Children's Hospital of Philadelphia
PolicyLab

Growing Number of Children Covered by Medicaid, CHIP Have Parents Who Work for Large, Private Companies

Philadelphia, Pa. – July 1, 2019– Of the 8.6 million children in working families who are covered by public insurance, more than 70% have a parent who works at a large, private company, according to a new study from PolicyLab at Children's Hospital of Philadelphia (CHOP). The study, published today in the July issue of *Health Affairs*, found that an increasing number of low- and moderate-income parents working in the private sector in the U.S. are insuring their children through Medicaid and the Children's Health Insurance Program (CHIP) as they face increasing health insurance costs and/or inadequate coverage through their employer.

PolicyLab researchers found that between 2008 and 2016, the number of children in low- and moderate-income working families who were covered by public insurance increased at significant rates, regardless of whether their parents were employed by small or large businesses. While children's public coverage was highest among low-income families working for small businesses, increasing from 53% to 79%, the largest driver of the overall increase in use of Medicaid and CHIP was in low- to moderate-income families working at large, private companies given the greater number of children with parents at these employers.

"We were surprised to find through our study that the vast majority of low- and moderate-income working families who rely on public insurance for their children are employed by large, private companies," said lead author Doug Strane, MPH, researcher at PolicyLab. "This may signal dependent coverage is becoming unaffordable for working families across all sectors—even those we think of as having good benefits—creating greater urgency for policymakers to protect Medicaid and CHIP as a safety net."

The researchers also found that the greatest increase in public insurance enrollment for youth occurred in moderate-income families ($48,500-$72,750 a year for a family of four) in which a parent worked for a small business—64% of children in these families were covered by Medicaid or CHIP in 2016 compared to 21% in 2008. This represents a new economic tier of families becoming sensitive to either the quality of insurance offerings through their employer or the rising cost of employer-sponsored coverage.

"The landscape of children's health insurance coverage among working families is dramatically shifting, and at a much faster pace than any substantive policy conversations about what high-quality, accessible coverage looks like for all children in the future," said senior author David Rubin, MD, MSCE, director of PolicyLab and a pediatrician at CHOP. "At the very least, we should be protecting Medicaid and CHIP as a safety net for families, while also considering other ways to ensure that dependent coverage remains affordable and provides a robust set of benefits to keep children in working families healthy."

Previous PolicyLab researchmay have been a bellwether warning for some of the emerging challenges of insuring children in this country. A 2016 PolicyLab study published in *Health Affairs*revealedan increasing rate of uninsurance among moderate-income families—9.2% of children in these families were uninsured in 2013, compared to 6% in 2008. This has since been reinforced by more recent data showing the first-ever drop in overall insurance rates among children in nearly a decade, and another report that found 828,000 fewer children enrolled in Medicaid and CHIP in 2018 than 2017.

Dr. Rubin added, “The findings of our study now have greater context in light of the declining enrollment in Medicaid and CHIP last year. Families’ wallets are increasingly being squeezed by the lack of affordability for coverage at work, and at a time when their only alternatives, Medicaid or CHIP, could become more difficult to access if block granting or other proposed fundamental changes to these public insurance programs become a reality.”

The data for this study comes from the Medical Expenditures Panel Survey (MEPS), a nationally representative household panel survey. The other authors on the paper were Meredith Matone, DrPH, MHS; Ahaviah Glaser, JD; and Genevieve Kanter, PhD. Kanter is from the Perelman School of Medicine at the University of Pennsylvania.

Limitations: From the survey data, researchers could not determine why families covered their children with public insurance, which could reflect a number of factors including the rising cost of employer-sponsored insurance or changes in parent’s own health care coverage. Additionally, this analysis did not differentiate between CHIP and Medicaid coverage.

Strane D, Kanter G, Matone M, Glaser H, Rubin D. Growth of Public Coverage Among Working Families in the Private Sector. *Health Affairs*. 2019. [Published July 1 2019] doi.org/10.1377/hlthaff.2018.05286

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About PolicyLab at Children’s Hospital of Philadelphia: PolicyLab at Children’s Hospital of Philadelphia (CHOP) is dedicated to achieving optimal child health and well-being by informing program and policy changes through interdisciplinary research. Founded in 2008, PolicyLab is a Center of Emphasis within the CHOP Research Institute, one of the largest pediatric research institutes in the country. With 35 highly-regarded faculty and more than 60 passionate staff who bring expertise from myriad of fields covering health, research and health policy, our work focuses on improving public systems, improving health care delivery and improving child health outcomes. For more information, visit http://www.policylab.chop.edu.