

Kids Waiting for Coverage: How Many Are in Your State?

Introduction

The Children's Health Insurance Program (CHIP) was enacted with strong bipartisan support in Congress in 1997. Since that time, CHIP has been a true success story: While the number of uninsured adults has steadily climbed, the number of low-income uninsured children in our nation has declined by nearly a third.¹

This summer, both the Senate and the House of Representatives voted to continue the success story and reauthorize CHIP. However, President Bush has stated that he will veto the legislation. If the CHIP program is not reauthorized by September 30, 2007, more than 6 million children will be at risk of losing the health coverage they currently have through the program.

This fall, members of Congress and the President will need to decide whether or not they will stand with children and America's hard-working families. First, the Senate and House must take swift action to work out differences between their bills and vote to pass that agreement. Second, the President must undergo a change of heart and sign the bill into law.

President Bush objects to the CHIP bills that have been passed by the House and Senate because both bills put new federal funding into CHIP and Medicaid—funding that will allow states to meet two goals: 1) maintain coverage for children currently enrolled in CHIP, and 2) enroll more of the 9 million American children who are currently uninsured. According to the Congressional Budget Office (CBO), the House bill would reduce the number of uninsured children in this country by more than half (5 million), and the Senate bill by almost half (4 million). The vast majority of the children who stand to gain coverage—between 85 and 90 percent—are already eligible for CHIP or Medicaid. If he upholds his threat to veto the legislation, and if Congress does not override that veto, a crucial opportunity to improve children's health coverage will slip away. Instead, the number of uninsured children will increase significantly.

To provide a sense of the magnitude of what is at stake, Families USA has taken the CBO national estimates of the numbers of uninsured children who could be covered under the House and Senate bills and apportioned those numbers across the states. States will be able to cover more of their uninsured children under the House bill than under the Senate bill, but both bills will allow states to make significant progress toward the goal of covering all of their uninsured children.

Table 1

Children Who Could Gain Coverage under the House and Senate CHIP Reauthorization Bills

State	Number of Uninsured Children	Number of Children Who Could Be Covered		Reduction in Percent of Children Who Are Uninsured	
		House Bill (HR 3162)	Senate Bill (S 1893)	House Bill (HR 3162)	Senate Bill (S 1893)
U.S. Total	9,155,780	5,000,000	4,000,000	55%	44%
Alabama	107,000	68,900	55,200	64%	52%
Alaska	25,100	13,000	10,300	52%	41%
Arizona	243,000	111,000	86,700	46%	36%
Arkansas	70,200	51,800	43,400	74%	62%
California	1,370,000	765,000	643,000	56%	47%
Colorado	180,000	77,900	63,300	43%	35%
Connecticut	76,700	40,200	29,700	52%	39%
Delaware	22,000	11,600	8,640	53%	39%
District of Columbia	11,300	9,130	6,560	81%	58%
Florida	658,000	308,000	244,000	47%	37%
Georgia	309,000	202,000	171,000	65%	55%
Hawaii	22,400	15,900	12,600	71%	56%
Idaho	49,500	24,400	19,000	49%	38%
Illinois	388,000	205,000	162,000	53%	42%
Indiana	162,000	93,100	73,000	57%	45%
Iowa	53,800	34,100	27,900	63%	52%
Kansas	53,200	34,000	28,000	64%	53%
Kentucky	111,000	65,900	51,500	59%	46%
Louisiana	149,000	110,000	87,100	74%	58%
Maine	20,300	16,100	12,500	79%	62%
Maryland	139,000	81,600	69,500	59%	50%
Massachusetts	112,000	75,100	60,300	67%	54%
Michigan	186,000	116,000	84,100	62%	45%
Minnesota	83,700	45,000	31,100	54%	37%
Mississippi	102,000	64,500	51,600	63%	51%
Missouri	107,000	77,900	59,600	73%	56%
Montana	37,500	16,600	13,700	44%	37%

Table 1 (continued)

