kaiser commission on medicaid and the uninsured

THE HENRY J. KAISER FAMILY FOUNDATION

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Protecting Children During the Recession: Spotlight on State Health Coverage Efforts

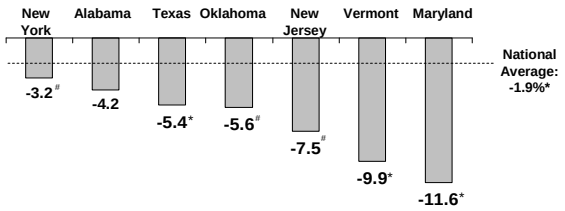
Executive Summary

The beginning of the U.S. economic recession from December 2007 through December 2008 led to an increase in the overall number of uninsured. Despite a 1.5 million increase in the number of uninsured adults, the number of uninsured children declined by 800,000 during this time period. States have played a key role in this progress for children by maintaining and expanding children's coverage. This brief highlights seven states (Alabama, Maryland, New Jersey, New York, Oklahoma, Texas, and Vermont) that were selected because they used a range of approaches to protect children's coverage. In these seven states alone, 500,000 children gained coverage in 2008, representing nearly two-thirds of the national decline in uninsured children.

The economic recession and the rise in the unemployment rate led to declines in employer-sponsored insurance, putting pressure on states to protect children. The recession contributed to more than 2 million people, including 720,000 children, losing their employer-sponsored insurance. Public programs served as an important safety net, as enrollment of low-income children in Medicaid and the Children's Health Insurance Program (CHIP) increased in all seven states. Public coverage had a particularly large impact on reducing the uninsured rate for low-income children from 2007 through 2008 (Figure 1).

Figure 1

Percentage Point Change in Low-Income Children's Uninsured Rate by State, 2007-2008



* Statistically significant change (p<.05). # Statistically significant change (p<.10).
Low-Income is defined as income below 200% FPL ($44,050 for a family of four in 2008).
Source: KCMU/Urban Institute analysis of 2008 and 2009 Supplements to the CPS.

Expanded Medicaid and CHIP eligibility for children and parents increased children's coverage during the recession. Most of the seven states in this brief already had broad public coverage eligibility for children before the recession began. This enabled them to reach children when families experienced a decline in income or lost employer-sponsored insurance. Some states expanded coverage during this time period to more children and parents, which strengthened the role Medicaid and CHIP could play when the economy contracted.

Outreach efforts proved crucial to reaching children who became eligible for Medicaid or CHIP during the recession. Many states implemented marketing campaigns that included both community outreach events and advertising, which helped increase awareness of Medicaid and CHIP. For families who have always relied on private insurance, outreach activities are an important tool when targeting parents whose children are newly eligible for public programs.

Minimizing administrative burdens and providing continuous eligibility helped assure that eligible children gained and kept Medicaid and CHIP coverage during the recession. Most states have previously or newly implemented practices to make it easier for eligible children to enroll in public coverage. Reducing administrative burdens for enrollment and renewal of coverage increases the likelihood that eligible children will enroll and remain covered. This is particularly important during a recession when parents who have never applied for public assistance try to enroll their children in Medicaid or CHIP.

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Protecting Children During the Recession: Spotlight on State Health Coverage Efforts

Since the beginning of the economic recession in December 2007, millions of Americans have lost their jobs. From December 2007 to December 2008, the national unemployment rate rose from 4.9% to 7.2%, and it has since climbed to 10.0% in November 2009.[1] Given that over half of Americans obtain health coverage through their employer, job loss often leads to a loss of employer-sponsored insurance for workers, their spouses, and their children. From 2007 through 2008, the number of non-elderly uninsured increased by 700,000 individuals to 45.7 million, about two-thirds of whom are low income (defined as below 200% of the Census federal poverty threshold or $44,050 for a family of four in 2008).[2]

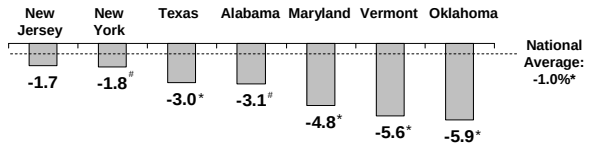
Although the recession led to an increase in the total number of uninsured in 2008, children and adults were impacted differently. The number of uninsured non-elderly adults increased by 1.5 million, while the number of uninsured children decreased by 800,000.[3] This progress in children's coverage was due to increases in Medicaid and CHIP coverage at a time when the employer-sponsored coverage rate fell.

Amidst the economic recession, states have played a key role in decreasing the number of uninsured children. This brief highlights seven states (Alabama, Maryland, New Jersey, New York, Oklahoma, Texas, and Vermont) that had particularly large drops in their children's uninsured rate from 2007 through 2008 (Figures 2 and 3). These states were chosen because they experienced declines in uninsured children and used a range of approaches to expand coverage. The progress these states achieved builds on previous successful efforts to increase children's health coverage in states such as Illinois, Louisiana, and Massachusetts.

In the seven states featured in this brief, 500,000 children gained coverage in 2008, which represents almost two-thirds of the national decline in uninsured children. The increase in children's coverage resulted from the cumulative effect of previous state efforts and new changes that were implemented in 2007 and 2008. This brief analyzes the coverage trends in these states as well as the practices and activities that have contributed to the decline in the uninsured rate for children. An appendix includes state-level details of children's coverage trends and policies.

