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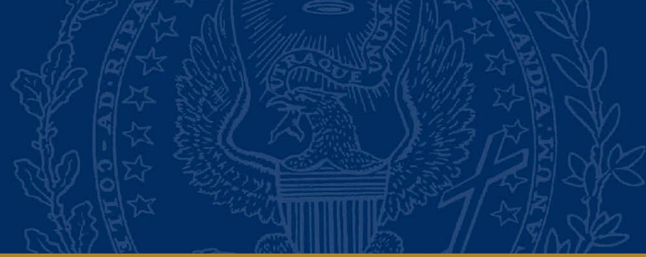


Children Are Left Behind When States Fail to Expand Medicaid

by Adam Searing, Alexandra Corcoran, and Joan Alker

Key Findings

- **Growing numbers of uninsured children are concentrating in states that have not expanded Medicaid.** Between 2016 and 2019, the child uninsured rate in non-expansion states grew at nearly three times the rate of expansion states. Non-expansion states saw their child uninsured rate jump from 6.5 percent to 8.1 percent during the period examined while expansion states saw it increase from 3.5 percent to 4.1 percent (see figure 3). Moreover, two non-expansion states, Texas and Florida, were responsible for 41 percent of the coverage losses for children over the three-year period.[1]
- **While Medicaid expansion was designed to help uninsured adults who could not afford private insurance, the policy change also benefits children.** When parents gain coverage, they are more likely to access the supports they need to be a healthy and effective parent, more likely to enroll their children in "whole family" health coverage, and more likely to take their children to the doctor.[2] In short, covering parents also means covering children, protecting families from economic strains associated with medical debt, and laying the groundwork for optimal child development.
- **Extending access to Medicaid coverage for adults benefits the whole family by providing continuous access to care and improving reproductive health.** Medicaid expansion has been shown to improve preconception and prenatal care, including increased use of folic acid supplements, critical health screenings, and mental health services. Expansion is also associated with lower maternal and infant mortality rates.[3]

Introduction

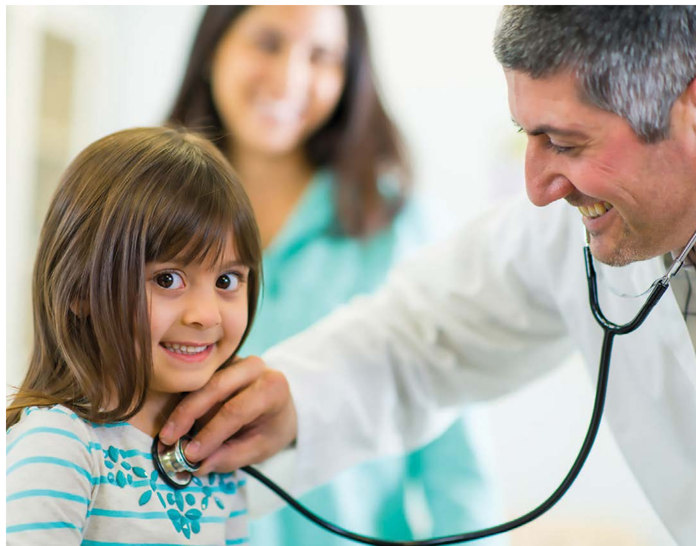
Since its passage in 2010, the Affordable Care Act (ACA) has played a critical role in lowering the rate of uninsured children in America. A key part of the ACA's success in this area was the Act's expansion of Medicaid to more working-age adults. In 2016, just two years after the majority of states implemented the Affordable Care Act's Medicaid expansion, the nation's uninsured rate for children reached a historic low of 4.7 percent. As states extended Medicaid eligibility to adults up to 138 percent of the Federal Poverty Level (FPL), enrolling newly eligible parents created a "welcome mat" enrollment effect for children—many of whom were already eligible for health coverage but not enrolled in a plan.[4] This meant the child uninsured rate declined in tandem with the non-elderly uninsured rate as parents signed themselves and their entire family up for coverage.

Medicaid expansion has not only reduced the number of uninsured children but also led to improved prenatal and maternal health, higher preventative care use for children, and decreased incidence of child neglect in the states that chose to expand.[5] These coverage and health benefits are not uniform across the states. As of January 2021, nearly eleven years after the passage of the ACA and seven years after Medicaid expansion officially took effect in most states, 12 states have yet to accept federal funding to expand Medicaid coverage to parents and other adults. As a consequence, many families in these states do not have access to affordable coverage, a high share of children remain uninsured, and these health benefits for families go unrealized.

