funding. Currently, CHIP funding is scheduled to expire on September 30, 2017.

What is at Stake for Florida in CHIP Renewal?

Funding for CHIP expires at the end of September unless Congress takes action. Florida is expected to run out of federal funding from its CHIP allotment in January 2018 if Congress does not act.[17] However, this is only an estimate and does not account for any unforseen additional need. In 2016, the only states with more children enrolled in CHIP than Florida were California, New York and Texas.[18] Florida's 2017 CHIP allotment is $686.6 million, the fourth largest in the country.[19] Given the role that CHIP plays for the state of Florida, the CHIP funding debate is of particular importance.

The ACA included a provision for a 23 percentage-point increase in the share of CHIP paid for by the federal government. This enhanced federal match was authorized for federal fiscal years (FFY) 2016 through 2019, but only funded for two years when Congress last extended CHIP.[20] For Florida, the enhanced CHIP match rate brings the federal share to 96.25 percent in FFY 2018.[21] Without the 23 percentage-point increase, the federal government would pay 73.25 percent of the operating costs in Florida.

Federal policymakers are discussing CHIP funding renewal, and in particular whether to continue funding the increase to the CHIP match, known as "the CHIP bump." The ACA authorized funding to continue at the higher match rate for two more years until FFY 2019. But as mentioned above, Congress has yet to act on any funding for CHIP.

Children in Medicaid Whose Coverage is Financed in Part by CHIP

In addition to Florida's separate CHIP programs (Healthy Kids, MediKids, Children's Medical Services Managed Care Plan), Florida uses CHIP funding to enhance the match rate for certain children in Medicaid.[22]

Stairstep children. The largest group of children receiving CHIP-funded Medicaid coverage are known as the "stairstep" children (see Figure 4). These are children who were moved from separate CHIP programs to Medicaid in 2014 under an ACA provision aligning family eligibility.[23] They are between 6 and 18 years old and have household incomes between 112 percent and 138 percent FPL.[24] Prior to the ACA change, these children would be enrolled in Medicaid until they turned 6 and then they would move to CHIP. As a result, prior to the ACA, siblings could find themselves in different programs with different providers.

Lawfully residing immigrant children. In July 2016, after many years of advocacy efforts, Florida implemented a provision allowing lawfully residing immigrant children to enroll in Medicaid and CHIP without having to wait five years.[25] These children, regardless of Medicaid or CHIP enrollment, are funded at the higher CHIP match.

Figure 4. Children in Florida Receiving the Bump in Federal CHIP Funding (CHIP-funded populations)

	Population	Enrollment	Time period
Separate CHIP	MediKids	24,293	As of July 2017
	Healthy Kids	160,563	As of July 2017
	Children's Medical Services Managed Care Plan	11,043	As of July 2017
	Total	**195,899**	
CHIP-funded Medicaid	Medicaid for ages 0-1	1,021	As of December 31, 2015
	Medicaid for ages 6-18 ("Stairstep" children)	122,070	As of December 31, 2015
	Lawfully residing immigrant children*	22,130	As of June 2017
	Total	**145,221**	

Source: Separate CHIP data retrieved from Florida Office of Economic and Demographic Research, "Caseload Social Services Estimating Conference: Florida KidCare Program July 17, 2017" (July 2017), available at http://www.edr.state.fl.us/Content/conferences/kidcare/kidcarecaseload.pdf. CHIP-funded Medicaid for children ages 0-1 and 6-18 retrieved from Melissa Bright, Jonathan Gaskins, and Elizabeth Shenkman, "The Florida KidCare Program Evaluation" (Gainesville, Florida: Institute for Child Health Policy, December 6, 2016), available at http://ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/program_policy/FLKidCare/PDF/2015_Florida_Kidcare_Evaluation_Report.pdf. Data for lawfully residing immigrant children is from the Florida Agency for Health Care Administration.

