HEALTH INSURANCE: A FAMILY AFFAIR

A NATIONAL PROFILE AND STATE-BY-STATE ANALYSIS OF UNINSURED PARENTS AND THEIR CHILDREN

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EXECUTIVE SUMMARY

Recent success by Medicaid and the State Children's Health Insurance Program (CHIP) in reducing the number of uninsured children has led to interest in expanding these programs to cover uninsured parents. This paper describes rates of uninsured among parents, discusses the importance of coverage for parents and children, and outlines the implications of state-based approaches to expanding coverage. Key findings of this analysis include:

- More than 9 million parents are uninsured. Nearly two-thirds or 6.2 million of these parents have income below 200 percent of poverty ($36,000 for a family of four). Uninsured parents and children comprise half of all low-income uninsured.

  ➢ Parents' uninsured rate is over 40 percent higher than children's. About 33 percent of low-income parents are uninsured, compared with 23 percent of low-income children. The higher coverage of children results, in part, from success in Medicaid and CHIP expansions.

  ➢ Lack of insurance is increasing among parents while decreasing among children. The rate of uninsured, low-income parents rose from 31 to 33 percent from 1996 to 1999, but fell for children. There were 1 million fewer uninsured children in 1999 than 1998.

  ➢ Nearly three of four uninsured parents work. Typically, low-income parents work in jobs that do not offer health coverage or limit it for part-time or new workers.

  ➢ Nearly three of five uninsured parents of Medicaid-/CHIP-eligible children are women. Low-income women face special barriers to accessing private insurance.

- Rates of low-income, uninsured parents vary widely across states. Arizona and New Mexico have the highest rates (47 percent) while Hawaii has the lowest (11 percent). The rate of uninsured parents in states that expanded public coverage to parents with income above poverty was more than 40 percent lower than that of states without such expansions.

- Insurance matters not just for parents but for their children.

  ➢ States that extended eligibility to parents above poverty have nearly half the uninsured child rate as those with low eligibility limits. About 25 percent of low-income children were uninsured in states that had not expand coverage to parents in 1998, compared with an average 14 percent uninsured child rate in states with parent expansions.

  ➢ Nearly 75 percent of uninsured children eligible for Medicaid or CHIP have at least one parent who is uninsured. This suggests that one way to find and insure children is to extend health coverage to their parents.

  ➢ Low-income children with insured parents are nearly twice as likely to have health insurance as children with uninsured parents. Around 90 percent of low-income children who have insured parents are themselves insured. In contrast, less than half (48%) of children with an uninsured parent have health insurance.

These findings suggest that proposals like the bipartisan FamilyCare legislation being considered in the Senate, which encourage states to expand health insurance to low-income parents, could benefit not only these parents but their children.

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INTRODUCTION

In 1999, for the first time in 12 years, the number of uninsured Americans declined.[1] In part, this resulted from the creation of the State Children's Health Insurance Program (CHIP) in 1997. This program provides states with new options and higher federal funding to provide health insurance to children whose families' incomes are too high for Medicaid eligibility but generally too low to afford private insurance.[2] The strong economy and low unemployment rate contributed to this decline in the number of uninsured as well. Despite these gains, over 42 million Americans remain uninsured.

One proposal to reduce the number of uninsured is to build on CHIP and Medicaid to cover uninsured parents of the children in these programs. Currently, all states are required to cover parents who were eligible for Medicaid prior to welfare reform, and have the option to extend Medicaid eligibility to higher-income parents.[3] However, few states have used this option because it lacks the higher federal funding of CHIP. This has resulted in legislative proposals, such as the FamilyCare bill, to increase the CHIP allotments and allow states to use that funding at the higher federal matching rate to cover whole families, not just children. Such a proposal has bipartisan support in the Senate and has been endorsed by the National Governors' Association.[4]

