



## CHILDREN'S HEALTH INSURANCE

*Children without health insurance are more likely to go without necessary medical care and attention, putting their development and health at risk. MC+ for Kids has positively impacted many of Missouri's children.*

# policy brief

### **The Need for Government Funded Health Insurance**

The Children's Health Insurance Program was created in response to decreases in the number of insured children across our nation. A decline in health insurance options for low-income families still presents a significant social issue. Several factors account for this:

- The cost of health care, prescriptions and premiums continue to rise. The average cost of health insurance for a family living at the poverty level is equal to 26% of their income.
- The economy is slowing, making it harder for families to meet these costs.
- Fewer businesses offer family health insurance coverage. 25% of workers have no access to employment based health insurance for their families. 75% of children without health insurance are in families with at least one employed family member.
- Many businesses that offer health insurance have raised premiums and employee contributions dramatically.
- There has been a significant decrease in the availability of charity care, as fewer government-funded hospitals and clinics offer free services.

### **Children Without Health Insurance Are At Risk**

Going without health insurance places children at risk for a number of negative health and developmental consequences. Children without health insurance are:

- 6 times more likely to be hospitalized for preventable illnesses and to have more serious symptoms upon treatment. For example, uninsured children with asthma are more likely to have asthma attacks that require emergency room visits.
- 5 times more likely to use the hospital emergency room as a regular source of care rather than a primary care physician.
- 4 times more likely to have necessary care delayed, often resulting in more serious illnesses. 41% of parents of uninsured children have postponed seeking medical attention for their child because they could not afford it.
- 3 times less likely to have a usual source of care. As a result, they are less likely to have developmental screenings, immunizations, preventive care and parental health education.
- Twice as likely to go without needed prescriptions.
- Twice as likely to have untreated vision problems.
- 25% more likely to have absences from school due to illness.

### **The Positive Effects of MC+ for Kids on Missouri's Children**

Since the implementation of Missouri's health insurance program for children, MC+ for Kids:

- The uninsured population in Missouri has dropped from 13.4% to 8.9%.
- Children have 37.6% fewer preventable hospitalizations, 21.5% fewer asthma related ER visits, and 13.7% fewer ER visits.
- Mothers are 6.5% more likely to receive prenatal care during their first trimester and 1.9% less likely to smoke during pregnancy.
- Teen pregnancy has dropped by 2.1%.
- Children have 39% fewer school absences.
- Access to care has improved-- 31.6% more parents report that it was easy to get to the doctor and 19.2% more parents report that it was easy to get an appointment.

## **Current Implementation Issues**

Despite gains made in increasing children's access to health care, a number of critical implementation issues exist:

- **Many children are still not receiving services they are eligible for**  
There are still 110,000 uninsured children in Missouri. 75% of those children are eligible for Medicaid/MC+. There are 58,000 uninsured children under 200% of the poverty level. The primary reasons eligible children are uninsured are parents' lack of awareness about programs, difficulties completing application and enrollment process, and beliefs that health insurance is not beneficial or necessary. Black and Hispanic children make up a disproportionate percentage of the eligible uninsured population. 25% of White Non-Hispanic children have experienced a period without health insurance coverage as compared to 37% of black children and 50% of Hispanic children.
- **Wait periods**  
Although some exceptions apply, many children must be uninsured for 6 months prior to coverage. Uninsured children are at higher risk for a number of negative outcomes as discussed in this brief.
- **Families with Medicaid/MC+ have trouble receiving critical services**  
Families and physicians in Missouri have reported serious problems in receiving services from pediatric specialists under these plans. As a result families may have to travel long distances for care, experience unreasonable delays in receiving care or forego receiving specialty care. In particular, there are extreme shortages in care for dental and mental health services. The primary reason for this is low reimbursement rates for providers. Due to low reimbursement rates, many specialists are opting not to treat children with MC+ coverage or have relocated to denser markets.

## **Policy Recommendations**

- **Continue to cover children at current eligibility levels**  
This program has demonstrated significant benefits to Missouri's children who would otherwise not have affordable health insurance. The importance of having health insurance to children and families is too great to eliminate coverage for any children.
- **Eliminate wait periods that put children at risk**  
Children should not have to be uninsured and at risk for 6 months prior to receiving coverage. In particular, children with health care conditions requiring medical care should not have to undergo periods without coverage.
- **Increase efforts to reach uninsured eligible children**  
The state should continue and increase public awareness campaigns to educate the public, especially minority, illiterate or non-English speaking parents, about the availability of health care and the importance of preventive care.
- **Increase reimbursement rates**  
It is critical that families have access to dentists, mental health care, and pediatric specialists. Reimbursement rates must be raised in order to increase specialists participating in the program and retain them in regions where their services are needed.

### **Selected References**

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- Schroeder, S. (2001). Prospects for expanding health insurance coverage. *The New England Journal of Medicine*, 344, 847-852.
- U.S. Census Bureau (2002). Low income uninsured children by state: 1998, 1999 and 2000.  
(Compiled by Amy Watson, March 2003)

***For a complete list of references or more information about this topic, contact the Center for Family Policy & Research***

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