Making matters worse, since 2016 the nation has reversed its historic progress in covering children, and the rate of uninsured children rose by a full percentage point to 5.7 percent in 2019. This increase is driven in large part by the states that have still not expanded Medicaid. Today, while the *majority of all children* live in expansion states, the *majority of uninsured children* live in non-expansion states. Expanding Medicaid in the 12 remaining states is a crucial step to put our nation back on track for children's health and move closer to the day when all children in the U.S. have access to the health care they need to succeed.

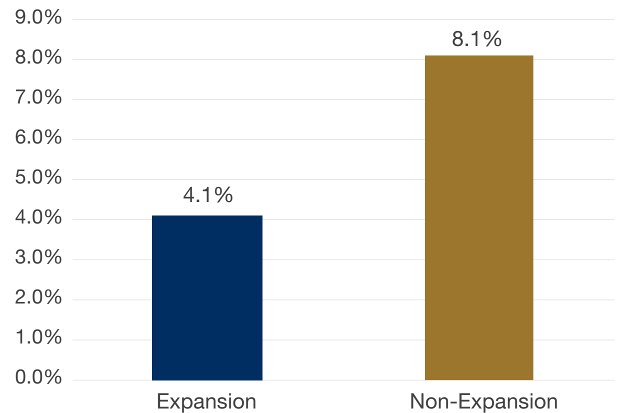
When parents have access to health coverage, they are more likely to sign up their children for health coverage.

Research has clearly shown that when parents gain health insurance coverage, their children are more likely to have health coverage too. This effect is known as the "welcome mat" effect.[6] Although Medicaid expansion extends coverage to adults, Medicaid and CHIP participation rates for children are consistently higher in expansion states than non-expansion states.[7] Uninsured children are often eligible but not enrolled in state Medicaid and CHIP programs, and outreach efforts for adult enrollment allow children to be easily enrolled as well.[8]



In 2019, states that continued to refuse federal funds for Medicaid expansion had almost twice the rate of uninsured children than states that did expand Medicaid (8.1 percent in non-expansion states compared to 4.1 percent in expansion states) (see figure 1). And, only two non-expansion states had child uninsured rates lower than 5.0 percent (see figure 2).

Figure 1. Children's Uninsured Rate by Medicaid Expansion Status, 2019



Source: Georgetown University Center for Children and Families analysis of Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2019, Health Insurance Historical Tables, U.S. Census Bureau American Community Survey (ACS). Maine and Virginia excluded from analysis in this chart.

Figure 2. Rate of Uninsured Children in Medicaid Expansion States and Non-Expansion States, 2019

State	Rate
Texas	12.7
Wyoming	10.6
Alaska	9.4
Arizona	9.2
Oklahoma*	8.6
Utah*	8.3
Nevada	8.0
South Dakota	7.8
North Dakota	7.8
Florida	7.6
Georgia	7.4
Indiana	7.1
Missouri*	6.5
Montana	6.2
Mississippi	6.1
Arkansas	5.9
South Carolina	5.8
North Carolina	5.8
Kansas	5.8
New Mexico	5.7
Nebraska*	5.7
United States	5.7
Maine	5.6
Colorado	5.5
Tennessee	5.0
Idaho*	5.0
Virginia	4.9
Ohio	4.8
Delaware	4.8
Pennsylvania	4.6
Louisiana	4.4
New Jersey	4.3
Kentucky	4.3
Oregon	4.1
Illinois	4.0
Wisconsin	3.8
New Hampshire	3.7
California	3.6
West Virginia	3.5
Connecticut	3.5
Alabama	3.5
Michigan	3.4
Maryland	3.4
Washington	3.1
Minnesota	3.1
Iowa	2.9
Hawaii	2.8
New York	2.4
Vermont	2.1
District of Columbia	2.0
Rhode Island	1.9
Massachusettes	1.5

0% 2.0% 4.0% 6.0% 8.0% 10.0% 12.0% 14.0%

Non-Expansion States

Expansion States

* Idaho began expansion enrollment in November 2019. Nebraska and Utah implemented Medicaid expansion in 2020, after this data was collected. Missouri and Oklahoma plan to implement expansion in 2021.

Source: Georgetown University Center for Children and Families analysis of Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2019, Health Insurance Historical Tables, U.S. Census Bureau American Community Survey (ACS).

