How Will the Uninsured Be Affected by Health Reform?

Children

Timely Analysis of Immediate Health Policy Issues

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SUMMARY

Children make up just 18 percent of the uninsured in the US and would be affected by health care reform in different ways than their parents and other adults. Of the 7.8 million uninsured children in the United States, the majority are already eligible for Medicaid or the Children's Health Insurance Program (CHIP). In this analysis, a health reform scenario is modeled that would expand Medicaid to individuals with incomes up to 133 percent of the federal poverty line (FPL), provide subsidies for individuals with incomes between 133 and 399 percent of the FPL, and require individuals to obtain coverage through an individual mandate. Under this reform, 44 percent of uninsured children would remain eligible for public health insurance coverage under the Medicaid program and an additional 38 percent of uninsured children would retain their Medicaid or CHIP eligibility and/or receive subsidies to purchase coverage in an exchange. Altogether, this reform strategy would extend subsidized coverage to an additional 1.4 million uninsured children. Of the remaining uninsured children, 9 percent would be ineligible for Medicaid or subsidies due to their family income and another 9 percent would be ineligible because they are unauthorized immigrants.

Ultimately, the impact of health reform on children's coverage will depend on how effective the mandate and enrollment system changes are at insuring more of the uninsured children who are already eligible for public coverage and on how affordable the subsides make coverage in the exchange. Moreover, unless the administrative systems that determine eligibility for public health insurance programs and subsidy programs under reform are seamless, both children and families will slip through the cracks. Finally, depending on whether states are required to maintain their Medicaid program as currently structured and how children eligible for CHIP will be served under reform, some children may lose benefit and cost sharing protections afforded them under the current system.

Introduction

Despite the recent re-authorization of CHIP, health care reform offers the potential to further expand insurance coverage for children and move the country closer to assuring universal coverage. As the details of Congressional legislation on health care reform have been discussed over the summer, a broad consensus has emerged from the Senate Finance and Health, Education, Labor and Pensions (HELP) Committees, and the House Tri-Committee regarding the overall structure of reform. Under each proposal, the Medicaid program would be expanded to poor and near poor populations and subsidies would be available to certain low and moderate income individuals and families to purchase coverage in a reformed health insurance market making more children eligible for subsidized coverage and requiring their parents to obtain it. At the same time, the proposals differ with respect to whether states would be required to maintain their level of effort under the Medicaid program and whether the CHIP program would remain the same, be expanded, or cease to exist.

Background

Together Medicaid and CHIP currently provide insurance coverage to 32 percent of all children and 62 percent of low-income children.[1] CHIP builds on the Medicaid program by extending coverage to uninsured children whose family income is too high to qualify for Medicaid but who cannot afford private coverage. While the Medicaid program is an entitlement, the CHIP program is not and must be periodically re-authorized. Last February, President Obama signed into law the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009

extending the CHIP program for four and a half years until September of 2013.

Children are eligible for public health insurance coverage to a much greater extent than are their parents or childless adults. All but seven states cover children in families with incomes up to 200 percent of the federal poverty level (FPL) under Medicaid and CHIP, with 25 states covering children with incomes above this level.[2] In contrast, the median eligibility threshold for parents under Medicaid is 68 percent of the FPL. As a result of greater eligibility for public health insurance programs, children have much lower rates of uninsurance than their parents and constitute a disproportionately lower share of the uninsured.[3]

Recently introduced healthcare reform proposals have the potential to make coverage available for more children who are currently uninsured, but could also change the landscape of public coverage for children. The Senate Finance Committee has outlined a proposal to expand Medicaid to all individuals with incomes up to 115 percent of FPL and to provide subsidies for individuals up to 400 percent of FPL to purchase coverage through a Health Insurance Exchange. The Senate HELP Committee has released draft legislation to expand Medicaid eligibility to 150 percent of FPL and provide subsidies for individuals and families up to 500 percent of FPL to purchase coverage. In addition, the House Committees on Ways and Means, Energy and Commerce, and Education and Labor have recently released a proposal that would expand Medicaid to 133 percent of FPL and would provide subsidies up to 400 percent of FPL.[4]

Each of the proposals also would make major reforms to small and individual group markets establishing a mechanism or structure for risk pooling either through regional or national exchanges as specified by the Senate Finance and House Tri-Committees, or through state or regional gateways as proposed by the Senate HELP committee. The proposals would also require guaranteed issue and renewability as well as the elimination of pre-existing condition exclusions and rate variation based on health status. In addition, each would enact an individual mandate to obtain health insurance coverage.