Figure 2

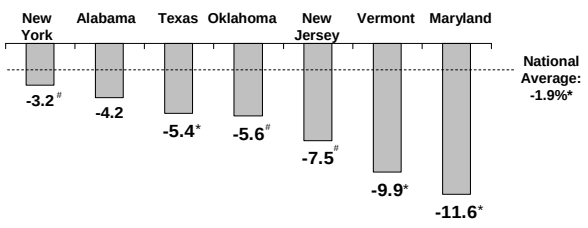
Percentage Point Change in Children's Uninsured Rate by State, 2007-2008



* Statistically significant change (p<.05). # Statistically significant change (p<.10).
Source: KCMU/Urban Institute analysis of 2008 and 2009 Supplements to the CPS.

Figure 3

Percentage Point Change in Low-Income Children's Uninsured Rate by State, 2007-2008



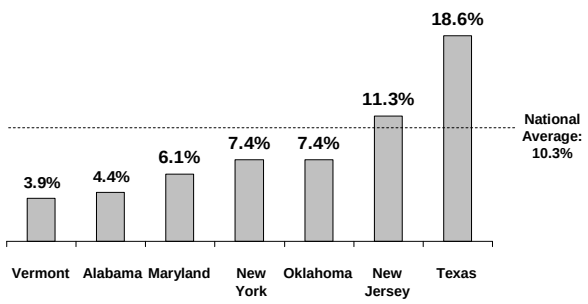
* Statistically significant change (p<.05). # Statistically significant change (p<.10).
Low-Income is defined as income below 200% FPL ($44,050 for a family of four in 2008).
Source: KCMU/Urban Institute analysis of 2008 and 2009 Supplements to the CPS.

[1] Bureau of Labor Statistics, "Labor Force Statistics from the CPS," Data extracted on December 4, 2009.
[2] KCMU/Urban Institute analysis of 2008 and 2009 ASEC Supplement to the Current Population Survey.

Background

Figure 4

Uninsured Rate for Children by State, 2008



Source: KCMU/Urban Institute analysis of 2008 and 2009 Supplements to the CPS.

The nation's public health coverage programs for children, Medicaid and the Children's Health Insurance Program (CHIP), insure 30% of all children and 56% of low-income children.[4] Despite broad Medicaid and CHIP coverage, one in ten children remains uninsured. Although the uninsured rate for children varies widely among the states in this report, five of the seven states have uninsured rates for children that are below the national average (Figure 4). The majority of uninsured children are eligible for public coverage, but their parents may not be familiar with Medicaid and CHIP or may not understand how to enroll. In contrast, Medicaid's role for adults is more limited, since eligibility levels for parents are typically set much lower than for children, and childless adults in most states are ineligible for Medicaid regardless of their low income. This lack of available public coverage contributed to the increase in the uninsured rate for adults in 2008.

Medicaid and CHIP are especially valuable during a recession because they are able to extend coverage to children who lose employer-sponsored coverage and experience declines in family incomes. In addition, the strict limits on premiums and cost-sharing in Medicaid and CHIP shield families from high out-of-pocket costs at a time when families are struggling to pay for basic needs. If these programs did not provide such a strong safety net for children, the number of uninsured children would likely have risen, not fallen, in 2008. During this recession, children also benefited from state eligibility expansions and simplified enrollment and renewal processes. With the reauthorization of CHIP on the horizon in 2008, some states adopted these initiatives aimed at expanding public health coverage for children.

Key Findings and Discussion

The economic recession and the rise in the unemployment rate led to declines in employer-sponsored insurance, putting pressure on states to protect children. From December 2007 to December 2008, the unemployment rate increased from 4.9% to 7.2%. When people lose their jobs, they also often lose health insurance for themselves and their family members. In 2008, 2.25 million people lost their employer-sponsored health insurance, including 720,000 children.[5] Even before the recession began, employer-sponsored insurance had been declining over the last decade.

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[3] Throughout this report, children include all individuals ages 0-18.
[4] Hoffman C, et al. *The Uninsured: A Primer.* Kaiser Commission on Medicaid and the Uninsured. October 2009 (#7451).
[5] KCMU/Urban Institute analysis of 2008 and 2009 ASEC Supplement to the Current Population Survey.

There was a drop in employer-sponsored insurance for children nationwide in 2008, but not all of the states in this report experienced this decline. Maryland and Oklahoma's employer-sponsored coverage level remained relatively stable, while in other states changes in employer-sponsored insurance varied by income level. Vermont experienced an increase in employer-sponsored insurance for low-income children.[6] This can be partially attributed to a broad health reform effort in the state that included a requirement that employers provide health coverage or pay a fee for employees who are uninsured. The reform also provided premium assistance to families with incomes below 300% of the federal poverty level (FPL) to help them purchase employer-sponsored insurance when it is cost-effective for the state.[7]

Public coverage, including Medicaid and CHIP, is often the only affordable source of coverage for children who would have otherwise become uninsured when a parent loses a job. In 2008, as unemployment climbed, the poverty rate for children increased and median household income dropped, causing more children to lose private coverage and become eligible for Medicaid or CHIP. Child enrollment in public coverage increased in all seven states highlighted in this report. This trend reflects both increases in the number of eligible children and policies to promote enrollment and retention of children. For example, New York expanded public coverage for children and some states, including New York and New Jersey, created buy-in programs that enable higher income children to purchase coverage at full cost. Other states that did not make significant changes to their Medicaid or CHIP programs during this time period had made changes in previous years. For instance, Vermont previously had high eligibility levels for children and Alabama had already simplified its Medicaid enrollment procedures.