Children Who Could Gain Coverage under the House and Senate CHIP Reauthorization Bills

State	Number of Uninsured Children	Number of Children Who Could Be Covered		Reduction in Percent of Children Who Are Uninsured	
		House Bill (HR 3162)	Senate Bill (S 1893)	House Bill (HR 3162)	Senate Bill (S 1893)
Nebraska	30,700	21,200	17,300	69%	56%
Nevada	113,000	44,300	36,200	39%	32%
New Hampshire	19,800	12,000	9,120	61%	46%
New Jersey	254,000	127,000	106,000	50%	42%
New Mexico	77,900	39,800	29,000	51%	37%
New York	475,000	349,000	283,000	73%	60%
North Carolina	271,000	150,000	123,000	55%	45%
North Dakota	13,100	6,530	5,170	50%	39%
Ohio	250,000	163,000	128,000	65%	51%
Oklahoma	148,000	76,800	61,300	52%	41%
Oregon	109,000	48,500	38,600	44%	35%
Pennsylvania	301,000	178,000	140,000	59%	47%
Rhode Island	16,200	12,900	10,100	80%	62%
South Carolina	90,200	57,100	43,800	63%	49%
South Dakota	17,400	11,300	9,120	65%	52%
Tennessee	141,000	82,500	56,300	59%	40%
Texas	1,410,000	584,000	462,000	41%	33%
Utah	78,500	38,400	31,800	49%	41%
Vermont	7,980	5,800	4,220	73%	53%
Virginia	193,000	96,600	78,200	50%	41%
Washington	145,000	76,100	55,000	52%	38%
West Virginia	39,400	27,100	21,400	69%	54%
Wisconsin	90,400	51,900	39,500	57%	44%
Wyoming	15,500	8,110	6,330	52%	41%

Source: Uninsured estimates from a three-year merge (2003-2005) of the Census Bureau's Current Population Survey. See *No Shelter from the Storm: America's Uninsured Children* (Washington: Campaign for Children's Health Care, September 2006). Remaining estimates by Families USA. See the methodology for details.

Note: Columns may not add due to rounding.

Key Findings

Over the next five years, both of the CHIP reauthorization bills passed by Congress would cover millions of children who would otherwise be uninsured.

■ House

- The House bill would enable states to cover 5 million children *who would otherwise be uninsured*.
- The House bill could reduce the percentage of uninsured children in a given state by at least 39 percent and as much as 81 percent, depending on the state.
 - Eight states—AR, HI, LA, ME, MO, NY, RI, and VT—and the District of Columbia could reduce their number of uninsured children by *more than 70 percent*.
 - In 41 states and the District of Columbia, the number of uninsured children could be reduced by *at least half*.
 - The six states that would cover the most new children—CA, TX, NY, FL, IL, and GA—could cover more than 2.4 million children who would otherwise be uninsured. Covering children in these six states alone would reduce the number of uninsured children in the country by *more than one quarter*.

■ Senate

- The Senate bill would enable states to cover 4 million children *who would otherwise be uninsured*.
- The Senate bill could reduce the percentage of uninsured children in a given state by at least 32 percent and as much as 62 percent, depending on the state.
 - All 50 states and the District of Columbia could reduce their number of uninsured children by *at least 30 percent*.
 - In 19 states—AL, AR, GA, HI, IA, KS, LA, ME, MD, MA, MS, MO, NE, NY, OH, RI, SD, VT, and WV—and the District of Columbia, the number of uninsured children could be reduced by *at least half*.
 - The six states that would cover the most children—CA, TX, NY, FL, GA, and IL—could cover more than 2.0 million children who would otherwise be uninsured. Covering children in these six states alone would reduce the number of uninsured children in the country by *more than one-fifth*.