Medicaid expansion states do a better job providing healthcare for children.

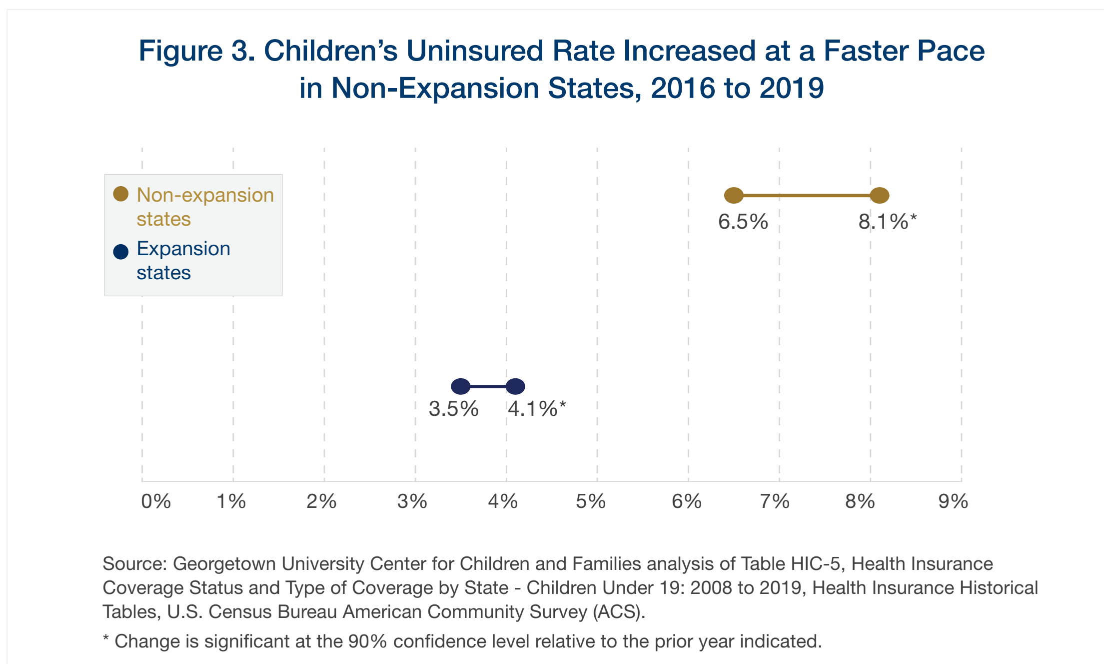
In addition to lowering the barriers to enrolling children in health coverage, extending access to Medicaid coverage for adults benefits the whole family by providing continuous access to care and improving women's reproductive health. First, Medicaid expansion improves preconception and prenatal care uptake, thus fostering healthier pregnancies and births. Data from the first five years of Medicaid expansion implementation show that extending coverage increased the likelihood that future parents would seek out preconception counseling, take folic acid supplements, and use effective contraception during the postpartum period.[9] In Oregon, likely due to increased preconception care for low-income women, expansion significantly decreased the probability of low birth weight and preterm births.[10]

After birth, continuous coverage in expansion states provides access to critical screenings, and mental health services during a longer postpartum period. In non-expansion states, pregnancy-based Medicaid coverage ends 60 days after birth for most women.[11] In expansion states, however, the higher income eligibility limit allows more individuals to maintain their access to health care through Medicaid and reduces churn between public coverage and uninsurance.[12] Consequently the uninsured rate for women who had given birth in the prior 12 months was 3.2 times higher in non-expansion states than it was in expansion states in 2017.[13] In the expansion state of Colorado, women who had given birth in the past six months, especially those with conditions that put them at high risk of severe maternal morbidity, were more likely to access postpartum health screenings than their peers in Utah (which had not expanded Medicaid at the time of the study).[14] Coverage also gives postpartum women full access to mental health care, a crucial service given that postpartum depression impairs bonding between parent and child during the critical early years and can last up to three years after a child's birth.[15]

Beyond the preconception, prenatal, and postpartum periods, extending Medicaid coverage to parents increases families' interaction with the healthcare system and improves their financial stability leading to a multitude of benefits for children. After Louisiana expanded Medicaid in 2016, the share of poor children (children in families whose income was below 100 percent of the federal poverty level FPL) who had at least one well-child checkup increased while the share of poor children receiving preventative care in Louisiana's non-expansion neighbors, Mississippi and Texas, decreased.[16] For children below the age of six, the improved familial financial stability that comes with Medicaid expansion is associated with a significant decline in child neglect.[17] Researchers estimate that if non-expansion states extended coverage, over 40,000 cases of child neglect per year could be prevented.[18] Medicaid expansion states also saw a larger drop in their high school dropout rates than non-expansion states when compared to a pre-ACA baseline.[19] Continuous coverage for parents paves the way for children to access needed healthcare and for families to grow and thrive together.