A number of aspects of the reform proposals have unique implications for children. First, the proposals vary regarding whether states would be required to maintain their level of effort under the Medicaid program. Without such maintenance of effort, some Medicaid eligible children could lose benefit and cost-sharing protections they have today. While the Senate Finance and HELP Committee's proposals are silent on this issue, the House Tri-Committee proposal would require maintenance of effort. Second, the current proposals vary with respect to the role that CHIP would play, again potentially affecting benefit and cost-sharing protections. Under the Senate Finance Committee proposal, the CHIP program would be expanded over time. The Senate HELP committee leaves the question of CHIP unaddressed except for stating that CHIP coverage could be purchased through the exchange; however, CHIP would expire in 2013 absent re-authorizing legislation. Under the House Tri-Committee proposal, CHIP would cease to exist in 2013 subject to approval that an exchange is functioning in each state. Finally, each proposal attempts to make the eligibility determination and enrollment process more streamlined for those eligible for public coverage or for subsidies.

Data and Methods

This analysis focuses on uninsured children 18 years old and younger. The main source of data for the analysis is the March 2008 Annual Social and Economic Supplement to the Current Population Survey (CPS) representing income and health insurance coverage for 2007. A long standing debate exists regarding whether insurance estimates from the CPS represent people who responded by providing their coverage at the time of the survey or responded about their health insurance coverage over the course of the year (as intended) but with recall error because of the long reference period. The Census Bureau commented on this issue and stated that its estimates were more closely in line with point in time estimates of the uninsured.[5] In this brief, we interpret the data as providing

measures of the average point in time experience. While the CPS is the most frequently cited national survey on health insurance it lacks information on a number of factors needed for this analysis. As a result, CPS data are supplemented in a number of ways.

First, individuals eligible for Medicaid, the Children's Health Insurance Program (CHIP), and state-only financed programs are identified using a detailed Medicaid and CHIP eligibility model developed at the Urban Institute's Health Policy Center by the authors.[6] To account for whether foreign born individuals are unauthorized or authorized immigrants and therefore eligible for public health insurance coverage in our eligibility model, we impute immigrant status to the CPS. Imputations are based on a simulation model that identified immigrant status on the March 2004 CPS. Data from this model are used to predict immigrant status on the March 2008 CPS.[7] Second, estimates of insurance coverage are adjusted to account for the underreporting of Medicaid and CHIP on the CPS using a methodology developed for previous analyses.[8] This adjustment had the effect of reducing the uninsured by 1.1 million (from 45.0 million to 43.9 million), all of whom were children.

Third, the CPS lacks information regarding whether individuals have an offer of insurance from their employer as well as the costs faced by individuals and families of obtaining employer-sponsored or private non-group coverage. To address these data gaps, we use baseline data from the Health Insurance Policy Simulation Model (HIPSM) to model whether uninsured employed individuals have an offer of coverage that they are declining, the cost of employer-sponsored coverage among those with an offer, and the cost of private non-group coverage. HIPSM baseline data are estimated using the February and March 2005 CPS and statistical matching with the Medical Expenditure Panel Survey from 2002 to 2005. Using data from the February CPS and the MEPS, HIPSM simulates individual and family level offer rates, employee premium contributions, and non-group premiums for 2004.[9,10] We use data from the HIPSM model to impute these variables on the 2008 CPS.

Variables estimated from HIPSM are used to approximate the cost of obtaining insurance coverage under the current system using the following algorithm. For uninsured persons who have an offer of coverage from their employer either for themselves or in their family, the cost of obtaining coverage is considered to be the employee contribution for employer sponsored coverage. For uninsured persons without an offer of coverage, the private non-group premium required to cover the individual or family is considered to be the cost of obtaining coverage. Non-group premiums produced by HIPSM vary by age, sex, and health status and are summed to produce family level premiums.[11,12] In addition, 50 percent of individuals who report being in fair or poor health are designated as uninsurable as are families with uninsurable individuals.[13]

Given that the proposals are relatively consistent with respect to the overall structure of reform, we model a reform scenario that would expand Medicaid to all individuals up to a specific income level and provide subsidies to moderate income individuals. In this model, uninsured children are assigned to one of three likely coverage categories based on their gross income: 1) Medicaid expansions for those with incomes below 133 percent of the FPL; 2) subsidized coverage through an exchange for those with incomes between 133 and 399 percent of the FPL; and 3) unsubsidized coverage for those with incomes at least 400 percent of the FPL.[14] We exclude from these groups children who would not be eligible for federal programs due to immigration authorization status.