Expanded Medicaid and CHIP eligibility for children and parents increased children's coverage during the recession. Federal law sets minimum Medicaid eligibility levels for children, such that children under age six with family income below 133% FPL and children age six to 18 with family income below 100% FPL are eligible for coverage. States have expanded beyond those minimums and nearly all states cover children up to at least 200% FPL through Medicaid or CHIP.[8] Several states in this brief have among the broadest eligibility for children in the country, with New York covering children to 400% FPL, New Jersey covering children to 350% FPL, and Vermont and Maryland covering children to 300% FPL. During a recession, broad eligibility provides a base of coverage that allows the program to reach

State Spotlight

New York expanded CHIP coverage to 400% FPL in September 2008 and New Jersey expanded CHIP to 350% FPL in 2005. Both states have buy-in programs that allow higher income families to purchase CHIP coverage by paying the full cost. These buy-in programs likely contributed to increased enrollment of lower income children because their simplified message that all children are eligible for coverage may reduce eligibility confusion.

[6] This increase in employer-sponsored insurance was not statistically significant, which may be due to a small sample size in smaller states, such as Vermont.

[7] Kaiser Commission on Medicaid and the Uninsured . "Vermont Health Care Reform Plan Fact Sheet." December 2007 (#7723).

[8] All data on eligibility levels and enrollment policies that is not otherwise cited is from the following report: Cohen Ross D and C Marks. *Challenges of Providing Health Coverage for Children and Parents in a Recession: A 50 State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2009.* Kaiser Commission on Medicaid and the Uninsured. January 2009 (# 7855).

moderate income families who may have experienced a decline in income and may have also lost employer-sponsored coverage.

State experiences illustrate that expanded eligibility coupled with programs that permit children in moderate income families to buy-in to CHIP or other state-subsidized programs increase public coverage enrollment. This is likely at least partially due to simplified marketing efforts that emphasize that all children are eligible regardless of income and thereby reduce confusion about who can enroll. As of December 2007, children in New Jersey with family incomes above 350% FPL can buy CHIP coverage at the full cost. New York also offers a buy-in option for children in families with incomes above 400% FPL. Vermont permits families with incomes above 300% FPL to purchase coverage through Catamount Health, the state's health plan that is administered by private insurers. In buy-in programs, the premium cost is typically negotiated by the state and tends to be lower than what families would be charged for similar coverage in the individual market. Given that the economic recession impacted the financial situation of people at all income levels, these buy-in programs can help middle income children obtain coverage, while reducing eligibility confusion for lower income families.

Expanding health coverage to parents of children who are eligible for public programs is another mechanism for increasing child health coverage. Research shows that children are more likely to have health coverage if their parents are also insured.[9] However, Medicaid eligibility levels for parents tend to be lower than for children. Currently, thirty-four states limit working parent eligibility to less than 100% FPL and 17 of these states limit eligibility to less than 50% FPL.[10]

State Spotlight

Of the seven states in this report, four (MD, NJ, NY, and VT) provide Medicaid coverage for working parents at or above 100% of the federal poverty level. Oklahoma has expanded coverage to working parents above 100% FPL through a waiver that provides premium assistance to those who qualify.

Due to the differences between child and parent eligibility, it is common for children to be eligible for public coverage while their parents are ineligible. However, when coverage is extended to parents, they are more likely to enroll their children. In July 2008, Maryland expanded coverage for parents from 37% FPL to 116% FPL. Maryland's enrollment data suggests that this substantial parent coverage expansion, which brought in over 10,000 individuals in Baltimore alone, was instrumental in increasing child enrollment.[11] New Jersey also expanded parent eligibility for Medicaid from 133% FPL to 200% FPL. Health coverage programs such as FamilyCare in New Jersey, where children and parents are eligible for the same program, increase the likelihood that all eligible family members will enroll.

[9] Dubay L and G Kenney. "Expanding Public Health Insurance to Parents: Effects on Children's Coverage Under Medicaid." *Health Services Research* 38(5): 1283-1301, 2003; Sommers B. "Insuring Children or Insuring Families: Do Parental and Sibling Coverage Lead to Improved Retention of Children in Medicaid and CHIP." *Journal of Health Economics* 25(6):1154-1169, 2006

[10] Artiga S. "Where are States Today? Medicaid and State-Funded Coverage Eligibility Levels for Low-Income Adults." Kaiser Commission on Medicaid and the Uninsured. December 2009.

[11] Kaiser Commission on Medicaid and the Uninsured interview with Kathleen Westcoat, President/CEO, Baltimore HealthCare Access.

Outreach efforts proved crucial to reaching children who became eligible for Medicaid or CHIP during the recession. Many of the families with children who have become newly eligible for public programs as a result of the recession may have limited experience with these programs and may not be aware of the coverage options and enrollment requirements.[12] Marketing campaigns that include both community outreach events and advertising help states increase awareness of Medicaid and CHIP. This can be a particularly valuable tool for reaching parents who are unfamiliar with these programs.

For example, New York launched an aggressive outreach effort in 2007 that included advertisements and events, such as one at the Bronx Zoo that provided free zoo admission to families of children applying for CHIP.[13] In addition, some states use data from other public programs to identify eligible children. Similarly, in late 2008, Maryland and New Jersey began efforts to identify potentially eligible children based on their parent's tax forms and then contact them with Medicaid information. These efforts can reach working parents who do not have access to employer-sponsored coverage and may not realize that their children are eligible for Medicaid or CHIP.

State Spotlight

Advertisements in Maryland aimed at raising awareness of Medicaid used the slogan "Got Healthcare?" and featured Governor O'Malley and Baltimore Ravens players. The campaign began in 2008 and included ads on the radio, in print, and on bus shelters. The ads encouraged parents to call Baltimore's 311 service to learn more about Medicaid.