Recent studies confirm that health insurance matters for low-income parents, and that when parents are insured, their children are more likely to get the health care they need. One study found that uninsured parents, compared with insured parents, are more likely to be in fair or poor health (23.8 versus 17.7 percent); lack a usual source of care or rely on an emergency room (37.8 versus 16.6 percent); lack confidence in access to care (23.8 versus 10.6 percent), and have unmet needs for medical care or surgery (14.6 versus 7.2 percent).[5] Similarly, comparing uninsured children with Medicaid-covered children, another study found that the eligible but uninsured children's families were three times more likely to report unmet medical need, nearly 20 percent less likely to use health care, and had significantly higher out-of-pocket health costs.[6] Studies have found that parents' use of health care services has a strong influence on the use of services by their children. Children were two to three times more likely to see a doctor if their parents had seen a doctor, and parents with insurance are more likely to seek care.[7]

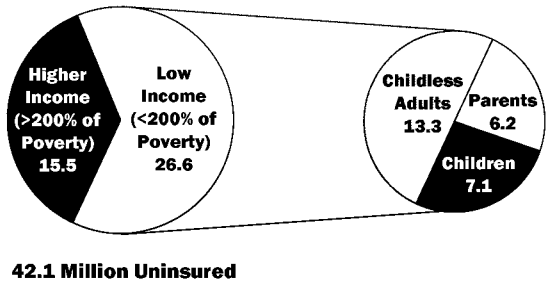
This paper examines the latest data on low-income uninsured parents, describing their characteristics, state distribution, and the relationship between parents' and children's health insurance coverage. It briefly discusses the implications for policy.

Methodology. Data analyses were produced by Sherry Glied as part of the Commonwealth Fund Task Force on the Future of Health Insurance project using the March 1998 through March 2000 Current Population Surveys (CPS). The study focuses on people under age 65. Poverty estimates are based on related family members in a household that would typically be counted for purposes of an insurance policy or application for a public program. This definition produces a higher estimate of people living in poverty or below 200 percent of poverty than that reported by the Census. Insurance is defined hierarchically so that each individual is assigned one health insurance category even when they report two or more (except in the analysis of whether uninsured parents have any child in Medicaid). Also, since there was no CPS variable for CHIP, "Medicaid" is labeled as "Medicaid/CHIP" since Medicaid is the most likely insurance that CHIP parents reported. All national estimates (unless otherwise noted) are for 1999 (from the March 2000 CPS), while estimates for states are based on a three-year arithmetic average of data from 1998 though 2000.

PARENTS OF CHILDREN ELIGIBLE FOR MEDICAID OR CHIP: A VULNERABLE AND GROWING GROUP OF UNINSURED

Over 9 million parents are uninsured. Although no single factor explains why over 42 million Americans lack health insurance, the high cost of insurance is a leading cause. Nearly two-thirds of the uninsured have income below 200 percent of the federal poverty level (about $36,000 for a family of four)—compared with only one-third of the general, non-elderly population. Fully half of low-income uninsured people are in families. Among all low-income uninsured, 6.2 million are parents (see Figure 1 and Table 1).

Figure 1. Uninsured Americans



Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

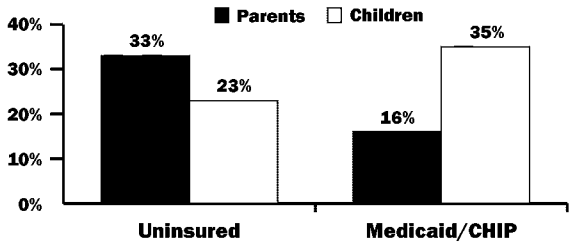
Low-income parents, like other low-income people, are less likely to have private insurance. Only one of five poor parents and 55 percent of near-poor parents (from 100 to 200 percent of poverty) have employer-based insurance, compared with nearly 90 percent

of parents with income above 300 percent of poverty. About 16 percent of parents with income below 200 percent of poverty have Medicaid coverage.

Parents are more likely to be uninsured than children. About 33 percent of low-income parents are uninsured, a rate about 40 percent higher than that of low-income children (23 percent). In contrast, low-income children are more than twice as likely as parents to be insured through Medicaid or CHIP (see Figure 2). This reflects federal and state policy: there are more options and financial incentives to expand Medicaid and CHIP to children than adults.[8]