Importantly, the proposals being considered currently vary along some components that are not modeled here. First, the proposals differ by whether states would be required to maintain their Medicaid and CHIP programs or whether those previously eligible would be served through the exchange. Second, the proposals differ by whether and under what circumstances individuals and families income eligible for subsidies under reform but with an offer of employer-sponsored coverage would have access to these subsidies.

Results

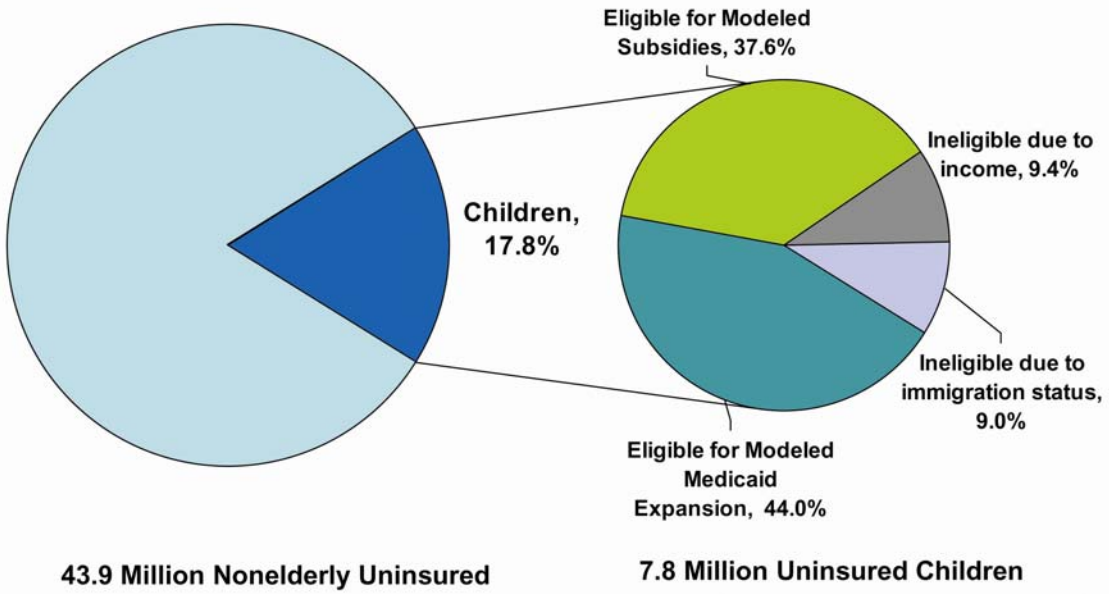
Children make up 17.8 percent (7.8 million) of the 43.9 million uninsured in the United States (Figure 1). Under the reform option modeled here, some 44.0 percent of currently uninsured children have incomes below 133 percent of the FPL and would be eligible for coverage under the Medicaid program. Another 37.6 percent have incomes between 133 and 399 percent of the FPL and would either receive subsidies to purchase coverage in the exchange or be served by the Medicaid or CHIP programs if they are currently eligible and receive subsidies if the are newly eligible depending on the design of the reform. About nine percent of uninsured children would not be eligible for subsidized coverage because their family incomes are at least 400 percent of the FPL; and the remaining 9.0 percent would not be eligible because they are authorized immigrants.

The latter group is excluded from subsequent analyses.

Access to Health Insurance Coverage in Today's System

While a substantial share of uninsured children are currently eligible for Medicaid or CHIP, most have limited access to employer-sponsored coverage. An estimated 5.0 million uninsured children are currently eligible for public coverage, including all children who would be eligible for Medicaid under the reform option modeled, and just over half, 53.1 percent, of children who would be eligible for subsidies (Table 1). Nearly all children with family incomes too high to qualify for financial assistance in purchasing coverage are currently ineligible for public coverage. While 3.4 million currently eligible but uninsured children under 133% of the

Figure 1. Share of Uninsured Children Who Would Be Eligible for a Medicaid Expansion or Public Subsidies Under Modeled Health Reform



Notes: Under the modeled health reform scenario, uninsured who would be eligible for Medicaid have income less than 133% of the FPL; those who would be eligible for subsidies have income between 133% and 399% of the FPL. Income-ineligible uninsured have income of 400% or more of the FPL. Uninsured ineligible on the basis of immigration status include unauthorized immigrants. Estimates of uninsured have been adjusted for the underreporting of public coverage on the Current Population Survey.