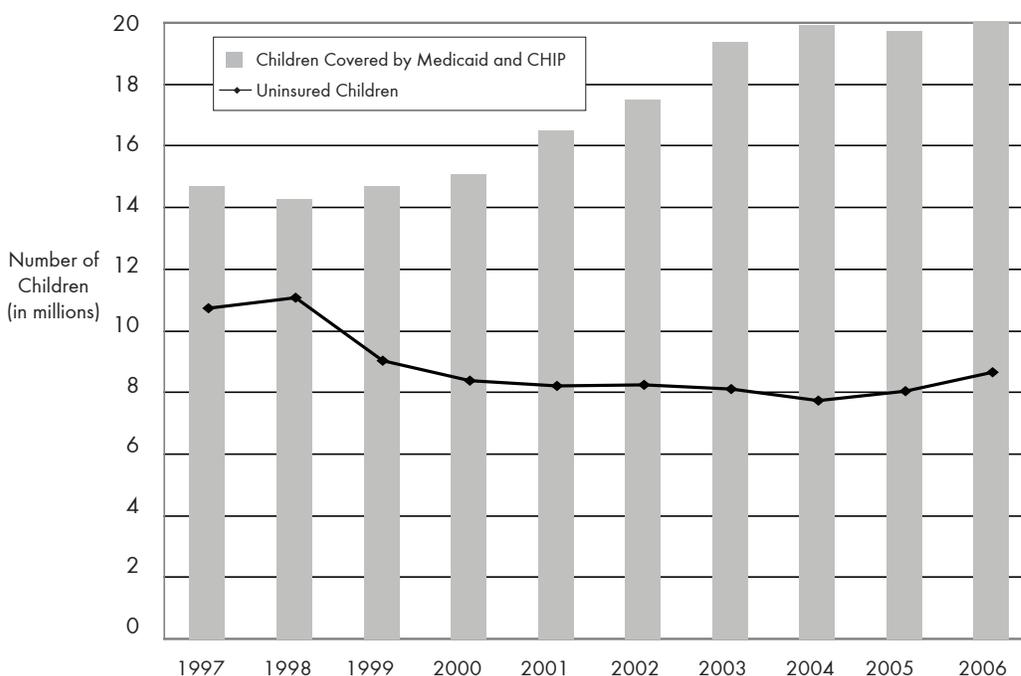
If the President vetoes the CHIP reauthorization bill, and if Congress does not override the veto, millions of children who currently rely on the program could lose coverage.

Discussion

CHIP and America's Children

The Children's Health Insurance Program (CHIP) was enacted 10 years ago, and it has enjoyed profound success over that period: By 2006, more than 6 million children were enrolled in the program.² Since CHIP began, it has been enormously successful in providing coverage for children who would otherwise be uninsured. As Medicaid and CHIP enrollment has grown over the past nine years, the number of uninsured children has dropped markedly (Figure 1). Between 1998 and 2006, the number of uninsured children dropped significantly.³ This decrease is remarkable in light of the growth in child poverty and a significant decline in the number of children whose families had job-based health insurance during that time. Experts agree that expanded coverage for children through CHIP and Medicaid is responsible for this good news.⁴

Figure 1. Number of Uninsured Children Has Declined Since CHIP Began



Source: U.S. Census Bureau Current Population Survey, 2007.

Note: Includes children ages 0-17. In 2007, the Census Bureau released adjusted uninsured estimates for all years 1999-2005. Adjusted estimates are not yet available for years prior to 1999. Therefore, the 1997 and 1998 estimates are not directly comparable to the estimates from 1999 onward.

CHIP was designed to provide health coverage for children in low-income, working families—children who do not qualify for Medicaid but whose families are either not offered or cannot afford private health coverage. Every state has its own CHIP program, and each state has the flexibility to tailor its program to its unique economic conditions and demographics.

CHIP is vital to improving children's health care. Children enrolled in CHIP or Medicaid are three times more likely to have a usual source of care than are uninsured children.⁵ And CHIP reduces the percentage of children with an unmet health care need.⁶ Children enrolled in CHIP or Medicaid are one-and-a-half times more likely than uninsured children to receive well-child care, see a doctor during the year, and get dental care. Clearly, CHIP and Medicaid are critical programs that allow otherwise uninsured children to get the health services they need.

