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In a Time of Growing Need: State Choices Influence Health Coverage Access for Children and Families

A 50 State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP for Children and Families

Executive Summary

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The Kaiser Commission on Medicaid and the Uninsured provides information and analysis on health care coverage and access for the low-income population, with a special focus on Medicaid's role and coverage of the uninsured. Begun in 1991 and based in the Kaiser Family Foundation's Washington, DC office, the Commission is the largest operating program of the Foundation. The Commission's work is conducted by Foundation staff under the guidance of a bi-partisan group of national leaders and experts in health care and public policy.

Executive Summary

The nation's progress in reducing the number of uninsured people suffered another setback in 2004, as the number of Americans without health insurance rose for the fourth consecutive year. However, also for the fourth consecutive year, increased enrollment in Medicaid and the State Children's Health Insurance Program (SCHIP) partially offset the decline in job-based health coverage, preventing the number of uninsured Americans from rising even faster.

Whether Medicaid and SCHIP will continue to be able to respond to growing health insurance needs depends in part on whether state policies in these programs make publicly funded coverage *more* available to those who need it, or *less* so. This report presents the findings of a survey of eligibility rules, enrollment and renewal procedures, and cost-sharing practices in Medicaid and SCHIP for children and families in effect in the 50 states and District of Columbia in July 2005. It is one of a series of surveys conducted over the last five years by the Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured.

Key Findings

The survey finds that between July 2004 and July 2005, progress on expanding health coverage was both advanced and impeded:

On the positive side:

- **Twenty (20) states took steps to increase access to health coverage for children and parents.** Twelve (12) states enacted new eligibility expansions for children, pregnant women or parents *(Colorado, Connecticut, Florida, Illinois, Montana, New Jersey, New Mexico, North Carolina, Utah, Virginia, Wisconsin and Wyoming);* eight (8) states adopted procedural simplifications *(Connecticut, Florida, New Hampshire, New Jersey, New York, North Dakota, Washington and Oklahoma);* and four (4) states either reduced premiums for children or relaxed penalties for nonpayment of premiums *(Florida, Georgia, Michigan, Texas).*

- **Nine (9) states reversed steps they had taken in prior years to restrict coverage; they reversed eligibility cuts, restored simplified procedures or relaxed financial barriers** *(Connecticut, Florida, Georgia, Michigan, Montana, New Jersey, Texas, Utah* and *Washington).* **The previous year, in contrast, no states reversed prior eligibility restrictions, and many states imposed new barriers to Medicaid and SCHIP coverage.**

On the negative side:

- **Fourteen (14) states took actions that could impede access to health coverage for children and parents.** Six (6) states either cut eligibility levels or froze enrollment for parents in their Medicaid waiver programs *(Connecticut, Ohio, Missouri, Tennessee, Oregon, and Utah)*; two (2) states adopted procedures that make enrolling or renewing

coverage more difficult *(Connecticut and Pennsylvania)*; and ten (10) states increased premiums for children (*California, Connecticut, Illinois, Maine, Maryland, Minnesota, Missouri, New Jersey, Pennsylvania, and Vermont).*

- **Eleven (11) states took steps that made it more difficult for eligible children to secure or retain coverage, such as imposing new financial or procedural barriers** *(California, Connecticut, Illinois, Maine, Maryland, Minnesota, Missouri, New Jersey, Pennsylvania, Tennessee, and Vermont).* **However, this approach to "managing caseloads" was less common than in the prior year, when nearly half the states adopted such measures.**

- **The disparity between the income level at which parents are eligible for coverage and the level at which children qualify widened. Four (4) states reduced parents' income eligibility for coverage, in some cases severely** *(Connecticut, Ohio, Missouri,* and *Tennessee).*

As these mixed results indicate, there is no guarantee that Medicaid and SCHIP will remain ready to respond in times of economic hardship to protect low-income families across the country from the health and financial risks of being uninsured. Other warning signs exist as well. Many states continue to face fiscal problems, and Medicaid continues to be a prominent target for state budget cuts. Also, Congress is considering cuts to health care entitlement programs that could result in reduced access to Medicaid for low-income families.

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