Source: Urban Institute Health Policy Center Eligibility Model, based on data from the 2008 ASEC to the CPS.

Table 1. Access to Health Insurance Coverage Among Uninsured Children in Today's Market by Coverage Category Under Reform

			Modeled Health Reform					
	Total		Medicaid Expansion to 133% FPL		Public Subsidies, 133%-399% FPL		Not Eligible for Subsidies, Income 400%+ FPL	
	(millions)	%	(millions)	%	(millions)	%	(millions)	%
Total	7.1	100.0%	3.4	100.0%	2.9	100.0%	0.7	100.0%
Current Medicaid/CHIP Eligibility								
Eligible	5.0	70.4%	3.4	100.0%	1.6	53.1%	0.0	0.2%
Ineligible	2.1	29.6%	0.0	0.0%	1.4	46.9%	0.7	99.8%
Work Status of Family								
Full-time workers	5.0	70.5%	1.6	45.5%	2.7	93.9%	0.7	94.8%
Part-time workers only	0.6	8.8%	0.5	13.2%	0.1	4.7%	0.0	4.5%
Non-working	1.5	20.7%	1.4	41.4%	0.0	1.4%	0.0	0.7%
Firm Size of Family								
Non-working	1.5	20.7%	1.4	41.4%	0.0	1.4%	0.0	0.7%
Self-employed	1.6	22.0%	0.5	14.3%	0.9	29.6%	0.2	27.5%
<25	0.9	12.7%	0.3	8.9%	0.5	15.6%	0.1	19.0%
25-99	0.7	9.9%	0.2	6.7%	0.4	13.7%	0.1	9.3%
100-999	1.7	23.6%	0.8	22.7%	0.8	25.7%	0.1	19.8%
1000+	0.8	11.1%	0.2	6.0%	0.4	14.0%	0.2	23.7%
Access to ESI								
No offer of ESI	5.8	81.3%	3.1	89.6%	2.1	72.7%	0.6	76.8%
Offer of ESI	1.3	18.7%	0.4	10.4%	0.8	27.3%	0.2	23.2%
Premium Faced as a Percent of Family Income								
<5%	0.6	8.7%	0.0	0.0%	0.2	8.0%	0.4	52.6%
5-9%	1.2	16.8%	0.1	2.1%	0.8	28.1%	0.3	39.8%
10-49%	3.1	43.7%	1.4	40.1%	1.7	57.7%	0.0	3.7%
50%+	1.8	25.3%	1.8	52.2%	0.0	0.1%	0.0	0.0%
Family Uninsurable	0.4	5.6%	0.2	5.5%	0.2	6.0%	0.0	3.8%
Insurance Coverage in Family								
All Uninsured	5.7	80.8%	3.1	90.0%	2.2	73.9%	0.5	65.3%
Some ESI	0.9	12.5%	0.1	4.0%	0.6	18.8%	0.2	26.7%
Some Public	0.2	2.5%	0.1	2.2%	0.1	2.7%	0.0	3.2%
Both ESI and Public	0.0	0.4%	0.0	0.3%	0.0	0.3%	0.0	0.8%
Other	0.3	3.8%	0.1	3.5%	0.1	4.2%	0.0	4.0%

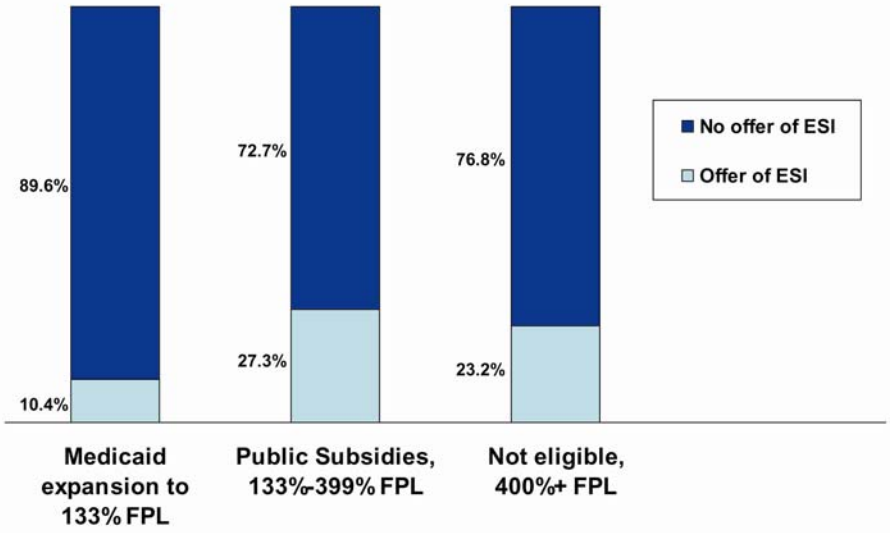
Notes: Children ineligible due to income are children who would not qualify for either Medicaid or subsidies under reform because their family income is above the income eligibility threshold for both. Children who would not be eligible on the basis of immigration status are not included in these estimates. Estimates of uninsured children reflect an adjustment for the underreporting of public coverage on the CPS. Family characteristics are those of the nuclear family unit composed of individuals eligible for a family health insurance policy. Firm size of family reflects the largest firm size of the working head and/or spouse in the family. Access to ESI refers to whether the family has an offer of ESI. Premiums are family premiums. Uninsurable families are those in which one or more member is estimated to be unable to obtain coverage due to health status.