* Of the 22,130 lawfully residing children funded through CHIP as of June 2017, 19,723 were enrolled in Medicaid, 2,561 were enrolled in a separate CHIP, and 154 were moved to regular Medicaid/CHIP because their 5-year ban date expired. For the purpose of simplifying this figure, the CHIP-funded Medicaid population includes all lawfully residing immigrant children enrolled in coverage.

Policy Considerations

As CHIP's funding future remains unclear there are risks to Florida's children and the state's budget. A possibility is that Congress extends CHIP but lowers the match rate—either immediately or a few years down the road. Florida's budget assumes that the enhanced CHIP match rate will remain in place for the state's current fiscal year, so an end to the "CHIP bump" would cause an immediate shortfall. The Social Services Estimating Conference also assumes that the enhanced CHIP match rate will continue through September 30, 2019, as authorized by federal law.[26]

If the match rate is lowered immediately (or in the worst case scenario CHIP is not funded at all) those populations shown in Figure 4 that are in separate CHIP programs (MediKids, Healthy Kids, and the Children's Medical Services Managed Care Plan) would presumably be at greatest risk for an enrollment freeze, premium increases or other rollbacks of coverage as federal funding declines or ceases altogether.

Children receiving CHIP-funded Medicaid would continue to receive Medicaid, but Florida would receive the regular Medicaid Federal Medical Assistance Percentage (FMAP) of 61.79 percent instead of the higher CHIP match rate.[27]

In the event of a funding interruption or decrease, it is clear that the state would face difficult choices. The state could freeze enrollment for non-Medicaid groups or decide to drop optional Medicaid populations such as lawfully residing immigrant children for whom the five-year bar was recently lifted. For all these populations the state could decide to spend more of its own funding to make up for federal shortfalls, but it has not set aside any funds to do so in the current state fiscal year. A recent report that surveyed states found that most states are in this same position.[28]

Further complicating the situation is the federal "maintenance of effort" (MOE) provision enacted through 2019 which prohibits states from lowering income eligibility or imposing other enrollment barriers for children in Medicaid and CHIP. This provision was included in the ACA to ensure that children's coverage remained stable and strong during times of change. If federal CHIP funding were to disappear, the MOE presumably would no longer remain in effect. Congress will likely consider whether to retain the MOE in its current form, or a revised form, and for how long, as it makes decisions about the future of CHIP.

All of these issues are complex and interrelated. As of this writing, the Centers for Medicare & Medicaid Services (CMS) has issued no official guidance to help states understand what the rules and options are if CHIP funding is not extended or extended but at lower levels.

Looking Ahead

Health coverage is important to Florida's children and solid progress has been made reducing the state's uninsured rate to historic lows. Research finds that children enrolled in Medicaid and CHIP live healthier lives, are more likely to finish high school and college, and have more prosperous futures.[29] Medicaid and CHIP also protect families from economic insecurity and even bankruptcy as a result of health care costs.[30]

As part of its ACA repeal efforts, Congress was considering major changes to the Medicaid program that would have affected children in Florida, but those proposals are not currently active. However, Florida is one of the states most affected by pending Congressional action (or inaction) on CHIP, and there is a great deal of uncertainty about what will happen. CHIP funding is particularly important to Florida because its program is the fourth largest in the nation. Health coverage for over 340,000 children is at stake.

Endnotes

[1] Data retrieved from the 2016 American Community Survey.

[2] See Michel H. Boudreaux, Ezra Golberstein, and Donna D. McAlpine, "The Long-Term Impacts of Medicaid Exposure in Early Childhood: Evidence from the Program's Origin," *Journal of Health Economics* 45 (January 2016): 161-175; Phillip B. Levine and Diane W. Schanzenbach, "The Impact of Children's Public Health Insurance Expansions on Educational Outcomes," *National Bureau of Economic Research* (working paper, Massachusetts, January 2009); Sarah Cohodes et al., "The Effect of Child Health Insurance Access on Schooling: Evidence from Public Insurance Expansions," *National Bureau of Economic Research* (working paper, Massachusetts, May 2014); David Brown, Amanda Kowalski, and Ithai Lurie, "Medicaid as an Investment in Children: What is the Long Term Impact on Tax Receipts?" *National Bureau of Economic Research* (working paper, Massachusetts, January 2015); and Andrew Goodman-Bacon, "The Long-Run Effects of Childhood Insurance Coverage: Medicaid Implementation, Adult Health, and Labor Market Outcomes," *National Bureau of Economic Research* (working paper, Massachusetts, December 2016).

