

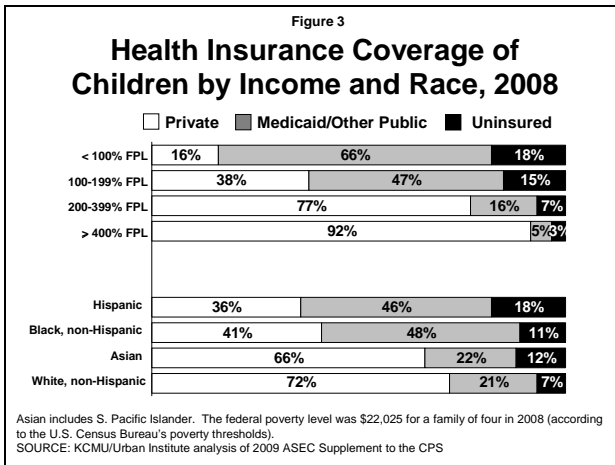


Medicaid and CHIP are in a strong position to prevent children from losing coverage during the current recession because many states had expanded these programs when their economies were stronger. To aid states struggling to maintain Medicaid during the recession, the American Recovery and Reinvestment Act (ARRA) provided a temporary increase in federal Medicaid funding through December 2010. To be eligible for the funds, states could not restrict eligibility or make it more difficult for individuals to enroll. In the face of continuing high unemployment, Congress later extended that additional funding at a lower rate through June 2011. The ACA extended funding for CHIP through 2015 (an additional 2 years) and also included a maintenance of eligibility for children in Medicaid and CHIP through 2019.

**UNINSURED CHILDREN**

Almost three-quarters (72%) of the 8.1 million uninsured children in the U.S. live in families with household incomes below 200% of the federal poverty level (about \$44,000 for a family of four). The majority of uninsured children (68%) live in families with at least one full-time worker. These families often are not offered coverage by an employer or cannot afford the premiums. The full cost of family coverage purchased through an employer has doubled since 2000, reaching \$13,375 in 2009.

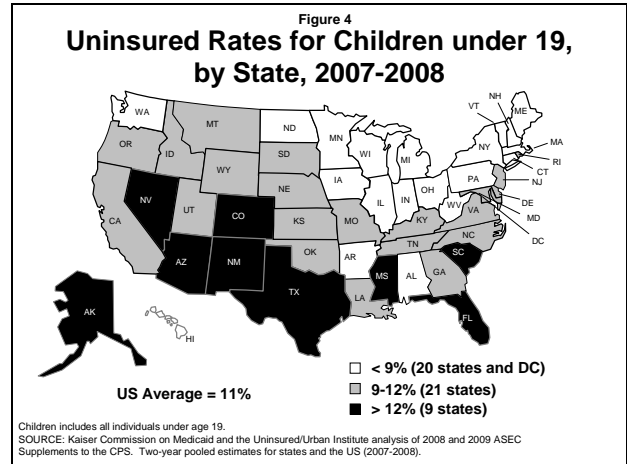
Public coverage targets lower income children who are more likely to be uninsured (Figure 3). Most of the 5.8 million uninsured children below 200% of poverty are eligible for Medicaid or CHIP, but are not enrolled. In many families with uninsured children, the parents are not eligible for Medicaid coverage. Research suggests that this may lead to confusion about eligibility rules that results in children going uninsured. Under the ACA, more parents and other adults will qualify for Medicaid in 2014.



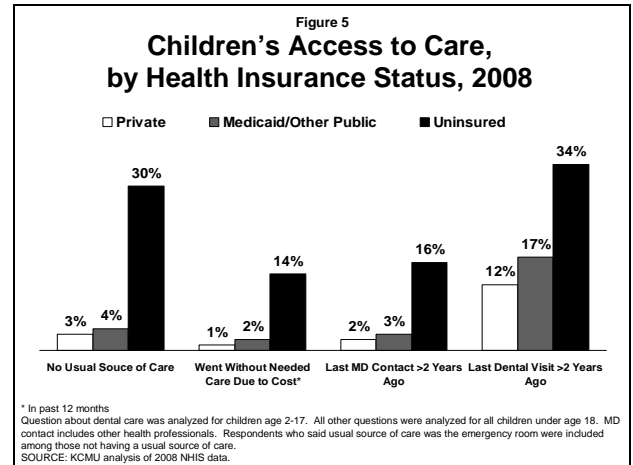
Racial and ethnic minority children are more likely to be uninsured than white children. However, uninsured rates for black and Hispanic children decreased significantly in 2008 as more children enrolled in Medicaid and CHIP.

The risk of being uninsured also differs depending on where a child lives, as the share of children who are uninsured varies widely across states (Figure 4). While

the uninsured rate for children is 5% or less in six states (HI, IA, MA, ME, NH, WV), in four states (FL, NM, NV, TX) more than 15% of children are uninsured. Additionally, almost half (47%) of all uninsured children live in 5 states (CA, FL, GA, NY and TX).



The role of health insurance coverage in improving access to care is well documented. Uninsured children have worse access to care than those who are insured by either Medicaid or private insurance (Figure 5). Research also demonstrates that parents whose children are uninsured or have public coverage think highly of Medicaid and CHIP. These programs offer strong protection against high out-of-pocket costs, while private insurance may have high deductibles and co-pays.



**OUTLOOK**

The ACA uses Medicaid as a base for a broad coverage expansion in 2014, but most uninsured children are currently eligible for Medicaid or CHIP and do not need to wait until 2014 to gain coverage. The Secretary of Health and Human Services has issued a challenge to find and enroll the 5 million uninsured children who are currently eligible for public coverage. Enrolling these children will provide them with comprehensive insurance and strengthen Medicaid's base of coverage as the wider health reform effort gets underway.

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