Source: Urban Institute Health Policy Center Medicaid/CHIP Eligibility Model based on data from the 2008 Annual Social and Economic Supplement to the CPS.

FPL could enroll in Medicaid under reform, depending on the final legislation, 1.6 million uninsured children above this income threshold could lose their eligibility for Medicaid or CHIP coverage and instead be required to enroll in private coverage through the exchange or their parent's employer.

While 79.3 percent of uninsured children have working parents, most live in families where no one has health insurance coverage and few have offers of employer-sponsored coverage. Among children with income below 133 percent of the FPL who would be eligible for Medicaid under the reform modeled here, only 10.4 percent have an offer of employer-sponsored coverage in the family and 90 percent have uninsured parents and siblings (Figure 2). Despite virtually all having employed parents, only 27.3 percent of uninsured children with incomes between 133 and 399 percent of the federal poverty level who would be eligible for a subsidy under the modeled reform have parents with an offer of employer-sponsored coverage. Further, depending on how the final

Figure 2. Access to Employer-Sponsored Coverage Among Uninsured Children in Today's Market by Coverage Category Under Reform



Note: Children who would be ineligible for Medicaid or subsidies on the basis of immigration status are not included in these estimates.

Source: Urban Institute Health Policy Center Eligibility Model, based on data from the 2008 ASEC to the CPS.

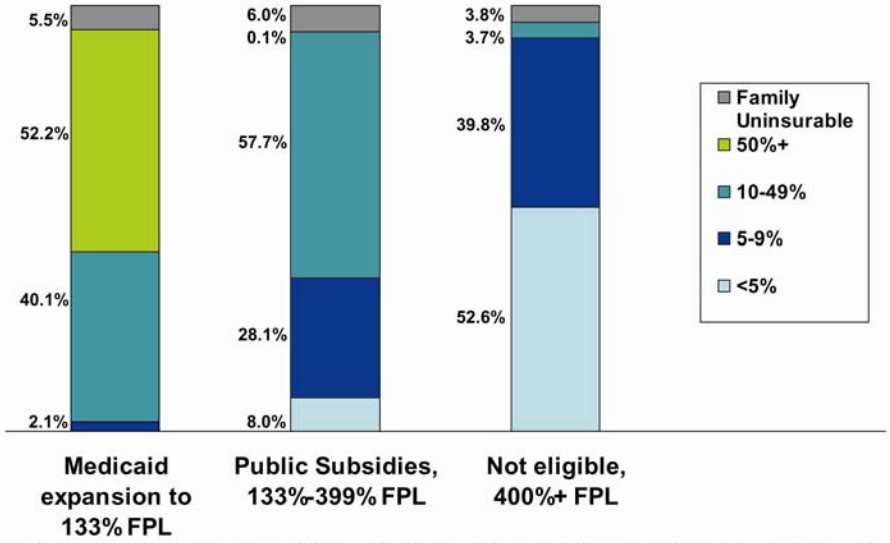
legislation is structured, these families may only be eligible for subsidies if the required employee premium contribution exceeds a certain share of income. Even among children with incomes of at least 400 percent of the FPL who are ineligible for subsidies, less than a quarter (23.2 percent) has an offer of employer-sponsored coverage in the family.