Figure 2. Low-Income Parents More Likely to Be Uninsured Than Children

Rates for Low-Income Parents and Children

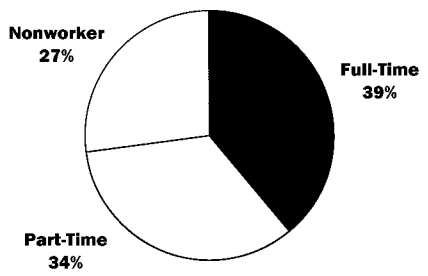


Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

The uninsured rate has increased for parents but decreased for children. The rate of lack of health insurance for low-income parents rose slightly from 1996 to 1999 (31 to 33 percent). During the same period, the rate of uninsured children below 200 percent of poverty was reduced from 24 to 23 percent. From 1998 to 1999 alone, the number of uninsured children dropped by 1 million. This difference in the direction of the uninsured rate for parents and children is not only related to the creation of CHIP but to welfare reform. Passed in 1996, the Temporary Assistance to Needy Families program severed the direct link between receiving welfare and Medicaid. In many states, this resulted in a decline in Medicaid coverage of low-income parents, despite laws and efforts to prevent such insurance loss.[9]

Most uninsured parents work. About 73 percent of low-income, uninsured parents work, including nearly two of five in full-time jobs (see Figure 3). While employer-based insurance is the predominant way that Americans get health insurance, a recent study found that only 27 percent of low-wage firms offer coverage and only about half of their employees enroll.[10] A major

Figure 3. Nearly Three of Four Low-Income, Uninsured Parents Work



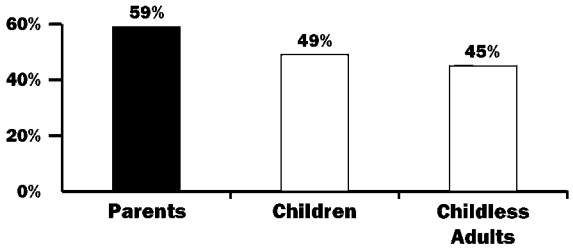
Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

reason for lack of participation is lack of eligibility for private insurance. Part-time workers are often ineligible for coverage, and job turnover is greater among low-wage workers, meaning that they may not make it through the insurance waiting period for coverage that is still required by many employers. For those low-income workers with access to job-based insurance, its premiums are often unaffordable.

Nearly three of five uninsured parents are women. Nationwide, slightly more men than women are uninsured (women comprise 48 percent of the uninsured). However, women are disproportionately represented among low-income, uninsured parents. About 59 percent of these uninsured parents are women (see Figure 4). In part, this results from the fact that many low-income families are headed by single mothers. These women tend to have jobs in service occupations that usually do not offer health insurance.[11] Low-income women were also particularly affected by welfare reform. One study found that the rate of Medicaid coverage among low-income single mothers dropped from 50 to 39 percent from 1994 to 1998, and their rate of lack of insurance rose from 23 to 30 percent.[12] Purchasing individual health insurance is a particular challenge for women, since its standard rates typically do not include coverage of pregnancy-related services and rates tend to be higher for women in their child-bearing years.[13]

Figure 4. Uninsured Parents Disproportionately Women

Percent of Low-Income Uninsured Who Are Female



Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

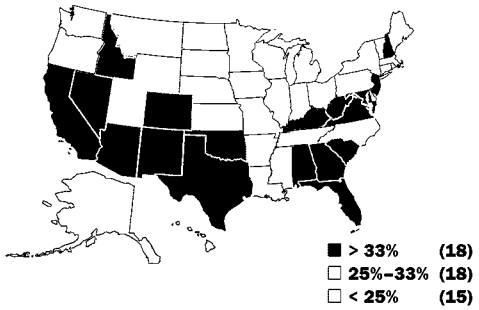
Uninsured parents are disproportionately minorities. As with all uninsured, uninsured parents are disproportionately minority. While 52 percent of all low-income parents are African American, Hispanic or another racial or ethnic group, 62 percent of uninsured parents are racial or ethnic minorities.

DIFFERENCES IN COVERAGE OF LOW-INCOME PARENTS ACROSS STATES

Parents have widest variation in uninsured rate. The difference in the uninsured rates across states is higher for parents than for children or childless adults. In Arizona and New Mexico, nearly one of two low-income parents is uninsured (47 percent). In Hawaii, only 11 percent of low-income parents are uninsured—and, in fact, the rate of uninsured parents is below that of uninsured children (the only state where this occurred).