Community-based workers are crucial to ensuring that outreach efforts translate to increased enrollment of eligible children. These workers are instrumental in providing information about Medicaid and CHIP, answering parents' questions, and ushering them through the application and enrollment process. However, community-based workers are more effective when their efforts are coupled with state policies that promote a simplified enrollment process and the timely processing of Medicaid and CHIP applications. While community-based groups are key to enrolling eligible children, these organizations have also been hit hard by the recession and many have seen their budgets cut. The director of a non-profit organization in Texas said that due to the recession "community groups have had to be more creative about how they do outreach because there are less hands to do the outreach."[14] In Texas, many areas have an active network of community-based organizations helping parents sign their children up for Medicaid and CHIP. Although these efforts have helped educate parents and have facilitated the application process, the state has a backlog of unprocessed applications in addition to a relatively complicated enrollment process.[15]

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[12] Perry M, B Lyons, J Paradise and R Rudowitz. "Turning to Medicaid and SCHIP in an Economic Recession: Conversations with Recent Applicants and Enrollees." Kaiser Commission on Medicaid and the Uninsured. December 2008. (#7847).

[13] New York State Executive Chamber. "Governor Spitzer Encourages Child Health Plus Enrollment to Insure New York's Children" August 2007; New York State Department of Health. "Media Advisory: Child Health Plus Enrollment Event Seeks to Enroll All Uninsured New York City Children in Health Insurance " October 2008.

[14] Kaiser Commission on Medicaid and the Uninsured interview with Laura Guerra-Cardus, M.D., Interim Director, Texas Policy Director for the Children's Defense Fund.

[15] Center for Public Policy Priorities. "Twelve-Month Children's Medicaid: The Right Step For Texas's Neediest Children." March 2009.

Minimizing administrative burdens and providing continuous eligibility helped assure that eligible children gained and kept Medicaid and CHIP coverage during the recession. Many states have coupled eligibility expansions with other strategies designed to make the enrollment process easier for families. States have the authority to establish streamlined enrollment and renewal policies, as demonstrated by many of the states in this report. Simplifying enrollment is particularly valuable when the economy falters, since parents who have been impacted by the recession may not be familiar with the enrollment process for public programs. Most states have already taken steps to simplify enrollment and renewal for children by eliminating face-to-face interviews and asset tests. One powerful additional way for states to simplify the enrollment and renewal process is to use administrative verification of income. This eliminates the burden on parents to document their income and instead relies on existing government databases.

States also have the option of providing up to 12 months of continuous Medicaid and CHIP eligibility to children enrolled in these programs. This policy reduces the number of children losing coverage because of delays in completing or processing renewals. It also improves continuity of care and provides parents and medical providers with the assurance that a child will remain insured for 12 months. This policy had a dramatic effect in Texas where it was responsible for a 176,000 increase in CHIP enrollment in the first year of implementation.[16] In past years, Alabama has enacted several policies to ensure that eligible children maintain Medicaid and CHIP coverage. Alabama was one of only 14 states that allowed 12-month continuous eligibility for Medicaid in 2000.[17] In a recession, as families lose jobs and take part-time or temporary jobs, continuous eligibility prevents changes in family income from impacting children's coverage. Continuous eligibility also eases the administrative burden on states by lowering the number of applications and renewals that have to be processed.

State Spotlight

In 2006, New Jersey enacted 12- month continuous eligibility for children in Medicaid and CHIP. This contributed to an increase in children maintaining CHIP coverage and a decrease in the state's uninsured rate.

States are permitted to enroll children who appear to be eligible for Medicaid or CHIP in the programs before their applications are processed through a policy known as "presumptive eligibility." This policy helps shorten the period of time when children are uninsured after losing other coverage and before they become enrolled in Medicaid. During a recession, the number of children applying for Medicaid and CHIP may increase dramatically, making it difficult for states to quickly process applications. By ensuring that children are covered while they wait for a final eligibility determination from the state, presumptive eligibility protects children if there are delays in approving their applications. Of the states in this report, New York and New Jersey have presumptive eligibility for children applying for Medicaid and CHIP. Maryland allows children to receive three months of temporary coverage if they already have an open case for other public benefits.

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[16] Georgetown Center for Children and Families. "States Moving Forward: Children's Health Coverage in 2007-08." September 2009.

[17] Cohen Ross D and L Cox. *Making It Simple: Medicaid for Children and CHIP Income Eligibility Guidelines and Enrollment Procedures.* Kaiser Commission on Medicaid and the Uninsured. October 2000 (#2166).

In addition to streamlining administrative procedures for children, many of the states in this brief have made similar changes for parents. For example, when New York simplifies enrollment and renewal for children, the state also makes an effort to simultaneously extend those changes to parents.[18] In contrast, several other states not included in this report have more burdensome requirements for parents than for children.

Policy Implications

Although the states profiled in this brief were able to expand coverage for children as the economy contracted, the continuing recession will make it difficult for states to sustain that progress and reach more uninsured children. The full effect of the recession was not yet felt in 2008, with unemployment at 7.2% in December 2008 compared to 10.0% in November 2009. As the economy was weakening but unemployment had not yet reached its peak, the states in this report made significant progress in reducing the number of uninsured children in 2008 by expanding eligibility, increasing outreach, and simplifying enrollment.