For uninsured children whose families are currently considering buying coverage in the employer or non-group market, the cost of premiums to purchase family coverage relative to family incomes likely renders such coverage unaffordable. Among children with incomes below 133 percent of the FPL who were modeled to be eligible for Medicaid, 40.1 percent have parents facing premiums of 10 to 49 percent of family income to purchase private coverage (Figure 3). For an additional 52.2 percent of these uninsured children, at least half of their family income would be required to purchase coverage. In addition, for another 5.5 percent, it is likely that their family could not obtain coverage due to the health status of one or more of its members. For uninsured children who would be eligible for subsidies under this modeled reform, 57.8 percent are in families that are now facing premiums that would account for 10 percent or more of their income. An estimated 6.0 percent of potentially subsidy eligible children are effectively uninsurable under the current system due to their own or a family member's health status. For uninsured children who would be ineligible for Medicaid or subsidies under this reform option, coverage is substantially more affordable with only 3.7 percent living in families that would have to pay 10 percent or more of income to purchase coverage. A small share of these children (3.8 percent) lives in families who are currently uninsurable due to health status.

Demographic Characteristics

Uninsured children generally live in lower-income families. Of the 3.4 million children with income less than 133% of the FPL who would remain eligible for Medicaid under reform, over half (51.6 percent) have income less than 50% of the FPL and 29.2 percent have income between 50% and 99% of the FPL (Table 2). Among children who would be eligible for subsidies, about eight in ten have income below 300% of the FPL, and 40.3 percent have incomes between 133% and 199% of the FPL.

Figure 3. Premiums as a Percent of Family Income Among Uninsured Children in Today's Market by Coverage Category Under Reform



Notes: Children who would be ineligible for Medicaid or subsidies on the basis of immigration status are not included in these estimates. Data may not sum to 100% due to rounding.

Source: Urban Institute Health Policy Center Eligibility Model, based on data from the 2008 ASEC to the CPS.

Uninsured children are also geographically concentrated. Almost half live in the South and an additional quarter live in the West. This pattern is true regardless of income, though children who would be eligible for a Medicaid expansion or subsidies are disproportionately more likely to reside in the South than other groups of uninsured children.

Discussion

Health care reform efforts currently being debated in Congress will have important implications for children's health insurance coverage. However, given that the majority of uninsured children are already eligible for the Medicaid or CHIP, health care reform would not have as significant effects on children's eligibility for coverage as for their parents or childless adults.

All uninsured children with incomes below 133 percent of the FPL who would be eligible for Medicaid under the reform proposals being considered are currently eligible for Medicaid or CHIP. Moreover, evidence suggests that parents have knowledge gaps about eligibility for public health insurance programs but are eager to enroll their children once they are told they are eligible.[15] It is hoped that efforts enacted under CHIPRA to enroll more eligible but uninsured children will help to draw in those who have not yet enrolled even before health reform is enacted and that efforts to streamline the eligibility determination and redetermination processes would facilitate additional enrollment under reform. In addition, the individual mandate to obtain insurance will likely encourage more parents to enroll themselves and their children in Medicaid programs for which they are eligible. Evidence from previous expansions to parents indicates that making parents eligible for Medicaid under reform will bring many already eligible children into the program. [16] At the same time, this group of uninsured children may be difficult to reach through traditional means even with a mandate for coverage.

Uninsured children with incomes between 133 and 399 percent of the FPL who were modeled to be eligible for subsidies under reform, account for 38 percent of uninsured children. A little more than half of these children, 1.6 million, are

Table 2. Demographic Characteristics of Uninsured Children in Today's Market by Coverage Category Under Reform