Because of the population distribution, the number of uninsured parents is concentrated in a small number of states; nearly 50 percent of uninsured parents are in five states: California, Texas, New York, Florida and Arizona (in descending order) (see Figure 5 and Table 3).

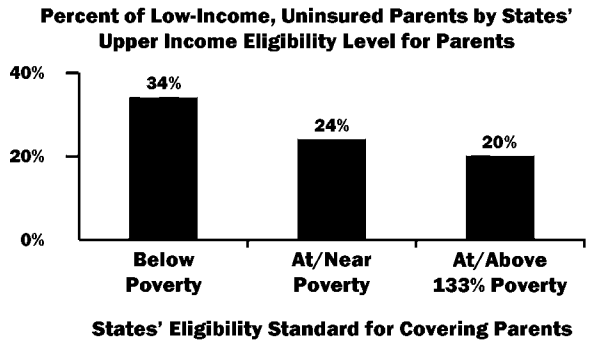
Figure 5. Rate of Uninsured, Low-Income Parents in the United States



Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 1998–2000 Current Population Surveys.

States that expanded coverage to parents have an uninsured parents' rate that is more than 40 percent lower than states without expansions. The large differences across states in the rates of low-income, uninsured parents results, in part, from different state policies. As can be seen in Table 3, 10 states and the District of Columbia have extended Medicaid or CHIP eligibility to parents at incomes equal to or greater than 133 percent of poverty (six of these states had those expansions in place in 1998). Another eight states have coverage expansions for parents at or near poverty (five states had this level of expansion in place in 1998). Compared with states with limited eligibility for parents, states that extended parents' eligibility to the poverty level had, on average, a 30 percent lower uninsured parents' rate (24 versus 34 percent). States with parents' eligibility extended above poverty had over a 40 percent lower uninsured parents' rate (20 versus 34 percent) (see Figure 6 and Table 2).[14]

Figure 6. Forty Percent Lower Uninsured Parents' Rate in States with Significant Coverage Expansions



Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 1998–2000 Current Population Surveys.

CHILDREN ARE AFFECTED BY PARENTS' HEALTH INSURANCE STATUS

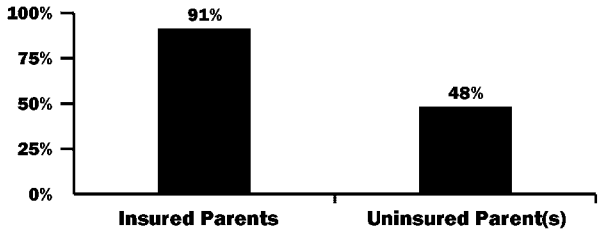
Increasing insurance coverage of low-income parents would have an additional benefit: increasing the coverage of low-income children.

When parents are insured, children usually are insured as well. Around 90 percent of low-income children who have insured parents are themselves insured. In

contrast, less than half (48%) of children with an uninsured parent have health insurance (see Figure 7).

Figure 7. Children Are Nearly Twice as Likely to Be Insured if Parents Are Insured

Percent of Low-Income Children with Insurance

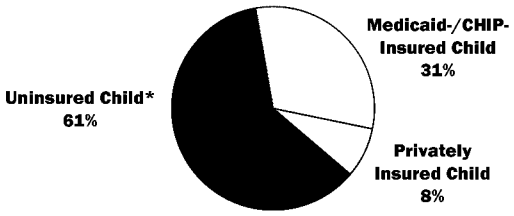


Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

In families where some members are uninsured, children are more likely to be insured. Parents often are more concerned about insuring their children than themselves. One study found that 4.5 million families had some members who were uninsured and some who were insured. In two-thirds of these families, it is the parents, not the children, who were uninsured.[15] Consistent with this study, uninsured parents are more likely to have insured children (39 percent, Figure 8) than uninsured children are to have insured parents (28 percent, Figure 9). In almost all cases where uninsured parents have insured children, these children are in Medicaid or CHIP (see Figure 8). This is not surprising since most of these children qualify for these programs and it is not common that insurers sell products for children only.

