

medicaid
and the uninsured

A Foundation for Health Reform:

**Findings of a 50 State Survey of Eligibility Rules,
Enrollment and Renewal Procedures, and Cost-
Sharing Practices in Medicaid and CHIP for
Children and Parents During 2009**

Executive Summary

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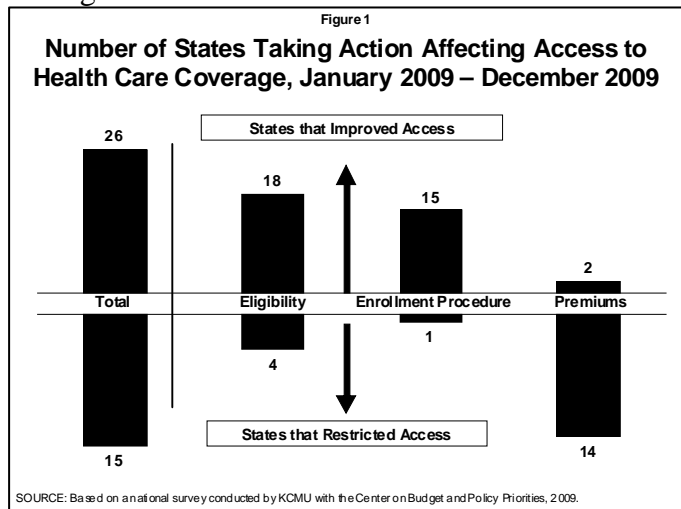
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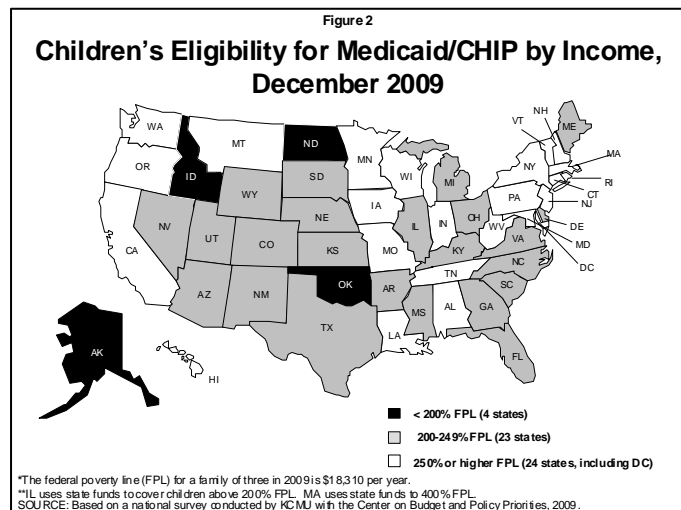
Over the past decade, substantial progress has been made on covering low-income families through Medicaid and the Children’s Health Insurance Program (CHIP). However, states’ ability to sustain and advance this coverage faced a difficult test in 2009. As the year began, CHIP still had not been reauthorized and states were facing the bleakest economic picture in years. Then, in early 2009, several developments, including the enactment of the Children’s Health Insurance Program Reauthorization Act (CHIPRA) and the infusion of fiscal relief through the American Recovery and Reinvestment Act (ARRA), provided key federal support to help states maintain and expand coverage. ARRA also established important protections to Medicaid eligibility and enrollment procedures that helped preserve coverage (although these did not extend to CHIP).

In 2009, health coverage programs for low-income children and parents managed not only to survive the tumultuous economic environment, but also to expand and improve access. The stabilizing force of ARRA’s fiscal relief, along with its stipulations preventing states from reducing eligibility or imposing enrollment barriers in Medicaid, enabled states to avoid cuts to these aspects of their programs and move forward, making use of new resources and opportunities in CHIPRA. Based on a national survey, this report provides an overview of state actions on eligibility rules, enrollment and renewal procedures, and cost-sharing practices in Medicaid and CHIP for children and parents during 2009. It finds:

More than half the states (26 states) advanced health coverage for low-income children, parents, and pregnant women in 2009 (Figure 1). These advancements included eligibility expansions, such as increases in income eligibility limits for children (9 states) and expansions to immigrant children and/or pregnant women who have been legally residing in the U.S. for less than five years under the new CHIPRA option (18 states), as well as enrollment and renewal simplifications and premium reductions.