Growth in the child uninsured rate has been led by Medicaid non-expansion states.

Between 2016 and 2019, while the uninsured rate for children climbed in states across the nation, in non-expansion states the child uninsured rate grew nearly three times as fast as in expansion states. Non-expansion states saw a jump from 6.5 percent to 8.1 percent (1.6 percentage points) during the time period while states that had expanded Medicaid saw a jump from 3.5 percent to 4.1 percent (0.6 percentage points) (see figure 3). Further, two non-expansion states, Texas and Florida, were responsible for 41 percent of the coverage losses over the three-year period.[20]



Source: Georgetown University Center for Children and Families analysis of Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2019, Health Insurance Historical Tables, U.S. Census Bureau American Community Survey (ACS).

* Change is significant at the 90% confidence level relative to the prior year indicated.

Twelve states still have not expanded Medicaid, primarily in the South.

As of December 2020, 39 states (including the District of Columbia) have expanded Medicaid thereby extending coverage to all adults up to 138 percent FPL ($17,609 for an individual or $29,974 for a family of three). There are 12 states still refusing to accept the federal funding available for Medicaid expansion. Two states, Oklahoma and Missouri, are in the process of implementing voter-passed ballot initiatives expanding Medicaid, although coverage will not be available until at least mid-2021. In those states that have refused to expand Medicaid, many parents fall into a "coverage gap": their income is too high to qualify for Medicaid under their state's section 1931 eligibility limit, but too low to qualify for subsidized marketplace coverage (see table 1).

Table 1. Parental Eligibility Limits in Non-Expansion States

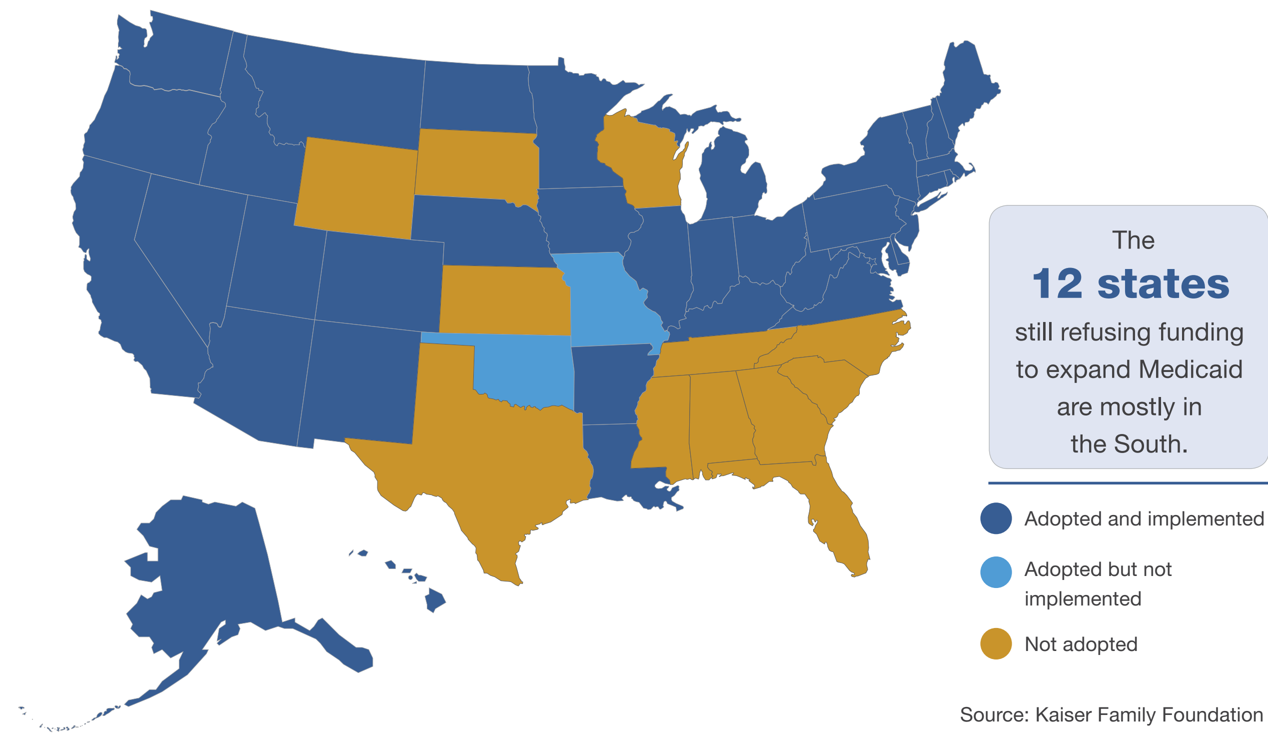
State	Section 1931 Eligibility Limit for Low-Income Parents (% of FPL)	Eligibility Limit in Dollars for a Family of Three
Alabama	18%	$3,910
Florida	31%	$6,733
Georgia	35%	$7,602
Kansas	38%	$8,254
Mississippi	26%	$5,647
Missouri*	21%	$4,561
North Carolina	41%	$8,905
Oklahoma*	41%	$8,905
South Carolina	67%	$14,552
South Dakota	48%	$10,426
Tennessee	94%	$20,417
Texas	17%	$3,692
Wisconsin	100%	$21,720
Wyoming	53%	$11,512

