

## EMERGING ISSUES OF HEALTH CARE COVERAGE AND ACCESS FOR CHILDREN IN LOW- AND MODERATE-INCOME FAMILIES

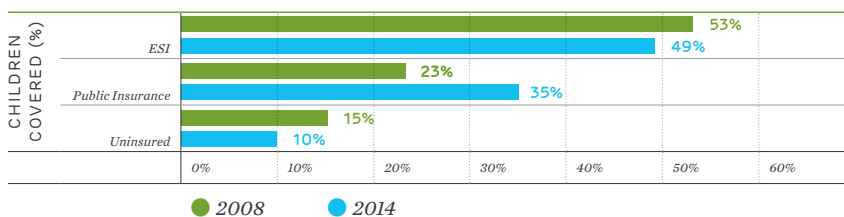
### NEAR-UNIVERSAL HEALTH INSURANCE COVERAGE FOR KIDS IN THE U.S. IS AT RISK.

More than 95 percent of children in the U.S. currently have health insurance. We can attribute much of the success in achieving this nearly universal rate of children's coverage to the introduction of the Children's Health Insurance Program (CHIP) in 1997 and the 1965 passage of Medicaid, which covers children in very low-income families.<sup>1</sup>

Today, the health care landscape is in a state of constant change and uncertainty that threatens to not only delay, but reverse this decades-long trend of improving access to health care for children. Lawmakers are debating a wide range of possible changes to health insurance. Much of the focus has been on how to slow the rise in health care costs and insurance premiums while increasing access to care. Some, though, is just on reducing direct government spending on health care or loosening insurance regulations. We must not take the gains made in children's health coverage for granted in these conversations. In this brief, we've sought to document the growing importance of public insurance for millions of children and working families, and the harm that could be done if the wrong reforms are made.

Children in the United States are covered through a parent's employer-sponsored insurance (ESI), public insurance programs like Medicaid and CHIP or health insurance Marketplace plans. Today, more and more low- and moderate-income working families are shifting their children to public insurance.

### HEALTH INSURANCE COVERAGE OF CHILDREN IN WORKING FAMILIES EARNING 100-400% OF FEDERAL POVERTY LEVEL, 2008 & 2014



Source: PolicyLab analysis of Medical Expenditure Panel Survey Household Component, 2008 and 2014  
This graph excludes children covered by insurance from the individual market.

### IMPORTANCE OF MEDICAID AND CHIP FOR WORKING FAMILIES

Medicaid is primarily a program for the working poor. Nearly eight in ten adults enrolled in Medicaid live in a working family, and the majority of those have a full-time job.<sup>3</sup> CHIP, by definition, is a program for working families who earn too much to qualify for Medicaid, but still cannot afford private insurance. Nearly four in ten children are covered by Medicaid or CHIP.<sup>1</sup>

Beyond the very low-income families who have traditionally relied on these programs, Medicaid and CHIP are becoming increasingly important even for families who are offered insurance through their employer. Many families are finding that rising premiums and deductibles make this option prohibitively expensive. Marketplace plans are not always affordable and generally provide less comprehensive coverage than public plans, often making them an inadequate alternative as well.

A recent PolicyLab study found that many of these families, either due to rising ESI costs or employers no longer offering adequate dependent coverage, are shifting their children to public insurance. Among low-income families in 2013, nearly one-third of children were covered by public insurance even though their parent had ESI.<sup>4</sup>

## MEDICAID AND CHIP ARE MORE COMPREHENSIVE THAN PRIVATE INSURANCE

Health insurance coverage does not necessarily equal access to care. Pediatric benefits are not always clearly defined in the private insurance market and, therefore, often lack the coverage needed to meet children’s unique health care needs.

In addition to being a lifeline for a growing number of working families, Medicaid and CHIP regularly offer higher quality coverage for children. In 2015, PolicyLab compared caregiver-reported experiences with Medicaid, CHIP and ESI for children in low- to moderate-income families and found that Medicaid and CHIP actually provide greater accessibility to care than private ESI coverage.<sup>5</sup> These public programs were designed with children in mind, requiring coverage of pediatric-specific services. Therefore, they are more likely to provide access to an adequate network of pediatric providers and the preventive and treatment services kids need to grow into healthy, productive adults. Additionally, parents reported significantly lower out-of-pocket costs for pediatric care in Medicaid and CHIP, making pediatric public insurance a logical choice for many families who qualify.

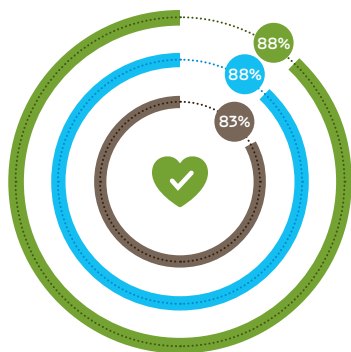
## PROTECTING CHILDREN’S COVERAGE MOVING FORWARD

Lawmakers have made dozens of attempts in just the last few years to significantly reform public insurance programs and the U.S. health care system as a whole. Unfortunately, the impact that these sweeping changes could have on children is often left out of these conversations. The quality of coverage in both the public and private markets is not widely understood, making it possible for significant harm to come to unintended victims of any reform proposal. For instance, any reforms that threaten specific pediatric requirements could lead insurance plans to stop covering key benefits, like childhood screenings, or the pediatric specialists that children need for their care.

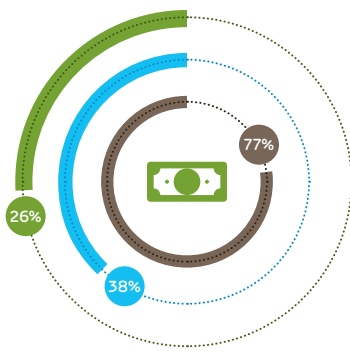
In the most recent round of debates this spring, appropriate coverage for children was not given much consideration, causing many observers to fear that decades-long gains could be lost. As these debates continue, high-quality health care for children requires that some focus turn back to the comprehensiveness of benefits and sufficient provider networks children require. While it is possible to achieve cost savings while improving, or at least maintaining, the quality of care available to children and families, it is unclear whether there is currently a political appetite to craft such thoughtful policy reforms.

## QUALITY OF CHILDREN’S HEALTH INSURANCE, PUBLIC VS. PRIVATE INSURANCE

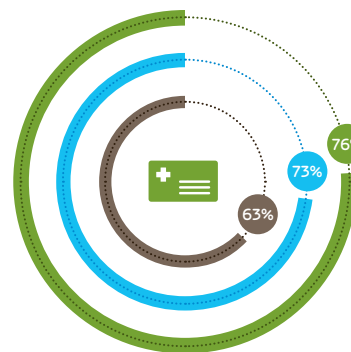
● Medicaid ● CHIP ● Private



Had a preventive medical visit



Had out-of-pocket costs



Needs always met by insurance (children with special health care needs)

Source: Kreider AR, French B, Aysola J, Saloner B, Noonan KG, Rubin DM. Quality of Health Insurance Coverage and Access to Care for Children in Low-Income Families. *JAMA Pediatr.* 2015 Nov 16:1–9

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The mission of PolicyLab at Children’s Hospital of Philadelphia (CHOP) is to achieve optimal child health and well-being by informing program and policy changes through interdisciplinary research. PolicyLab is a Center of Emphasis within the Children’s Hospital of Philadelphia Research Institute, one of the largest pediatric research institutes in the country.

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