

Parents in Large Private Companies Turn to Medicaid for Their Kids

[Population Health Sciences](#)

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Health care is back in the limelight with primary season heating up. However, if you have been listening to the debate about the future of the American health-care system, you haven't heard much, if any, discussion about the urgent problems developing for children's coverage.

As a primary care pediatrician for two decades, I am highly attuned to the challenges my patient families face. I recall in particular seeing a child with multiple medical conditions who hadn't continued care with their many specialists, despite my reminders about the importance of follow-up.

During that visit, I remembered that mom had previously shared with me that she was the sole earner in the household. That memory prompted me to ask about the quality of her health insurance through work. With some reluctance, she told me that the plan through her employer was very expensive, and she could not afford the out-of-pocket costs for her child's care. I knew we needed to find a more affordable option so her child would get the care he/she needed.

I wish I could say this was the only time I've had this conversation. This and many similar experiences led my research team at [PolicyLab](#) to pursue a national study, [published in "Health Affairs" this week](#), which validated what I was seeing in my practice — low- and moderate-income parents working in the private sector are increasingly enrolling their children, if they are eligible, in Medicaid or the Children's Health Insurance Program (CHIP).

Among the low-income children enrolled in Medicaid annually — equating to [nearly half of all Medicaid enrollees nationwide](#) — today, we see that the majority of those are children in working families, and increasingly so. According to our study, between 2008 and 2016, one in five children in working families relied on public insurance to meet their health care needs. This is not surprising considering average premiums and deductibles increased [nearly 60](#) percent during this eight-year span. A parent is now contributing on average nearly \$7,500 annually towards family premiums and deductibles for their employer-sponsored plans. For a family that makes between \$20,000 and \$40,000 a year, as an example, these costs are prohibitive.

What's more, contrary to common beliefs that families working for small businesses are most likely to need public health insurance because their company doesn't offer adequate coverage, if they offer it at all, our study showed it's actually parents in the largest companies who are running toward Medicaid and CHIP for their kids. In fact, by 2016, one in three children whose parents were employed by large private companies were covered by Medicaid or CHIP, up 50 percent from 2008.

Many will see these trends and feel thankful that we have strong Medicaid and CHIP programs to meet family needs as health insurance becomes unaffordable through work. Now that more than 40 percent of all children in this country are covered by public insurance, you might see this as a natural path toward universal children's coverage.

More skeptical minds, though, might wonder why the taxpayer is increasingly paying for the exodus of children from employer-sponsored dependent coverage. This latter opinion has some lawmakers calling for sharp Medicaid spending reductions, which would unquestionably lead to fewer benefits for children and lower enrollment in insurance plans that can keep them healthy.

And therein lies the problem. My patients and children around the country are caught in the middle of a debate in which nobody is acknowledging how unaffordable dependent health care is becoming for working families. If lawmakers were to further reduce access to Medicaid, many children would likely lose insurance altogether.

We see evidence of this as some states have tightened enrollment requirements, contributing to the fact that about [828,000 fewer children](#) were enrolled in Medicaid and CHIP at the end of 2018 than in 2017. Our Health Affairs data tells us that most of these children are likely from working families.

What happened to that family that tipped me about this emerging trend? I'm proud to say CHIP provided the financial relief and comprehensive coverage they needed. I hope for a day when parents never have to consider foregoing care for their children, but rather, rest assured that all children can access the comprehensive and affordable coverage they need to grow into healthy, productive adults.