But now, CHIP is at a crossroads. Congress must reauthorize the program by September 30, 2007, or it will expire. If that happens, the number of uninsured children in this country will increase, and most of the 6 million children who are currently enrolled in CHIP will likely become uninsured.

The Future of CHIP

In early August, both the House and the Senate took action to prevent CHIP from expiring by passing legislation to reauthorize and strengthen the program. That legislation also included new funding that would enable states to cover more low-income children. The next step in that process is for a conference committee made up of key House members and Senators to come to an agreement on how to combine the two bills into one plan for reauthorizing CHIP. Then the full Congress will vote on that agreement.

The two bills before the conference committee would guarantee that all of the children currently enrolled in CHIP maintain their coverage. Moreover, the bills contain sufficient funding so that states can enroll additional uninsured children, the vast majority of whom are already eligible for CHIP or Medicaid. The House bill includes substantially more funding for children's health coverage, so it would allow approximately 1 million more uninsured children to get coverage than the Senate bill. The House bill would thereby make significantly more progress toward the goal of covering all children.

The CHIP Reauthorization Bills

Not only would the House bill extend the program so that low-income children in CHIP can keep their coverage, but the Congressional Budget Office (CBO) has found that it would also add a significant number of children to the program. Approximately 5 million children who would otherwise be uninsured would be added to the program between 2008 and 2012. The overwhelming majority of these children are currently eligible for CHIP or Medicaid but not enrolled.

By contrast, the CBO estimates that 4 million children who would otherwise be uninsured would get coverage under the Senate bill between 2008 and 2012. The vast majority of these children are also currently eligible for CHIP or Medicaid but not enrolled.

Both the House and Senate CHIP reauthorization bills dedicate significant new federal funding to children's health coverage, and they do so in ways that will encourage states to more aggressively conduct outreach and enroll uninsured children. These coverage gains would reduce the number of uninsured children in the country by between 44 and 55 percent (Table 1).

The CBO numbers are national estimates and do not show how the CHIP reauthorization bills would affect the number of uninsured children in each state. In order to estimate the impact of the House and Senate bills on the number of uninsured children in each state, Families USA used data from the Centers for Medicare and Medicaid Services and from the U.S. Census Bureau's Current Population Survey to calculate the proportion of children that are uninsured and the proportions of children that are enrolled in CHIP and Medicaid in each state. We then distributed the 5 million and 4 million children, respectively, across states based on those proportions. See Table 1 for state-specific estimates.

These data should be taken as illustrative only. The number of children covered in each state will depend on the steps that state policymakers take to improve outreach and enrollment, in addition to how well each state is able to find and enroll eligible children. Both bills provide financial incentives to reward states for covering more children. The House bill grants performance bonuses to states that adopt four out of seven enrollment "best practices" (continuous eligibility in Medicaid, elimination of the asset test/administrative verification of assets, elimination of the in-person interview requirement, joint Medicaid and CHIP application, automatic/passive renewal, presumptive eligibility, and/or express lane eligibility) and meet enrollment goals. The more enrollment best practices a state implements, the more successful it is likely to be in meeting enrollment goals and getting the most uninsured children covered. The Senate bill awards per-child bonuses to states that exceed a predetermined enrollment baseline.

As the data show, each state stands to make considerable progress in fulfilling a goal that the majority of Americans agree is important—making sure every child has health coverage. Building on the success they have had with CHIP over the last decade, and in anticipation of additional federal funding through CHIP reauthorization, states are poised to expand children's coverage (see "States Eager for Change" on page 8). The main factor standing in their way is Congress passing, and the President signing, legislation to reauthorize CHIP.