Figure 8. Uninsured Parents' Children Are Mostly Uninsured or in Medicaid or CHIP

Percent of Low-Income, Uninsured Parents by Child's Insurance



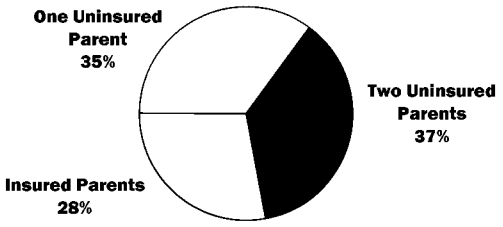
* About 300,000 of these parents also have at least one child in Medicaid or CHIP.

Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

Most uninsured children have uninsured parents. According to a recent study, 95 percent of uninsured children below 200 percent of poverty are eligible for Medicaid or CHIP but remain unenrolled.[16] Of all low-income uninsured children, nearly 75 percent have at least one uninsured parent (see Figure 9). This suggests that one way to find eligible but unenrolled children is to extend coverage to their uninsured parents.

Figure 9. Nearly Three of Four Uninsured Children Have Uninsured Parents

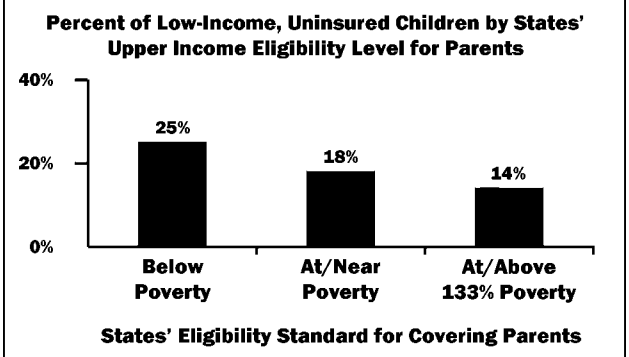
Percent of Low-Income, Uninsured Children by Parents' Insurance Status



Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

States that have expanded Medicaid to parents have over 40 percent lower rates of uninsured children. About 25 percent of low-income children were uninsured in states that did not cover parents up to the poverty level, compared with an average 14 percent uninsured child rate in states that significantly expanded parents' eligibility (see Figure 10 and Table 2).[17] Although this could reflect other state factors (e.g., more employer-based insurance in the state; more aggressive children's programs), it is consistent with a recent study that found that states that implemented broad coverage expansions had greater increases in Medicaid participation of young children than states with no expansions.[18]

Figure 10. States That Expanded Coverage to Parents Have Forty Percent Lower Rates of Uninsured Children



Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 1998–2000 Current Population Surveys.

DISCUSSION

Building on Medicaid and CHIP to insure low-income parents may be one of the most effective incremental ways of covering the uninsured. No new eligibility or delivery systems would be needed since states already have them in place for the children and poor parents that they already cover in these programs. Potentially eligible parents already fill out applications to enroll their children. In fact, if states had the same income eligibility level for parents as for children, then about one-third of uninsured, low-income parents—over 2 million—could be immediately insured since they already enrolled their children in Medicaid or CHIP (see Figure 8). Another study found that, of uninsured parents below poverty, 43 percent had a child covered by Medicaid.[19] The ease and potential benefit of covering the entire family is particularly important in managed care, since it allows families to get care from the same medical providers. In addition to ease of administration, there is little risk of "crowd out," or substitution of public dollars for private dollars, since few low-income parents have private insurance. This makes the policy's cost per newly insured relatively low.[20] Finally, insuring low-income parents would have the additional effect of promoting work, since few people leaving welfare find jobs that offer health insurance. Covering entire families allows them to work and remain insured.

Extending Medicaid and CHIP to low-income parents would almost inevitably result in greater enrollment of children eligible for these programs, according to studies and recent state experience.[21] In July 1999, Wisconsin expanded its Medicaid

"BadgerCare" program for children to parents to 185 percent of the poverty level (about $34,000 for a family of four).[22] Although the impact on the uninsured is not yet known, enrollment has met expectations.[23] According to the state Medicaid director, "We believe that the children enrollment rate for BadgerCare proves that a family coverage approach to the CHIP program is a more efficient approach for enrolling uninsured, low-income children than the child-only approach."[24]