Although many states have made substantial progress in covering uninsured children, the economy and its effects on state revenues threatens to imperil that progress. In order to aid states struggling to maintain Medicaid coverage during the recession, the federal government is temporarily providing enhanced Medicaid funding, but that funding will end in December 2010. In order to receive this additional funding, states are not permitted to have Medicaid eligibility standards, methods or procedures that are more restrictive than what was in place on July 1, 2008. States' CHIP programs are not bound by these restrictions and are vulnerable to cuts if state revenues continue to decline. Once the federal Medicaid aid ends, states may also look to cut Medicaid programs as states grapple with a grim budget picture for years to come. Although states now have additional incentives to simplify enrollment through bonus payments that are part of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), those bonus payments may not be sufficient as states continue to face falling revenues.

Historically, Medicaid enrollment has continued to rise after a national recession ends as state revenues remain low due to ongoing high unemployment.[19] This could put the Medicaid program at risk at the same time that health reform efforts are building on the program as a base for expanding coverage. Due to the severe recession, continuing the progress made by the states in this report and bolstering Medicaid in anticipation of health care reform will likely require additional federal support.

This brief was prepared by Tanya Schwartz and Karyn Schwartz of the Kaiser Family Foundation's Commission on Medicaid and the Uninsured.

[18] Kaiser Commission on Medicaid and the Uninsured interview with Judith Arnold, Director, Division of Coverage and Enrollment, Office of Health Insurance Programs, State of New York Department of Health.
[19] Pew Center on the States, "Beyond California: States in Fiscal Peril." November 2009; National Governors Association, "The State Fiscal Situation: The Lost Decade." November 2009.

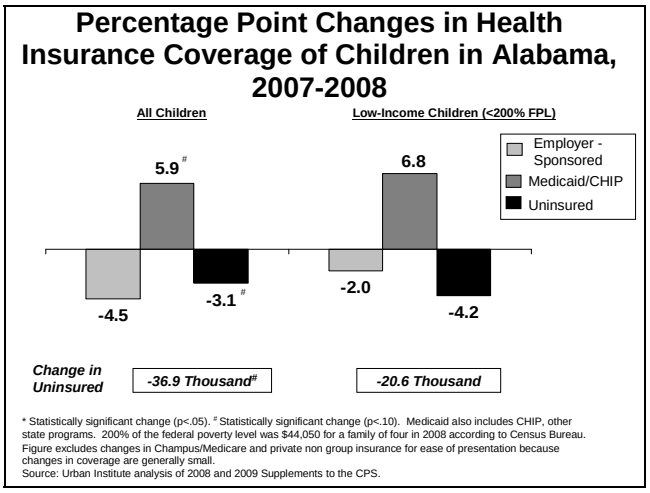
Appendix: State Profiles

Alabama

Alabama has one of the lowest uninsured rates for children in the U.S., and that rate fell between 2007 and 2008. The state's Medicaid and CHIP policies, which are designed to ease the application and renewal process, were important in enrolling newly eligible children. These policies, along with outreach campaigns to raise awareness of the programs, contributed to a growth in Medicaid and CHIP coverage that was able to counteract declines in employer-sponsored coverage.

Coverage Trends 2007-2008:

- The uninsured rate for children declined from 7.5% to 4.4% in 2008.
- The percent of Alabama children enrolled in Medicaid and CHIP grew from 28.0% to 33.9% in 2008. This helped 37,000 children gain coverage, despite declines in employer-sponsored coverage.
- The uninsured rate for low-income children in Alabama dropped to 7.7% in 2008, compared to the 16.6% uninsured rate for low-income children nationwide.



State Policies:

- Children who are five years old or younger qualify for Medicaid if they have family incomes at or below 133% of the federal poverty level (FPL) and older children qualify if their families are at or below the federal poverty level. In 2008, children in families with incomes as high as 200% FPL could qualify for CHIP. The state expanded CHIP coverage to children in families with incomes as high as 300% FPL in October 2009.
- Alabama does not require a face-to-face interview for children applying for or renewing Medicaid or CHIP coverage.[20] The state also provides 12 months of continuous eligibility for children who are eligible for Medicaid or CHIP.
- The state has a system of regional coordinators that facilitate Medicaid and CHIP outreach by training nurses and social workers and attending community events.[21]

[20] In 2008, Alabama required a telephone interview for Medicaid enrollment.

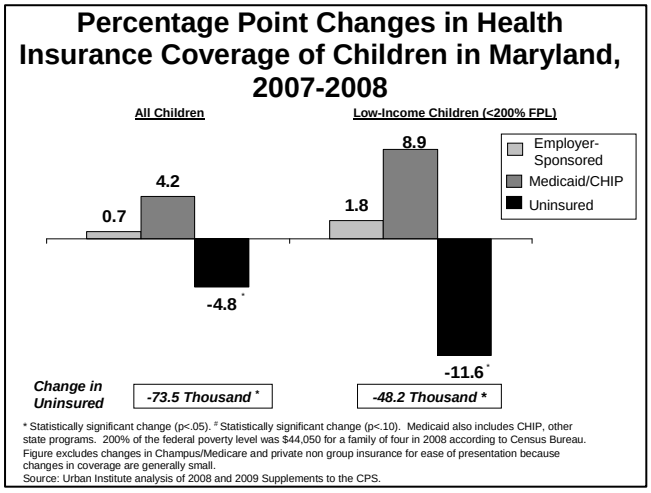
[21] Sandlin, Gayle Lees. The State Children's Health Insurance Program: Accomplishments and opportunities for Improvement at Re-Authorization. See presentation at: www.allhealth.org/briefingmaterials/Sandlin-547.pdf. (February 2007).

Maryland

In 2008, Maryland experienced a decrease in its uninsured rate for all children and a substantial reduction in the uninsured rate for low-income children. Much of this decrease was due to greater enrollment in public coverage. During this period, the share of Maryland children with private insurance remained steady.