States Eager for Change

In the midst of the debate over CHIP reauthorization, many states have been working on their own expansions of children's coverage. Over the past two years, beginning with Illinois' All Kids expansion in 2005, 18 states have expanded children's eligibility for Medicaid or CHIP, and three more states are debating expansions in their legislature or have an expansion on the ballot this year. For many states, the impetus to expand coverage is CHIP reauthorization and the promise of additional federal funding that will help them reach out to children who are eligible but not enrolled. Without additional funding, some states will be unable even to maintain coverage for their current enrollees, let alone proceed with their expansions.

This report does not attempt to account for these changes in state eligibility levels for children. It is reasonable to expect that many of the states that enact expansions will actually enroll more uninsured children in CHIP and Medicaid than this report estimates.

Children's Coverage Expansions, 2005–2007

California*	Massachusetts	Oregon*
Colorado**	Montana	Pennsylvania
District of Columbia	New York**	South Carolina**
Hawaii	North Carolina**	Tennessee
Illinois	North Dakota**	Washington**
Indiana**	Ohio**	West Virginia**
Louisiana**	Oklahoma**	Wisconsin*

*States where expansions are being considered but have not yet passed.

**States where expansions have been passed but have not yet been implemented.

More Administration Roadblocks

On August 17, the Bush Administration announced a policy change that could stand in the way of states' efforts to expand coverage in CHIP and to enroll more uninsured children who are eligible for, but not enrolled in, CHIP.

The Administration's new policy applies to states that cover children with gross family incomes over 250 percent of the federal poverty level. Under the new policy, states must meet strict criteria in order to continue providing that coverage. Among the new criteria are the following:

- States must first cover 95 percent of the eligible children with family incomes below 200 percent of the federal poverty level—a standard that no state currently meets.
- States must assure CMS, the federal agency that administers CHIP, that they have not seen a decline in employer-sponsored coverage for low-income children greater than 2 percent over the previous five years—even if that decline is unrelated to the availability of CHIP.
- States must require a 12-month “waiting period” for children who previously had private insurance and whose gross family incomes are over 250 percent of poverty. States must also charge these children cost-sharing that is equivalent to what their families would have paid in the private market.

If this new guidance stands, it may stymie state efforts to expand coverage in CHIP despite any new funding or outreach tools provided in the CHIP reauthorization legislation. Congress may address this conflict in the CHIP reauthorization conference agreement.

Conclusion

As Congress continues its efforts to reauthorize CHIP, it should pay heed to the millions of American children who are counting on a timely and strong reauthorization of this very important and successful program. The House bill would allow 1 million more children to gain coverage over the next five years than the Senate bill would, taking this nation substantially further along the path toward ensuring health coverage for all of our uninsured children. As they move forward with CHIP reauthorization, Congress and the President should not allow politics to stand in the way of children's access to critical health care services.

Methodology

This report estimates the number of otherwise uninsured children in each state who could be covered over the next five years under the House and Senate CHIP reauthorization bills (H.R. 3162 and S. 1893, respectively). The bases for these calculations are Congressional Budget Office (CBO) estimates of the number of children who could be covered nationwide over the next five years if the Senate bill or the House bill becomes law. CBO estimates that at the end of the five year reauthorization period in 2012, the Senate bill would cover 4 million children (2.25 million in Medicaid and 1.75 million in CHIP), and the House bill would cover 5 million children (1.9 million in Medicaid and 3.1 million in CHIP), who would otherwise be uninsured.

Families USA distributed these national estimates across the 50 states and the District of Columbia based upon the proportion of children that are uninsured and the proportions of children that are enrolled in CHIP and Medicaid in each state. It makes sense to use these factors because they are the primary factors involved in distributing CHIP funds to states in both the House and Senate CHIP reauthorization bills. The uninsured data come from the most recently available three-year merge of the Census Bureau's Current Population Survey March Supplement, which combines 2003, 2004, and 2005 data.⁷ Program enrollment data consist of: (1) the state's proportion of national CHIP enrollment as of June 2006 based on the state's CHIP enrollment reports;⁸ and (2) the state's proportion of national children's Medicaid enrollment as of June 2005 (the most recent year for which data are available) from the state's Medicaid enrollment reports.⁹ For both bills, we distributed the number of children who would otherwise be uninsured according to each state's proportion of children enrolled in CHIP and Medicaid, and its proportion of all uninsured children in the country (weighted equally).