			Modeled Health Reform					
	Total		Medicaid Expansion to 133% FPL		Public Subsidies, 133%-399% FPL		Not Eligible for Subsidies, Income 400%+ FPL	
	(millions)	%	(millions)	%	(millions)	%	(millions)	%
Total	7.1	100.0%	3.4	100.0%	2.9	100.0%	0.7	100.0%
Family Income as a Percent of the FPL								
Below 50% FPL	1.8	25.0%	1.8	51.6%	0.0	0.0%	0.0	0.0%
50-99% FPL	1.0	14.1%	1.0	29.2%	0.0	0.0%	0.0	0.0%
100-132% FPL	0.7	9.3%	0.7	19.2%	0.0	0.0%	0.0	0.0%
133-199% FPL	1.2	16.7%	0.0	0.0%	1.2	40.3%	0.0	0.0%
200-299% FPL	1.2	16.9%	0.0	0.0%	1.2	40.8%	0.0	0.0%
300-399% FPL	0.6	7.8%	0.0	0.0%	0.6	18.9%	0.0	0.0%
400%+ FPL	0.7	10.3%	0.0	0.0%	0.0	0.0%	0.7	100.0%
Health Status								
Excellent	3.0	42.9%	1.4	39.6%	1.3	45.4%	0.4	48.6%
Very Good	2.3	31.9%	1.1	32.8%	0.9	30.1%	0.3	34.7%
Good	1.7	23.7%	0.9	26.1%	0.7	23.1%	0.1	15.0%
Fair	0.1	1.2%	0.0	1.3%	0.0	1.1%	0.0	1.4%
Poor	0.0	0.3%	0.0	0.2%	0.0	0.3%	0.0	0.3%
Region								
Northeast	0.9	12.2%	0.4	11.4%	0.4	12.1%	0.1	16.2%
Midwest	1.0	14.3%	0.4	13.1%	0.4	15.0%	0.1	16.9%
South	3.5	49.5%	1.8	52.7%	1.4	47.7%	0.3	41.6%
West	1.7	24.0%	0.8	22.8%	0.7	25.1%	0.2	25.3%
Race/Ethnicity								
Hispanic	2.5	34.7%	1.4	40.2%	1.0	33.0%	0.1	15.6%
White, Non-Hispanic	3.0	41.8%	1.1	30.7%	1.4	49.3%	0.5	63.9%
Black, Non-Hispanic	1.2	16.3%	0.8	22.1%	0.3	10.8%	0.1	11.4%
Other, Non-Hispanic	0.5	7.2%	0.2	7.0%	0.2	6.8%	0.1	9.1%

Notes: Children ineligible due to income are children who would not qualify for either Medicaid or subsidies under reform because their family income is above the income eligibility threshold for both. Children who would not be eligible on the basis of immigration status are not included in these estimates. Estimates of uninsured children reflect an adjustment for the underreporting of public coverage on the CPS. Family income is based on the income of the nuclear family unit composed of individuals eligible for a family health insurance policy.

Source: Urban Institute Health Policy Center Medicaid/CHIP Eligibility Model based on data from the 2008 Annual Social and Economic Supplement to the CPS.

currently eligible for Medicaid or CHIP but not enrolled and similar efforts to identify and enroll them may be required. This group of children will be particularly affected by whether the final legislation requires states to maintain current Medicaid and CHIP eligibility or requires these children to be served through the exchange. If maintenance of effort is not required, uninsured and currently enrolled Medicaid and CHIP eligible children may lose the benefit package and cost-sharing protections currently available under these programs and similar protections are unlikely to be available in the exchange.[17] For the other half of this group, 1.4 million children, reform will result in access to a new subsidy for their parents to purchase insurance coverage, though this subsidy will decline as income increases and may not exist for some with offers of employer-sponsored coverage.

A final group of children would not be eligible for Medicaid or subsidies under the modeled reform. About half of these 1.4 million children would not be eligible for subsidies because their income is at least 400 percent of the FPL. Their parents will likely respond to the individual mandate to cover their children and the costs of doing so could be made somewhat more affordable by general market reforms. The other half of this group consists of unauthorized immigrant children. Coverage is likely to remain unaffordable for this group of children.

Universal health reform promises expanded coverage for uninsured children and their parents. Importantly, the total number of nonelderly uninsured is estimated to have grown by over five million between 2007 and 2009 as a result of the economic downturn, and thus the reform scenario modeled here may understate the impact of reform. [18] Efforts under CHIPRA to increase enrollment of eligible but uninsured children could be successful as health reform rolls out and systems designed to determine eligibility for these programs and for subsidies under the exchange or gateway could prove to be seamless. In the absence of success on these two fronts, parents will face considerable administrative barriers to enrolling their children and themselves in public coverage or publicly subsidized coverage. It is critical that these issues are addressed since most of the children eligible for benefits do not have other options for affordable coverage in the current system.