Coverage Trends 2007-2008:

- The uninsured rate for children dropped from 11.0% to 6.1% in 2008. That decrease was driven by an increase in the number of children with public coverage.
- Among low-income children, the uninsured rate dropped from 23.9% to 12.3% in 2008.
- Employer-sponsored coverage remained stable in 2008, suggesting that those newly enrolled in public coverage were likely previously uninsured.



State Policies:

- Children in Maryland qualify for Medicaid if their family income is at or below 300% of the federal poverty level (FPL). Maryland does not have a separate CHIP program. Children who would qualify for CHIP are insured through a Medicaid expansion.
- Maryland expanded coverage for parents from 37% FPL to 116% FPL in July 2008.[22] State data show that this likely contributed to the increase in children's coverage.[23]
- In 2008, Maryland began a new effort to identify and enroll Medicaid-eligible children. As part of this effort, the state began sending information about Medicaid to families who appeared to have Medicaid-eligible children based on their tax returns.[24]
- Maryland launched a $150,000 advertising campaign in 2008 to raise awareness of Medicaid that featured Gov. O'Malley and Baltimore Ravens players in bus and print ads.[25]
- The state has several policies in place to ease enrollment and renewal, including: no face-to-face interview requirement and administrative verification of income.

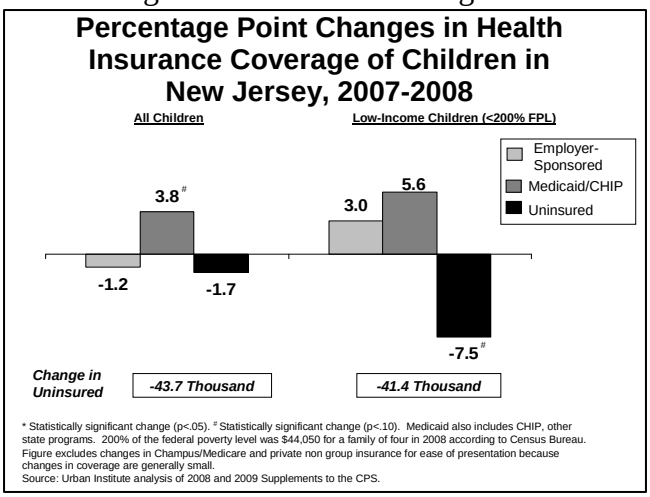
[22] The eligibility threshold for non-working parents was 30% prior to the expansion.
[23] Kaiser Commission on Medicaid and the Uninsured interview with Kathleen Westcoat, President/CEO, Baltimore HealthCare Access.
[24] Georgetown University Health Policy Institute. "States Moving Forward: Children's Health Coverage in 2007-08." September 2008; Dechter, G. "Ad campaign targets uninsured residents." *Baltimore Sun.* A10; September 24, 2008.
[25] Office of the Governor. "Governor O'Malley, Baltimore Ravens Unveil New Ad Campaign to Encourage Medicaid Enrollment." September 23, 2008.

New Jersey

Between 2007 and 2008, the number of uninsured low-income children decreased substantially. This decrease is primarily due to a number of reforms made in New Jersey including a public coverage expansion for children and parents and a buy-in program for higher income children. The state also implemented a mandate that children obtain coverage as well as a simplified public coverage enrollment and renewal processes.

Coverage Trends 2007-2008:

- The uninsured rate for children decreased from 13.0% to 11.3% in 2008, with nearly 44,000 children gaining coverage.
- The percent of uninsured low-income children decreased from 28.7% to 21.2% in 2008, with over 41,000 additional children becoming insured.
- The decrease in the number of uninsured children was fueled primarily by an increase in Medicaid and CHIP enrollment (15.4% to 19.2%), as well as small increases in employer-sponsored coverage and individual coverage.



State Policies:

- In 2005, children's eligibility for CHIP was expanded to 350% of the federal poverty level (FPL), which is among the highest eligibility level in the country.[26]
- As of early 2008, children in families with incomes above 350% FPL could buy-into CHIP through NJ FamilyCare Advantage. [27]
- In June 2008, New Jersey implemented a mandate that all children in the state obtain health coverage by July 2009, though this requirement does not have a strong enforcement mechanism.
- As part of its FamilyCare program, New Jersey expanded coverage to parents from 133% FPL to 200% FPL.
- New Jersey allows for presumptive eligibility for all children up to 350% FPL, 12-month continuous eligibility, and does not require a face-to-face interview for renewal.
- The state uses tax returns to identify children who may be eligible for Medicaid.

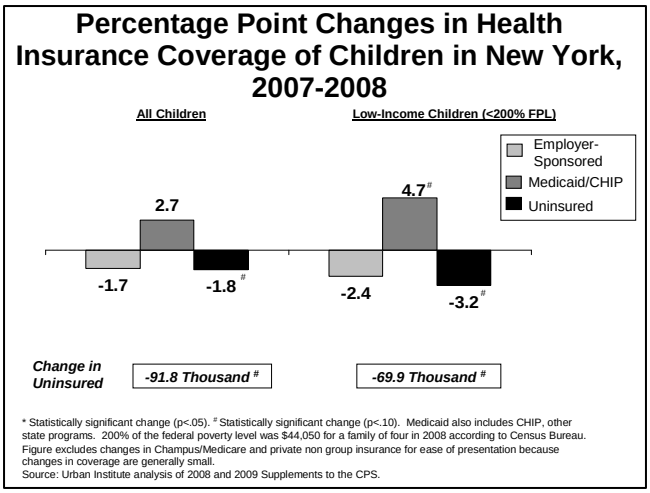
[26] Cohen Ross D and L Cox. *In a Time of Growing Need: State Choices Influence Health Coverage Access for Children and Families*. Kaiser Commission on Medicaid and the Uninsured. October 2005 (#7393).
[27] Kaiser Commission on Medicaid and the Uninsured. "States Moving Toward Comprehensive Health Care Reform." http://www.kff.org/uninsured/kcmu_statehealthreform.cfm (Accessed November 20, 2009).