Both the House and Senate bills incorporate new financial incentives to encourage states to enroll more uninsured children. These are likely to have an impact on how aggressively some states seek out and enroll new children in their programs. Unfortunately, it is nearly impossible to predict how these financial incentives will affect each state's enrollment rates, so the actual state distribution of newly covered children will necessarily deviate somewhat from the estimates in this report.

Likewise, many states have enacted or will enact expansions to their CHIP and Medicaid programs over the next five years, which will likely drive up enrollment. We do not attempt to account for these eligibility changes in this report.

There are limitations on the utility of national survey data of uninsured children for state-level estimates because smaller states have smaller sample sizes. We have attempted to compensate for this shortfall by using a three-year merge of Census Bureau data. Still, some states have a state-level survey of the number of uninsured children that shows different numbers than national surveys. Our figures are not intended to undermine these state-specific surveys. We use national data because they are consistent in the way they count the uninsured across states, which ensures state-to-state comparability.

Table 2

State Medicaid and CHIP Programs

State	Medicaid/CHIP Program Name	Income Eligibility Limit (as a percent of the federal poverty level)
Alabama	Medicaid and ALL Kids	200
Alaska	Denali KidCare	175
Arizona	AHCCCS and KidsCare	200
Arkansas	ARKids (A & B)	200
California	Medi-Cal and Healthy Families	250
Colorado	Medicaid and CHP+	205 *
Connecticut	HUSKY (parts A & B)	300
Delaware	Medicaid and the Delaware Healthy Children Program	200
District of Columbia	Medicaid and CHIP	300
Florida	Medicaid and KidCare	200
Georgia	Medicaid and PeachCare for Kids	235
Hawaii	QUEST and Medicaid Fee-For-Service	300
Idaho	Medicaid Basic and Medicaid Enhanced	185
Illinois	All Kids	200 **
Indiana	Hoosier Healthwise	300
Iowa	Medicaid and hawk-i	200
Kansas	HealthWave	200
Kentucky	Family Choices (formerly Medicaid and KCHIP)	200
Louisiana	Medicaid and LaCHIP	300 *
Maine	MaineCare	200
Maryland	Maryland Children's Health Program (MCHP)	300
Massachusetts	MassHealth	300
Michigan	Healthy Kids and MIChild	200
Minnesota	Medical Assistance (MA) and MinnesotaCare	275
Mississippi	Medicaid and CHIP	200
Missouri	MC+ and MC+ for Kids	300
Montana	Medicaid and CHIP	175
Nebraska	Kids Connection	185

Table 2 (continued)

State Medicaid and CHIP Programs

State	Medicaid/CHIP Program Name	Income Eligibility Limit (as a percent of the federal poverty level)
Nevada	Medicaid and Nevada Check Up	200
New Hampshire	New Hampshire Healthy Kids (Gold and Silver)	300
New Jersey	Medicaid and NJ FamilyCare	350
New Mexico	Medicaid and SCHIP	235
New York	Child Health Plus	400 *
North Carolina	Medicaid and North Carolina Health Choice for Children	300 *
North Dakota	Medicaid and Healthy Steps	150 *
Ohio	Healthy Start	300 *
Oklahoma	SoonerCare	300 *
Oregon	Oregon Health Plan (OHP)	185
Pennsylvania	Medicaid and CHIP	300 **
Rhode Island	Medicaid and RItCare	250
South Carolina	Partners for Healthy Children	200 *
South Dakota	Medicaid and CHIP	200
Tennessee	TennCare and CoverKids	250
Texas	Medicaid and CHIP	200
Utah	Medicaid and CHIP	200
Vermont	Medicaid and Dr. Dinosaur	300
Virginia	FAMIS Plus and FAMIS	200
Washington	Medicaid and CHIP	250 ***
West Virginia	Medicaid and WVCHIP	220 ***
Wisconsin	Family Medicaid and BadgerCare	185
Wyoming	EqualityCare and Kid Care CHIP	200

* State has recently passed, but not implemented, a children's eligibility expansion. The limit noted here represents the new, expanded limit.

