Children’s Coverage: Will We Go Forwards or Backwards?

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The Children’s Uninsured Rate has Declined to a Historic Low

* Change is significant at the 90% confidence level. 2013 was the only year that did not show a significant one-year decline in the national rate of uninsured children. The Census began collecting data for the health insurance series in 2008, therefore there is no significance available for 2008.
The Public is Not Aware of This Success

In the Last 5 Years, Do You Think the Number of Uninsured Children Has Increased, Decreased, or Stayed the Same?

- Increased: 49%
- Decreased: 28%
- Stayed the Same: 22%
- Don't Know/Refused: 1%

Children’s Coverage Sources and Eligibility

Exchange Subsidies
(Premiums based on a sliding scale, ranging from 2%-9.5% of income)

- 400% of FPL (Family of 3) $81,680/year
- 255% of FPL (Family of 3) $52,071/year
- 138% of FPL (Family of 3) $28,179/year

CHIP

Medicaid

Source: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families. January 2017.
Public Coverage for Children, 2015

- **Medicaid**
  - 36.8 million

- **Expansion CHIP**
  - 4.7 million

- **Separate CHIP**
  - 3.7 million

- **Marketplace**
  - 800,000

Sources:
- “Child Enrollment in CHIP and Medicaid by State, FY 2015.” MACPAC.
- “Health Insurance Marketplace 2015 Open Enrollment Period: March Enrollment Report.”
Parent Coverage Has Improved Too

Source: Urban Institute tabulations of 2008-2015 National Health Interview Survey data

Notes: Parents are defined as adults ages 19 to 64 living with a biological child, adoptive child, or stepchild age 18 or under. Uninsured is at time of survey. All other adults age 19 to 64 are classified as childless.
Rate of Children’s Uninsurance by State, 2015

Long-Term Effects of Childhood Medicaid Coverage

- Healthier Adults
- Greater Academic Achievement
- Greater Economic Success

Government Savings (ROI)

Medicaid/CHIP Coverage by Congressional District

Source: Single-year estimates of summary data from the 2015 American Community Survey (ACS). The U.S. Census Bureau publishes ACS summary data on American Fact Finder. Percent estimates were computed.
What is Proposed for Medicaid/CHIP?

- Desire to block grant or impose a per capita cap on Medicaid with steep cuts in both House and Senate bills;
- CHIP funding expires on September 30, 2017. Congress has not taken any action yet.
Medicaid Cuts Would Grow Under House Budget Plan

Source: Congressional Budget Office, May 2017
Senate Cuts Would Grow

Source: Congressional Budget Office, June 2017

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Block Grants/Per Capita Caps Shift Costs to States

Current Medicaid Financing System

- $100 Federal Share
- $60 State Share
- $40 Higher spending (unexpected cost growth)

Capped Federal Medicaid Funding

- $100 Expected spending with cap
- $40 Federal Share
- $60 State Share
- $48 Higher spending (unexpected cost growth)
Would State Flexibility Do The Trick?

- States already have flexibility over many things like: delivery system; provider rates.
- New flexibility would come in areas like:
  - Entitlement/Guarantee of coverage (waiting lists, caps, time limits);
  - Eligible populations;
  - Benefits (EPSDT) and cost-sharing;
  - Other barriers to coverage i.e. work requirements, lockouts.
• Urban Institute modeled if Medicaid enrollees instead enrolled in ESI.

• Spending $1,700 higher (28 percent) in ESI.

• Beneficiary out-of-pocket spending more than three times higher in ESI.
Medicaid Per-Beneficiary Costs Grow Slowly

Average annual growth rate per enrollee, 1987-2014

Source: Centers for Medicare & Medicaid Services, National Health Expenditure Tables, December 2015, Table 21
• The onset of the HIV/AIDS epidemic in the 1980s and early 1990s led to unexpected Medicaid costs.

• Anti-retroviral prescriptions increased from 170,000 to 3 million from 1991 to 2005.

• Anti-retroviral prescription spending increased from $31 million to $1.6 billion.

Medicaid is the Largest Source of Federal Funds to States, FY 2015

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