Proposals that provide states with additional funding to cover uninsured parents in Medicaid and CHIP could provide the needed incentive to insure this vulnerable group. As described earlier, states currently have the option to extend Medicaid eligibility to low-income parents and could potentially cover CHIP parents through demonstration waivers. However, the same was true for children prior to 1997: states had the option to expand coverage to children in working families but few did so. Experience with CHIP shows that providing a higher federal matching rate and additional flexibility regarding the design and delivery of benefits encourages states to take advantage of coverage expansion options. The FamilyCare bill would significantly increase the CHIP allotments for states to cover parents as well as children. Given the recent economic slowdown and rising Medicaid costs, such proposals seem more necessary than ever to encourage states to expand coverage to uninsured parents.[25]

Table 1. Profile of Nonelderly Uninsured Population, by Income (as percent of poverty) and Family Status, 1999

Number of Uninsured (millions)			
	Income (as percent of poverty)		
	Less than 200%	Greater than 200%	Total
Families	13.3	6.6	19.9
Parents	6.2	2.9	9.1
Children	7.1	3.7	10.8
Childless Adults	13.3	8.9	22.2
Total	26.6	15.5	42.1

Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 2000 Current Population Survey.

Table 2. Percent of Low-Income, Uninsured Parents and Children, by State Eligibility Standard for Parents, 1997–99

	Uninsured Rate for Low-Income	
State Coverage of Parents	Parents	Children
Below Poverty	34%	25%
At/Near Poverty	24%	18%
At/Above 133% of Poverty	20%	14%

Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 1998–2000 Current Population Surveys; eligibility information from Center on Budget and Policy Priorities.

Table 3. State Number of Low-Income, Uninsured Parents and Children[26]

	Parents		Children		Income Eligibility for Medicaid/CHIP as a Percent of Federal Poverty Levels	
	Number of Uninsured	Percent Uninsured	Number of Uninsured	Percent Uninsured	Parents (as of 2/01)	Children (as of 1/01)
Alabama	105,138	34%	116,630	22%	22%	200%
Alaska	12,869	31%	20,635	30%	83%	200%
Arizona	225,689	47%	294,321	38%	108%**	200%
Arkansas	77,868	32%	113,663	30%	22%	200%*
California	1,147,079	39%	1,355,759	28%	108%***	250%
Colorado	71,734	35%	97,385	29%	45%	185%
Connecticut	39,361	29%	58,991	24%	158%	300%
Washington, DC	8,989	28%	13,806	21%	200%	200%
Delaware	12,419	28%	21,251	25%	108%	200%
Florida	388,552	38%	467,372	29%	34%	200%
Georgia	209,051	34%	253,486	23%	45%	200%
Hawaii	9,478	11%	19,611	14%	100%	200%
Idaho	50,222	43%	56,022	30%	36%	150%
Illinois	212,146	29%	310,365	24%	52%	185%
Indiana	84,309	25%	118,862	23%	33%	200%
Iowa	38,622	20%	44,062	15%	93%	200%
Kansas	45,270	28%	53,034	21%	43%	200%
Kentucky	120,562	35%	100,551	24%	54%	200%
Louisiana	129,148	33%	198,003	31%	23%	150%
Maine	26,274	32%	21,614	18%	158%***	200%
Maryland	77,210	41%	104,967	31%	46%	200%
Massachusetts	57,639	19%	78,103	14%	133%	200%
Michigan	156,273	27%	166,798	16%	48%	200%
Minnesota	54,511	23%	70,573	16%	275%	280%
Mississippi	90,823	33%	112,576	27%	40%	200%
Missouri	63,177	18%	81,320	14%	108%***	300%
Montana	27,328	33%	35,137	28%	73%	150%
Nebraska	22,287	20%	25,080	13%	43%	185%
Nevada	47,140	39%	82,330	37%	90%	200%
New Hampshire	20,950	34%	15,276	13%	60%	300%
New Jersey	136,212	33%	153,031	23%	200%***	350%
New Mexico	90,983	47%	99,347	28%	62%	235%
New York	427,935	32%	483,018	21%	150%**	192%
North Carolina	161,615	31%	208,498	25%	56%	200%
North Dakota	13,726	27%	19,395	25%	74%	140%
Ohio	164,281	22%	198,039	16%	100%***	200%
Oklahoma	87,997	34%	96,889	26%	37%	185%
Oregon	66,423	28%	80,259	20%	100%	170%
Pennsylvania	162,727	22%	154,034	13%	71%	200%
Rhode Island	9,227	20%	12,321	15%	193%	250%
South Carolina	95,598	33%	135,521	29%	58%	150%
South Dakota	11,454	24%	13,983	18%	70%	200%
Tennessee	86,981	18%	81,801	12%	400%*	400%*
Texas	898,743	46%	1,112,777	37%	32%	200%
Utah	31,531	20%	51,272	19%	58%	200%
Vermont	4,787	13%	4,589	8%	193%	300%
Virginia	129,196	36%	143,191	24%	33%	185%
Washington	65,698	22%	79,183	15%	100%	250%
West Virginia	60,052	37%	33,273	17%	30%	200%
Wisconsin	64,342	24%	72,049	16%	185%***	185%
Wyoming	13,257	33%	14,098	23%	69%	133%
United States****	6,414,882	33%	7,754,154	24%		