[3] Data retrieved from the 2016 American Community Survey.

[4] Figures are rounded to the nearest thousand. Data retrieved from the 2009 and 2016 American Community Survey.

[5] Data retrieved from the 2016 American Community Survey.

[6] Georgetown University Center for Children and Families analysis of Centers for Medicare & Medicaid Services, "2017 OEP State-Level Public Use File" (May 2017), available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/Plan_Selection_ZIP.html.

[7] Ibid.

[8] It is worth noting that some children and parents may be ineligible because they are caught up in the "family glitch," whereby employer-sponsored coverage is deemed affordable based on the cost of the employee's premium and not on the cost of dependent coverage, which can be much higher.

[9] Centers for Medicare & Medicaid Services, "May 2017 Medicaid and CHIP Applications, Eligibility Determination, and Enrollment" (Baltimore: Centers for Medicare & Medicaid Services, May 2017), available at https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html.

[10] Medicaid includes all other forms of public health insurance (Medicare, VA health care, CHIP and other means-tested programs). Data retrieved from the 2016 American Community Survey.

[11] The Kaiser Family Foundation State Health Facts, "Births Financed by Medicaid" (The Henry J. Kaiser Family Foundation), available at http://kaiserf.am/2vpXvwg.

[12] Tricia Brooks et al., "Medicaid and CHIP Eligibility, Enrollment, Renewal, and Cost Sharing Policies as of January 2017: Findings from a 50 State Survey" (The Henry J. Kaiser Family Foundation, January 2017), available at https://ccf.georgetown.edu/wp-content/uploads/2017/01/Report-Medicaid-and-CHIP-Eligibility-as-of-Jan-2017-1.pdf.

[13] Office of the Assistant Secretary for Planning and Evaluation, "U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs" (Washington: Office of the Assistant Secretary for Planning and Evaluation, January 2017), available at https://aspe.hhs.gov/poverty-guidelines.

[14] Centers for Medicare & Medicaid Services, "EPSDT - A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents" (Baltimore: Centers for Medicare & Medicaid Services, June 2014), available at https://www.medicaid.gov/medicaid/benefits/downloads/epsdt_coverage_guide.pdf.

[15] Centers for Medicare & Medicaid Services, "2016 Number of Children Ever Enrolled" (Baltimore: Centers for Medicare & Medicaid Services, February 2017), available at https://www.medicaid.gov/chip/downloads/fy-2016-childrens-enrollment-report.pdf.

[16] "Florida KidCare – Title XXI – Children's Health Insurance Program (CHIP)," Florida Agency for Health Care Administration, http://ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/program_policy/FLKidCare/index.shtml.

[17] Medicaid and CHIP Payment and Access Commission, "Federal CHIP Funding: When Will States Exhaust Allotments?" (Washington: Medicaid and CHIP Payment and Access Commission, July 2017), available at https://www.macpac.gov/wp-content/uploads/2017/03/Federal-CHIP-Funding_When-Will-States-Exhaust-Allotments.pdf.

[18] Centers for Medicare & Medicaid Services, "2016 Number of Children Ever Enrolled" op. cit.

[19] Medicaid and CHIP Payment Access Commission, "Federal CHIP Allotments" (Washington: Medicaid and CHIP Payment Access Commission, May 2017), available at https://www.macpac.gov/publication/federal-chip-allotments/.

[20] *Medicare Access and CHIP Reauthorization Act of 2015*, H.R.2, 114th U.S. Congress, 1st session (April 16, 2015).