Source: Source: T. Brooks, et al., "Medicaid and CHIP Eligibility, Enrollment and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey," Georgetown University Center for Children and Families and the Kaiser Family Foundation (March 2020), available at http://files.kff.org/attachment/Report-Medicaid-and-CHIP-Eligibility,-Enrollment-and-Cost-Sharing-Policies-as-of-January-2020.pdf.

* Missouri and Oklahoma voters opted to expand Medicaid, but as of the publication of this brief the states had yet to implement.

With Missouri and Oklahoma set to implement voter-approved Medicaid expansion this year, there are 12 states, largely in the South, still refusing the federal funding available for expansion (see figure 4). Almost three-quarters of adults who would gain coverage if the final 12 holdout states expanded Medicaid coverage live in the "big four" southern states: Texas, Florida, Georgia, and North Carolina. And 92 percent of people in the Medicaid "coverage gap" now live in the South.[21]

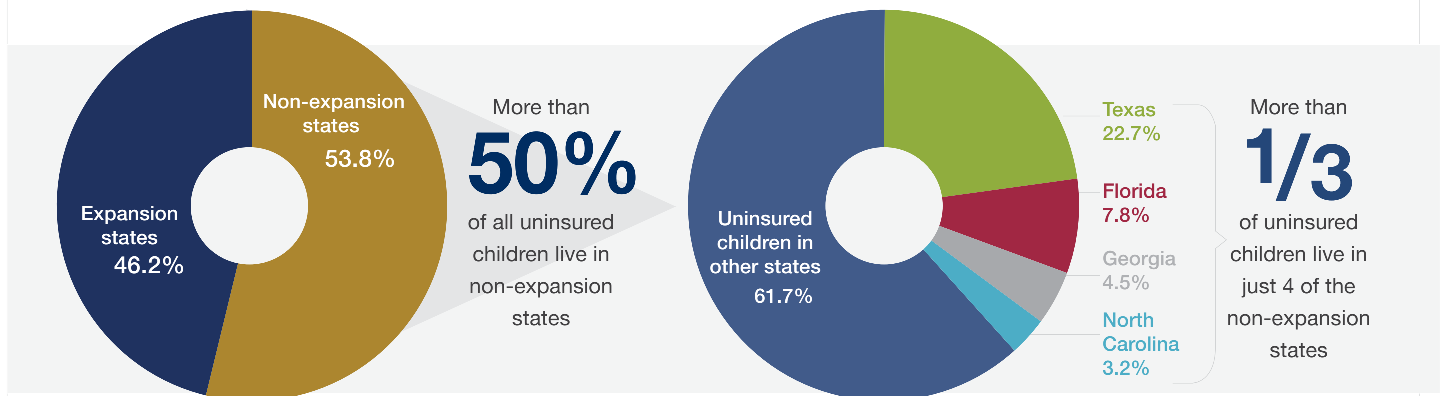
Figure 4. Medicaid Expansion Status as of January 2021



Source: Kaiser Family Foundation

The 12 holdout non-expansion states account for only 37.4 percent of the overall child population, but over half of the uninsured child population (53.8 percent) (see figure 5). More than one-third of uninsured children in the nation live in the "big four" of those non-expansion states: Texas, Florida, Georgia, and North Carolina (see figure 5).