Source: Commonwealth Fund Task Force on the Future of Health Insurance analysis of March 1998–2000 Current Population Surveys; eligibility data from Center on Budget and Policy Priorities, 1999 and 2001.

* 1115 waiver that allows higher income eligibility than Medicaid/CHIP.

** Parents' expansion not yet implemented.

*** Parents' expansion recently implemented, 1998–2000.

**** These totals are slightly different than March 2000 Current Population Survey because they represent three-year averages.

NOTES

[1] U.S. Department of Commerce News. (September 28, 2000). "Chances of Having Health Insurance Reversing 12-Year Trend, Census Bureau Says." Washington, DC: Census Bureau.

[2] U.S. Department of Health and Human Services. (January 2001). State Children's Health Insurance Program (SCHIP) Aggregate Enrollment Statistics for the 50 States and the District of Columbia for Federal Fiscal Year (FFY) 2000. Baltimore, MD: Health Care Financing Administration (www.hcfa.gov/init/chilren.htm). As of January 2000, 36 states had expanded eligibility for health coverage for children to at least 200 percent of poverty or about $36,000 for a family of four.

[3] See section 1931 of Medicaid law. The past Administration also issued guidelines permitting states to cover uninsured parents in 1115 demonstrations in CHIP (see Letter to State Health Directors, July 30, 2000).

[4] In the 106th Congress, this proposal was introduced as S. 2923/HR. 4927. A version of it was offered as an amendment to another bill on July 14, 2001 and received 51 votes (45 Democrats and 6 Republicans). In the 107th Congress, the proposal was included in S. 10 and is being reintroduced by bipartisan Members of Congress in May 2001. Also see the National Governors' Association resolution HR-15.9, "Children's Health Policy: Family Coverage," available at www.nga.org.

[5] Krebs-Carter M; Holahan J. (February 2000). *State Strategies for Covering Uninsured Adults.* Washington, DC: The Urban Institute, Assessing the New Federalism Discussion Paper 00-02.

[6] Davidoff AJ; Garrett B; Makuc DM; Schirmer M. (September 2000). *Children Eligible for Medicaid but Not Enrolled: How Great a Policy Concern?* Washington, DC: The Urban Institute's New Federalism Series A., No. A-41.

[7] Hanson KL. (1998). "Is Insurance Enough? The Link between Parents' and Children's Health Care Use Revisited." *Inquiry* 35(3):294–302.

[8] See footnote 3. States have the option to expand to children through Section 1902(r) (2) of Medicaid and through CHIP.

[9] Lyons B. (May 16, 2000). *Welfare Reform and Medicaid Coverage of Low-Income Families*. Testimony before the U.S. House of Representatives' Committee on Ways and Means. Ku L; Bruen B. (1999). *The Continuing Decline in Medicaid Coverage.* Washington, DC: The Urban Institute, New Federalism: Issues and Options for States, No. A-37.

[10] Long SH; Marquis MS. (November 22, 1999). Presentation: *The Employer-Based System: Trends and Data.* Robert Wood Johnson Foundation Conference, The Employer-Based Health Insurance System: Repair It or Replace It.