[1]Authors' tabulations of March 2008 CPS using Medicaid undercount adjustment.
[2] D. Cohen Ross & C. Marks, "Challenges of Providing Health Coverage for Children and Parents in a Recession," Kaiser Commission on Medicaid and the Uninsured (January 2009); updated by the Center for Children and Families.
[3] Henry J. Kaiser Family Foundation. "The Uninsured: A Primer." Washington DC, October 2008.
[4] Henry J. Kaiser Family Foundation. "Focus on Health Reform: Health Care Reform Proposals." Washington:DC, July 2009.
[5] DeNavias C, B Proctor, and J Smith, US Census Bureau, Current Population Reports, P60-235, Income, Poverty, and Health Insurance coverage in the United States: 2007, US Government Printing office, Washington, DC, 2008.
[6] The eligibility model takes into account state-level eligibility requirements for Medicaid and CHIP eligibility pathways and applies them to person and family level data from the March Supplement to the CPS to simulate the eligibility determination process. Because the CPS does not collect information on monthly income, it is not possible to determine how eligibility status changes as a result of income fluctuations throughout the year. In addition, the model does not take into account child support disregards in determining eligibility. Moreover, while the model primarily simulates eligibility for Medicaid or CHIP coverage that offers a full set of benefits, some adults included in eligibility estimates may be eligible for coverage that is subject to benefit limitations, enrollment caps, or employment requirements outside the scope of the state's regular Medicaid program. The model does not however capture eligibility for coverage associated with family planning or prenatal services. For additional information on the model, see Dubay, L., J. Holahan, and A. Cook. "The Uninsured and the Affordability of Health Insurance Coverage." *Health Affairs* 26(1): w22-w30. 2007.
[7] March 2004 CPS estimates of immigrant status were developed by Passell and estimates derived from the two sample estimation technique are consistent with those produced using the March 2008 CPS (Passel J. and D. Cohen. "A Portrait of Unauthorized Immigrants in the United States." Washington, DC: Pew Hispanic Center, April 2009).
[8] The undercount adjustment partially adjusts the CPS to administrative estimates of Medicaid and CHIP enrollment. For more information, see Dubay, L., J. Holahan, and A. Cook. "The Uninsured and the Affordability of Health Insurance Coverage." *Health Affairs* 26(1): w22-w30. 2007.
[9] Non-group premiums vary based on age, sex and health status and reflect geographic variation in health care costs. Non-group premiums reflect types of non-group policies sold and are less comprehensive than employer-sponsored policies.
[10] For a more detailed discussion of HIPSM see Holahan, J, B Garrett, I Headen, and A Lucas. "Health Reform: The Cost of Failure." Washington DC: The Urban Institute, May 2009 and and Garrett, B., J. Holahan, A. Cook, I. Headen, and A. Lucas, "The Coverage and Cost Impacts of Expanding Medicaid". The Henry J. Kaiser Family Foundation, May 2009
[11] For individuals the cost of coverage is the cost for the individual, either the employee share for those with offers and the private non-group premium for those without offers. For individuals in families, the cost of coverage is the cost of family coverage.
[12] For the uninsured children considered in this analysis, the average employee premium is $2619 and the average non-group premium is $6123.
[13] There are no empirical estimates of the share of the uninsured or of those who report to be in fair or poor health who are uninsurable. In a study of underwriting practices, cases of individuals and families in less than perfect health but with varying health conditions were presented to underwriters. Thirty-five percent of the time, these individuals were denied coverage. (K. Pollitz, R. Sorian and K. Thomas, "How accessible is Individual Health Insurance for Consumers in Less than Perfect Health?" Washington, DC: Henry J. Kaiser Family Foundation, June 2001.) For the purpose of this analysis, 50 percent of those in fair and poor health were designated as uninsurable. This methodology results in 9.0 percent of uninsured parents being categorized as uninsurable. While not necessarily comparable, these estimates are broadly consistent with those from the insurance industry that show 11.3 percent of applications they underwrite are denied coverage. (American Health Insurance Plans. "Individual Health Insurance 2006-2007. A Comprehensive Survey of Premiums, Availability and Benefits." Washington DC: AHIP December 2007.)
[14] Family income is defined as the income of nuclear family unit composed of those eligible for a family health insurance policy. This family definition is used because it more closely aligns with the family unit used by states in determining income eligibility for Medicaid and CHIP than Census family or subfamily units.
[15] Kenney, G., J. Haley and A. Tebay, "Familiarity with Medicaid and SCHIP Programs Grows and Interest in Enrolling Children is High," July 2003, The Urban Institute; Henry J. Kaiser Family Foundation, "Next Steps in Covering Uninsured Children: Findings from the Kaiser Survey of Children's Health Coverage," January 2009; Kenney, G., J. Haley and J. Pelletier, "Health Care for the Uninsured: Low-Income Parents' Perceptions of Access and Quality," Robert Wood Johnson Foundation, *forthcoming*.
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[17] Kenney, G. and S. Dorn, "Health Care Reform for Children with Public Coverage: How Can Policymakers Maximize Gains and Prevent Harm?" June 2009, The Urban Institute.
[18] Holahan, J., B. Garrett, I. Headen, A. Lucas, "Health Reform: The Cost of Failure". The Robert Wood Johnson Foundation, May 2009.

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