New York

In 2007, New York launched an aggressive campaign to increase awareness of Medicaid and CHIP. Those outreach efforts were coupled with a CHIP eligibility expansion in September 2008. Key leaders in the state, including the governor and New York City's mayor, participated in events designed to garner media coverage and reach parents of eligible but unenrolled children.[28]

Coverage Trends 2007-2008:

- The uninsured rate for children declined from 9.2% to 7.4% in 2008, with almost 92,000 children gaining coverage.
- Low-income children experienced the largest drop in their uninsured rate, which declined from 14.1% to 10.9% in 2008. This was largely due to an increase in Medicaid and CHIP.



State Policies:

- In September 2008, New York implemented an expansion of CHIP, extending coverage to children from 250% to 400% of the federal poverty level (FPL). The state charges premiums for this coverage based on family income, and children in families with incomes above 400% FPL can buy this coverage at full-cost.
- In New York, parents up to 150% FPL are eligible for Medicaid. Parent eligibility is higher than in most states, but lower than eligibility levels for children in New York.
- The state launched an aggressive outreach campaign in 2007 to educate parents about Medicaid and CHIP that included advertisements and events to promote enrollment.[29]
- In 2008, New York began allowing presumptive eligibility for children who apply for Medicaid. They have a similar policy for children who apply for CHIP.
- The state uses administrative verification of income at renewal and also grants 12 months of continuous eligibility.
- A program called facilitated enrollment that brings enrollers into the community helps New Yorkers submit their applications for Medicaid and CHIP coverage.

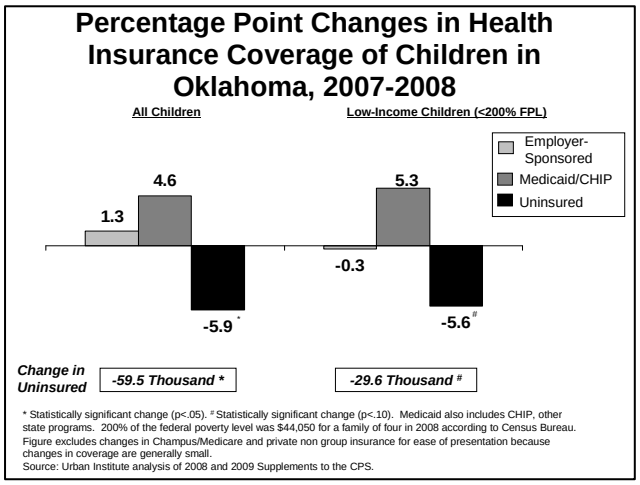
[28] New York State Executive Chamber. "Governor Spitzer Encourages Child Health Plus Enrollment to Insure New York's Children" August 2007.
[29] Kaiser Commission on Medicaid and the Uninsured interview with Judith Arnold, Director, Division of Coverage and Enrollment, Office of Health Insurance Programs, State of New York Department of Health.

Oklahoma

Between 2007 and 2008, Oklahoma was not as deeply impacted by the economic recession as other states; its unemployment rate increase was among the lowest in the country. Many children gained health coverage, two-thirds of whom obtained public coverage while employer-sponsored insurance increased slightly.

Coverage Trends 2007-2008:

- The uninsured rate for the non-elderly decreased from 20.5% to 16.2% in 2008, with more than 138,000 gaining coverage. The number of uninsured children and adults declined for all income levels.
- In 2008, 7.4% of children were uninsured compared to 13.3% in 2007. This decrease led to 60,000 children gaining coverage.
- The uninsured rate for children in families with incomes below 200% of the federal poverty level (FPL) decreased from 15.4% to 9.8% in 2008, with 30,000 children gaining coverage. Half of newly insured children with family incomes below 200% FPL obtained coverage through Medicaid and CHIP.
- The number of children and adults with employer-sponsored insurance remained relatively steady.



State Policies:

- Medicaid and CHIP provide coverage for children with family incomes up to 185% FPL.
- Oklahoma was less affected by the economic recession, as its unemployment rate only increased from 3.6% to 4.6% in 2008.[30] The national unemployment rate was 7.2% in December 2008.
- The state has initiatives in place to allow parents to electronically enroll newborns in Medicaid and choose their child's primary care provider before they leave the hospital.[31] Oklahoma also educates families with newborns about the importance of health screens, the benefits available to them, and how to navigate the health care system.
- The state expanded coverage to adults and small businesses through the "Insure Oklahoma" program.[32]