** Illinois and Pennsylvania use CHIP funds for coverage up to the limits noted here, but they also use other funding sources to cover children with higher family incomes.

*** Washington and West Virginia have passed CHIP expansions that will gradually increase eligibility in the coming years. Washington will expand eligibility to 300 percent of poverty in 2009, and West Virginia will expand to 300 percent of poverty some time following CHIP reauthorization.

Endnotes

¹ Leighton Ku, Mark Linn, and Matthew Broaddus, *Improving Children's Health: A Chartbook about the Roles of Medicaid and SCHIP, 2007 Edition* (Washington: Center on Budget and Policy Priorities, May 2007).

² Chris L. Peterson and Elicia J. Herz, *Memo: Estimates of SCHIP Children Enrollees up to 200% of Poverty, above 200% of Poverty, and of SCHIP Adult Enrollees* (Washington: Congressional Research Service, March 13, 2007).

³ Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica Smith, *Income, Poverty, and Health Insurance Coverage in the United States: 2006* (Washington: U.S. Census Bureau, August 2007)

⁴ Steve Zuckerman and Allison Cook, *The Role of Medicaid and SCHIP as an Insurance Safety Net* (Washington: Urban Institute, August 2006), available online at <http://www.urban.org/publications/900986.html>.

⁵ Genevieve Kenney, Jennifer Haley, and Alexandra Tebay, *Children's Insurance Coverage and Service Use Improve* (Washington: The Urban Institute, July 2003).

⁶ Emily Feinberg, Kathy Swartz, Alan Zaslavsky, Jane Gardner, and Deborah Klein Walker, "Family Income and the Impact of a Children's Health Insurance Program on Reported Need for Health Services and Unmet Health Need," *Pediatrics* 109, no. 2 (February 2002): e29.

⁷ Jennifer Sullivan, *No Shelter from the Storm: America's Uninsured Children* (Washington: Campaign for Children's Health Care, September 2006).

⁸ Vernon K. Smith, Jason Cooke, David Rousseau, Robin Rudowitz, and Caryn Marks, *SCHIP Turns 10: An Update on Enrollment and the Outlook on Reauthorization from the Program's Directors* (Washington: Kaiser Commission on Medicaid and the Uninsured, May 2007). Because Tennessee only began enrolling children in its CHIP program (CoverKids) in July 2006, an enrollment estimate was not available in the above report. Families USA obtained an enrollment estimate from the CoverKids administrators for enrollment as of August 2007 and used this in place of an estimate from a national survey.

⁹ Eileen Ellis, Vernon K. Smith, David Rousseau, and Karyn Schwartz, *Medicaid Enrollment in 50 States: June 2005 Update* (Washington: Kaiser Commission on Medicaid and the Uninsured, December 2006). Families USA derived the number of children enrolled in Medicaid in June 2005 by applying the proportion of Medicaid enrollees that were children in each state (as published at <http://www.statehealthfacts.org>) to the enrollment estimates published in the above report.

Acknowledgments

This report was written by:

*Rachel Klein, Deputy Director of Health Policy
Families USA*

and

*Jennifer Sullivan, Health Policy Analyst
Families USA*

**The following Families USA staff contributed to the
preparation of this report:**

Ron Pollack, Executive Director

Kathleen Stoll, Director of Health Policy

Peggy Denker, Director of Publications

Ingrid VanTuinen, Writer-Editor

Jenelle Partelow, Editorial Associate

Nancy Magill, Design/Production Coordinator



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www.familiesusa.org.*



Families USA

1201 New York Avenue NW, Suite 1100 ■ Washington, DC 20005

Phone: 202-628-3030 ■ E-mail: info@familiesusa.org

www.familiesusa.org