[21] The Kaiser Family Foundation State Health Facts, "Enhanced Federal Medical Assistance Percentage (FMAP) for CHIP" (The Henry J. Kaiser Foundation, FY 2018), available at http://kaiserf.am/2vTbL3H.

[22] Florida uses CHIP funds to enroll children ages 0-1 with household income between 192 percent and 211 percent FPL and children ages 6-18 with household income between 112 percent and 138 percent FPL in Medicaid. For more information, see Tricia Brooks et al., op. cit.

[23] Wesley Prater and Joan Alker, "Aligning Eligibility for Children: Moving Stairstep Kids to Medicaid" (The Henry J. Kaiser Family Foundation, August 2013), available at http://www.kff.org/medicaid/issue-brief/aligning-eligibility-for-children-moving-the-stairstep-kids-to-medicaid/.

[24] There is a much smaller number of children ages 0-1 and between 192 percent and 211 percent FPL who receive CHIP funded Medicaid coverage.

[25] Florida Agency for Health Care Administration, "2016 Federal Fiscal Year Annual Report for Florida KidCare Program" available at http://ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/program_policy/FLKidCare/PDF/2016_CHIP_Annual_Report.pdf.

[26] Office of Economic and Demographic Research, "Social Services Estimating Conference, Florida KidCare Program: Executive Summary" (Tallahassee: Office of Economic and Demographic Research, August 2017), available at http://edr.state.fl.us/Content/conferences/kidcare/kidcareexec.pdf.

[27] The Kaiser Family Foundation State Health Facts, "Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier" (The Henry J. Kaiser Family Foundation, FY 2018), available at http://kaiserf.am/2vTNQ45.

[28] Thirty-six of 39 states surveyed had assumed that the CHIP bump would continue and only one had a contingency plan if it does not. For more information, see Maureen Hensley-Quinn and Anita Cardwell, "State CHIP Changes Are Coming Soon," *National Academy for State Health Policy Blog*, August 1, 2017, available at http://www.nashp.org/state-chip-changes-are-coming-soon/.

[29] In addition to the studies cited in note #2, see Heeju Sohn, "Medicaid's lasting impressions: Populations health and insurance at birth," *Social Science & Medicine* 177 (March 2017): 205-212; and Laura R. Wherry and Bruce D. Meyer, "Saving Teens: Using a Policy Discontinuity to Estimate the Effects of Medicaid Eligibility," *Journal of Human Resources* 51, no. 3 (2016): 556-588.

[30] Karina Wagnerman, "Medicaid: How Does It Provide Economic Security for Families?" (Washington: Georgetown University Center for Children and Families, March 2017), available at https://ccf.georgetown.edu/wp-content/uploads/2017/03/Medicaid-and-Economic-Security.pdf.

This brief was authored by Joan Alker and Karina Wagnerman of the Georgetown University Center for Children and Families. The authors would like to thank the Florida Philanthropic Network and members of FPN's affinity group Florida Health Funders, including:

- Allegany Franciscan Ministries, Inc.
- Florida Blue Foundation
- Foundation for a Healthy St. Petersburg
- Gulf Coast Community Foundation
- Health Foundation of South Florida
- Jessie Ball duPont Fund
- Quantum Foundation
- Space Coast Health Foundation
- Winter Park Health Foundation

We would like to thank Anne Swerlick at the Florida Policy Institute for her helpful review of this brief. We would also like to thank Dulce Gonzalez and Phyllis Jordan at CCF for their assistance with this report. Design and layout was provided by Nancy Magill.

The Center for Children and Families (CCF) is an independent, nonpartisan policy and research center whose mission is to expand and improve health coverage for America's children and families. CCF is based at Georgetown University's McCourt School of Public Policy.

Georgetown University Center for Children and Families
McCourt School of Public Policy
Box 571444
3300 Whitehaven Street, NW, Suite 5000
Washington, DC 20057-1485
Phone: (202) 687-0880
Email: childhealth@georgetown.edu

ccf.georgetown.edu

facebook.com/georgetownccf

twitter.com/georgetownccf