[11] Wyn R. et al. (February 2001). *Health Insurance Coverage of Low-Income Women: Falling Through the Cracks*. Menlo Park, C: The Henry J. Kaiser Family Foundation.

[12] Wyn R. et al. (February 2001). *Health Insurance Coverage of Low-Income Women: Falling Through the Cracks*. Menlo Park, C: The Henry J. Kaiser Family Foundation.

[13] Chollet DJ; Kirk AM. (March 1998). *Understanding Individual Health Insurance Markets.* Menlo Park, CA: The Henry J. Kaiser Family Foundation.

[14] This analysis used state eligibility for parents in place in 1998, as reported in: Guyer J; Mann C. (February 9, 1999). *Employed But Not Insured: A State-by-State Analysis of the Number of Low-Income Working Parents Who Lack Health Insurance.* Washington, DC: Center on Budget and Policy Priorities. States with parents' eligibility at or above 133 percent of poverty were: DC, MA, MN,

RI, TN and VT (TN is included because of its 1115 demonstration). States with parents' eligibility around 100 percent of poverty were: DE, HI, ME, OR, WA.

[15] Hanson KL. (January/February 2001). "Patterns of Insurance Coverage Within Families With Children." *Health Affairs* 20(1): 240–246.

[16] Broaddus M; Ku L. (December 6, 2000). *Nearly 95 Percent of Low-Income Uninsured Children Are Now Eligible for Medicaid or CHIP*. Washington, DC: Center on Budget and Policy Priorities.

[17] See footnote 14.

[18] Ku L; Broaddus M. (September 5, 2000). *The Importance of Family-Based Insurance Expansions: New Research Findings about State Health Reforms*. Washington, DC: Center on Budget and Policy Priorities.

[19] Dubay L; Kenney G; Zuckerman S. (June 2000). *Extending Medicaid to Parents: An Incremental Strategy for Reducing the Number of Uninsured.* Washington, DC: The Urban Institute's New Federalism Series B., No. B-20.

[20] Feder J; Uccello C; O'Brien E. (1999). *The Difference Different Approaches Make: Comparing Proposals to Expand Health Insurance.* Washington, DC: The Kaiser Project on Incremental Health Reform. Glied SA. (December 2000). *Challenges and Options for Increasing the Number of Americans with Health Insurance.* New York: The Commonwealth Fund Task Force on the Future of Health Insurance.

[21] Thorpe KE; Florence CS. (July 1998). *Covering Uninsured Children and Their Parents: Estimated Costs and the Number of Newly Insured.* New York: The Commonwealth Fund.

[22] This was originally accomplished through a Section 1115 Medicaid demonstration project. In January 2001, it was converted to an CHIP demonstration so that the state can access the higher federal matching rate in CHIP.

[23] Lean J. (December 2000). Presentation: *Wisconsin Medicaid & BadgerCare Health Insurance For Low-Income Families with Children.* At the Commonwealth Fund Conference entitled Strategies to Expand Health Insurance for Working Americans.

[24] Peggy Bartels, as quoted in: Alberga J. (January 2001). *Wisconsin's BadgerCare Program Offers Innovative Approach for Family Coverage*. Robert Wood Johnson Foundation's State Coverage Initiatives Case Study.

[25] Bruen B; Holahan J. (February 2001). *Medicaid Spending Growth Remained Modest in 2001 But Likely Headed Upward.* Washington, DC: Kaiser Commission on Medicaid and the Uninsured. Guyer J; Ku L. (April 20, 2001). *Medicaid Spending: Rising Again, But Not to Crisis Levels.* Washington, DC: Center on Budget and Policy Priorities.

[26] The information on eligibility in Table 3 represents state upper eligibility thresholds for Medicaid and CHIP eligibility in late 2000. Parents' eligibility information is from unpublished data from the Center on Budget and Policy Priorities. The children's eligibility information is from U.S. Department of Health and Human Services. (January 2001). State Children's Health Insurance Program (SCHIP) Aggregate Enrollment Statistics for the 50 States and the District of Columbia for Federal Fiscal Year (FFY) 2000. Baltimore, MD: Health Care Financing Administration. All states have increased eligibility for children since 1997 as a result of CHIP.