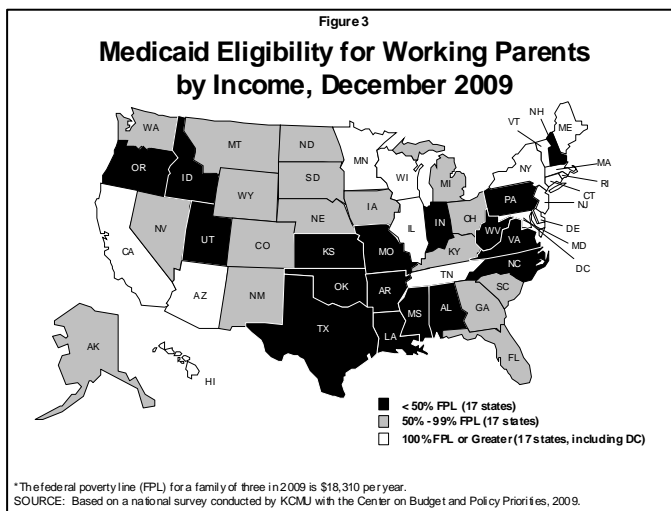
Children were the main beneficiaries of expansions in 2009. Nineteen states improved children’s access to coverage by increasing eligibility, simplifying procedures, and/or eliminating premiums. Reflecting this progress, currently, 47 states cover children in families with income at 200 percent of the federal poverty line (\$36,620 for a family of three in 2009) or higher (Figure 2). States also continued to make strides forward in simplifying enrollment and renewal



procedures for children (9 states) and by reducing CHIP premiums (2 states). Overall, of the 34 states that charge premiums for children, most do not charge families with incomes below 150 percent of the federal poverty line and the median charge for two children in a family of three with income at 200 percent of the federal poverty line remains modest at \$480 per year (\$40 per month), or 1.3 percent of family income.

Although most actions were positive, 15 states scaled back coverage due to budget pressures. CHIP programs bore the brunt of reductions since the eligibility and enrollment protections included in ARRA only applied to Medicaid and did not protect CHIP. No state reduced income eligibility for children. However, two states froze CHIP enrollment for some period of time in 2009 and one state reduced eligibility for low-income parents. Other actions included increases in waiting periods for CHIP, retractions in eligibility simplifications, and relatively modest increases in CHIP premiums.

Coverage for parents continues to lag significantly behind children, with disparities growing in 2009. While children’s health coverage has grown stronger over time, millions of their parents remain uninsured, since, in most states, eligibility limits for parents remain extremely low. Further, because of the recent advancements for children, the gap between coverage for children and parents has become even more profound. Currently, the median income eligibility limit for children is 235 percent of the federal poverty line, compared to 64 percent of the federal poverty line for working parents. Overall, in 34 states, eligibility for working parents is limited to less than 100 percent of the federal poverty line (\$18,310 for a family of three in 2009) with 17 states limiting eligibility to less than half of poverty (\$9,155 per year for a family of three in 2009) (Figure 3). Additionally, in most states, it remains more difficult to enroll an eligible parent than it does to enroll an eligible child.



States’ commitment to provide Medicaid and CHIP coverage to low-income families and hold onto the accomplishments of 2009 will continue to be tested in 2010. States’ grim budget situations are projected to persist and the fiscal support and requirements for states to maintain Medicaid eligibility and enrollment practices, which proved instrumental in helping states preserve and continue to advance coverage in 2009, are scheduled to expire. Without additional fiscal relief, states will likely begin to contemplate severe cuts to health coverage programs, which will not only jeopardize coverage for low-income families but weaken the base of coverage upon which broader health reform efforts will seek to build. Current reform proposals would build upon Medicaid to expand coverage to the millions of individuals who remain uninsured. Thus, the status of Medicaid and CHIP programs today and their ability to continue to maintain and advance coverage in the coming year will have important implications for broader reform. Continued actions to strengthen the foundation of Medicaid and CHIP coverage will be key to supporting future reform efforts.