Children's Hospital of Philadelphia
PolicyLab

Why are More Families Losing Children's Health Insurance Coverage?

Population Health Sciences

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At the start of each new year, I find myself reflecting on how my pediatric practice is changing. Now that I have been practicing for more than 20 years, one of the biggest developments is that some of the children I cared for at the start of my career are now bringing their own children to me. But unlike their parents, who visited my practice often, these families are skipping more visits, and therefore foregoing the same opportunities for me to really get to know them and their children so I can best help them.

I have thought a lot about why these families are visiting less frequently and have to believe that an unspoken issue is their worry over health insurance for their children. This would be concerning to me at any point, but, following Congress' historic 10-year reauthorization of the Children's Health Insurance Program (CHIP) last January — a policy win that should have set up a banner year for children — this worry is especially striking. CHIP, a federal-state program that offers affordable and comprehensive coverage to children in low- and moderate-income families whose parents make too much money to qualify for Medicaid, had never before seen a reauthorization of this length.

If you asked children's advocates three years ago if they would have been excited by this legislative outcome, most would have been ecstatic. And yet, late last year, we learned that this 10-year funding for CHIP did not take us one step closer to universal coverage for children like so many of us had hoped. In fact, despite this landmark achievement, there is cause for concern in 2019.

Perhaps lost to some in the hectic pace of the news around the holidays was a report by the Center for Children and Families at Georgetown University, which demonstrated that despite the 10-year reauthorization of CHIP, the number of uninsured children in the U.S. actually increased by 276,000 in 2017, the first up-tick in uninsurance among children in more than 20 years. So, what happened?

It is hard to disentangle all of the reasons why families are losing coverage, but there are a number of important contributors. First, even though job numbers improved and more families were able to obtain dependent coverage through work, these increases could not supplant the number of children and families losing coverage. Our own work at PolicyLab and that of our colleagues has demonstrated that even when families are offered coverage through work, much of that coverage is limited or unaffordable, beset by runaway deductibles, limited provider networks and rising out-of-pocket costs.

Second, although public insurance should have been a backstop for many of these families, the value of Medicaid has been under continuous assault over the last few years. In the face of constant threats to block grant Medicaid in 2017 and 2018, it seems many came to doubt the viability of public health insurance programs, leading to less enrollment. Also, states were facing legitimate budget constraints for CHIP and publicly shared doubts about whether the program could continue. In some instances, states even limited enrollment and re-enrollment when the deadline for the federal reauthorization of CHIP came and went.

Notably, and perhaps more concerning, three-quarters of the coverage losses for children occurred in states that did not expand Medicaid to low-income adults. While not obvious on the surface, one of the best benefits of Medicaid expansion to adults, and even the creation of the state exchanges under Obamacare, has been what people call the “welcome mat” effect, in which parents’ increased engagement with public health offerings for themselves led to increased coverage of their children through Medicaid and CHIP. A strong Medicaid expansion and healthy state exchange program in Pennsylvania, for example, is likely why the Georgetown researchers did not see an increase in the number of uninsured children in the Commonwealth like they did in many other states.

Finally, it is important to note that many of the states that did not expand Medicaid also lie along our southern border, where children’s uninsurance rates could skyrocket even higher if the proposed public charge rule that the Trump administration has been pursuing takes effect. If enacted, this rule would penalize legal immigrant families with revocation of their green card status or even deportation if their children, including their U.S. citizen children, access Medicaid or other key supports like food assistance. The number of children nationwide who could lose their health coverage if this proposed rule goes into effect: up to two million.

The bottom line: what these higher uninsurance rates tell me is that whether it be the employed families who can no longer afford their coverage through work or the legal immigrant family who fears retribution if they seek coverage or services for their children, we are undoing our health care system for children, and it is occurring despite a historic legislative achievement for children’s health coverage.

That said, while some of my usual patient families are visiting less often and some not at all, I remain optimistic for the future. Despite the myriad challenges my patients and their families are facing every day, I continue to see their resilience in the face of adversity. And when they need me, most of them still find their way back. I can only hope that this report serves as a wake-up call to policymakers and spurs action to remove any barriers to our children receiving the right care, at the right place, at the right time.

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