Figure 5. Uninsured Children in the United States



Source: Georgetown University Center for Children and Families analysis of Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2019, Health Insurance Historical Tables, U.S. Census Bureau American Community Survey (ACS).

Conclusion

The concentration of uninsured children in states that have not expanded Medicaid is a troubling and growing trend. Data presented in this report are all *pre-pandemic*, meaning that many more children have likely lost insurance over the past year.[22] Parents, and consequently their children, living in non-expansion states will struggle more to find affordable coverage and care than their counterparts in expansion states.

Even though Medicaid expansion is directed at adults, the large number of parents who gain coverage when states accept the expansion means that children benefit as well. When parents gain coverage, they are more likely to access the supports they need to be a healthy and effective parent, more likely to enroll their children in health coverage, and more likely to take their children to the doctor.[23] In short, covering parents also means improving the lives of children.

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Methodology

Data Sources and Historic Changes to Age Categories for Children

This brief was compiled using publicly available data from the U.S. Census Bureau's annual American Community Survey (ACS). The data come from two sources: 1) Health Insurance Historical Table HIC-5: Health Insurance Coverage Status and Type of Coverage by State—Children Under 19: 2008 to 2019. 2) the detailed tables available on Data.Census.Gov.

Where only number estimates are available, percent estimates were computed using the formulas provided in Chapter 7 and Chapter 8 of the U.S. Census Bureau's handbook, "Understanding and Using American Community Survey Data: What All Data Users Need to Know" (published July 2018).

In order to better align with the current health landscape, the age categories of the ACS health insurance detailed tables were updated in 2017 so that the age group for children includes individuals ages 18 and younger. In 2016 and previous years, the age group for children included individuals ages 17 and younger. Therefore, this report uses the HIC-5 table for analysis of trends over the three-year period 2016-2019.

Expansion Status

Expansion status is determined by whether or not a state has accepted federal funds to expand Medicaid to adults up to 138 percent of the Federal Poverty Level. Idaho began expansion enrollment in November 2019 and Oklahoma and Nebraska implemented expansion in 2020. Missouri and Oklahoma both passed Medicaid expansion by ballot initiative in 2020, but had not implemented the program at the time that the data was collected (2016-2019). Consequently, these five states are categorized as non-expansion states in this analysis. Both Maine and Virginia implemented Medicaid expansion between 2016 and 2019. For consistency's sake, these two states are excluded from the analysis when determining change over time (figure 1, figure 3). However, they are categorized as expansion states and included in figure 2 and figure 5.

Margin of Error

The U.S. Census Bureau publishes a margin of error (potential range for any given estimate) at a 90 percent confidence level. Where estimates are combined to produce new estimates, margin of error results were computed following Chapter 8 of the U.S. Census Bureau's handbook "Understanding and Using American Community Survey Data: What All Data Users Need to Know" (published July 2018). All significance testing was conducted using the Census Bureau's Statistical Testing Tool. Differences of percent or number estimates (either between groups, coverage sources, or years) that are statistically significant at a confidence level of 90 percent are marked with an asterisk (*). Georgetown CCF does not take the margin of error into account when ordering states by the number and percent of the uninsured children (figure 2).

Geographic Location

We report regional data as defined by the Census Bureau. The ACS produces single-year estimates for all geographic areas with a population of 65,000 or more.

Health Coverage

Data on sources of health insurance coverage are point-in-time estimates that convey whether a person has coverage at the time of the survey. The Census Bureau provides the following categories of coverage for respondents to indicate sources of health insurance: employer-based health insurance only, direct purchase health insurance only, Medicare coverage only, Medicaid/means-tested public coverage only (includes CHIP), TRICARE/military health coverage only, VA health coverage only, two or more types of health insurance, and no health insurance coverage. People who indicate Indian Health Services (IHS) as their only source of health coverage do not have comprehensive coverage according to ACS survey definitions and are therefore considered to be uninsured. For more detail on how the ACS defines sources of health insurance coverage, see "American Community Survey and Puerto Rico Community Survey 2019 Subject Definitions" (78).

Demographic Characteristics

"Children" are defined as those individuals age 18 and under.

Endnotes

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