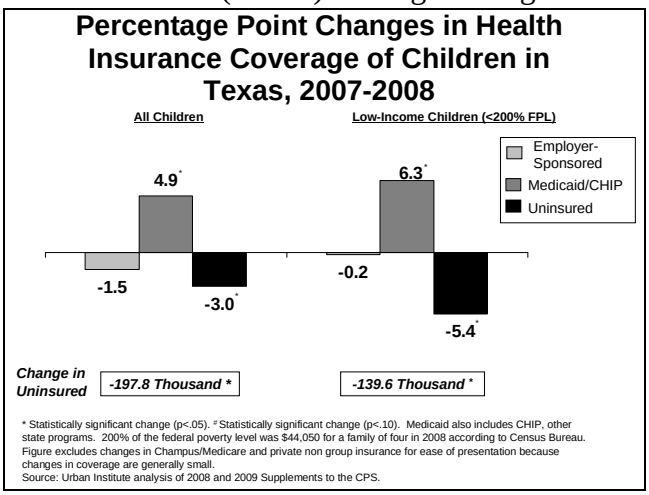
[30] Bureau of Labor Statistics, Local Area Unemployment Statistics, Data extracted on November 30, 2009.
[31] Oklahoma Health Care Authority. *Service Efforts and Accomplishments SFY 2008*. June 2008.
[32] Insure Oklahoma website. http://www.insureoklahoma.org/about.aspx

Texas

The uninsured rate for children in Texas declined in 2008, primarily due to greater enrollment in public coverage. The drop in the uninsured rate was concentrated among low-income children who experienced an increase in Medicaid and CHIP coverage. The share of children with employer-sponsored coverage did not change significantly during this period.

Coverage Trends 2007-2008:

- About 200,000 children gained coverage as the uninsured rate fell from 21.7% to 18.6%.
- The uninsured rate for low-income children, which is among the highest in the nation, fell from 30.1% in 2007 to 24.6% in 2008. In 2008, the uninsured rate for low-income children was 16.6% nationwide.
- The share of adults who are uninsured did not change significantly and remains high with almost one-third of all adults (32.3%) lacking coverage.



State Policies:

- Medicaid eligibility levels for children vary by age, with infants covered at or below 185% of the federal poverty level (FPL), children age one to five covered at or below 133% FPL and older children covered if their family income is at or below poverty. CHIP covers children with family incomes too high for Medicaid who are at or below 200% FPL.
- In 2007, Texas eased CHIP eligibility and renewal by enacting 12 months of continuous eligibility, which contributed to a one-year increase of about 176,000 children in CHIP.[33]
- Texas also eased CHIP eligibility in 2007 by reinstating the deduction of some child-related expenses when determining income eligibility and increasing the asset limit.[34]
- The state continues policies that make it more difficult to enroll in and maintain Medicaid, such as requiring that children on Medicaid renew their coverage every six months. Texas is also one of the few states with an asset test for children applying for Medicaid.
- Children in Texas risk losing Medicaid coverage at renewal because the state has been out of compliance with federal requirements for timely application processing since 2006.[35]

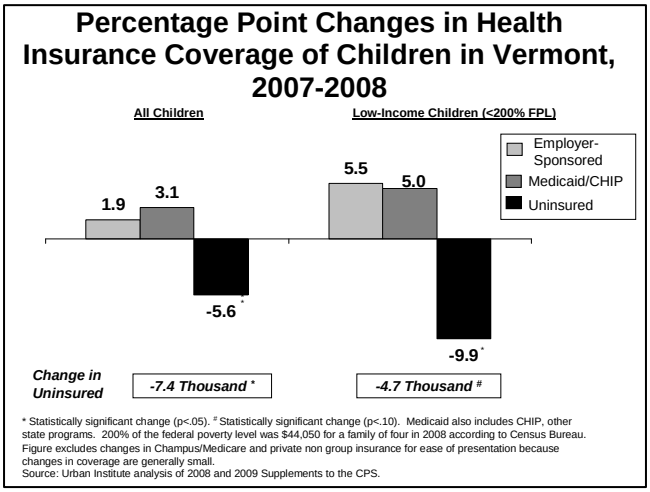
[33] Georgetown Center for Children and Families. "States Moving Forward: Children's Health Coverage in 2007-08." September 2009.
[34] Ibid; e-mail correspondence with Anne Dunkelberg, Associate Director, Center for Public Policy Priorities.
[35] Center for Public Policy Priorities. "Twelve-Month Children's Medicaid: The Right Step For Texas's Neediest Children." March 2009.

Vermont

In May 2006, Vermont's Governor signed comprehensive health reform legislation into law. Expanded Medicaid eligibility levels coupled with the new reforms have contributed to a decrease in the number of non-elderly uninsured. Vermont has experienced an especially large drop in the number of uninsured children.

Coverage Trends 2007-2008:

- The uninsured rate for the non-elderly population decreased from 13.0% to 10.6% in 2008, with over 13,000 gaining coverage.
- About 7,500 children gained coverage as the uninsured rate declined from 9.5% to 3.9% in 2008.
- The uninsured rate for children with family incomes below 200% of the federal poverty level (FPL) decreased from 17.7% to 7.8% in 2008, with 4,700 children gaining coverage.



State Policies:

- Vermont has broad public coverage eligibility levels: children are eligible to 300% FPL, working parents are eligible to 191% FPL and childless adults are eligible to 160% FPL.
- Beginning in October 2007, families can purchase coverage through the state's Catamount Health plan and families with incomes up to 300% FPL are eligible for premium subsidies.
- Families with incomes up to 300% FPL are also eligible for premium assistance to help them purchase employer-sponsored insurance.
- Vermont employers are assessed a fee for employees who are not offered or who do not take up health coverage and are uninsured.[36]
- Expanded public coverage eligibility coupled with new health care reforms helped minimize the impact of the rise in the state's unemployment rate, which increased from 4.0% to 5.9% in 2008.[37]

[36] Kaiser Commission on Medicaid and the Uninsured. Vermont Health Care Reform Plan Fact Sheet. December 2007 (#7723).
[37] Bureau of Labor Statistics, Local Area Unemployment Statistics, Data extracted on November 30, 2009.

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