

## A Comparison of Children's Uninsurance Rates Across the States 1995 - 97 to 2000 - 02

In the mid nineties, the rates of uninsured children climbed following the enactment of welfare reform, as many previously insured children became ineligible for Medicaid.<sup>1</sup> In 1997, the State Children's Health Insurance Program (SCHIP) was created to increase insurance coverage for low income children ineligible for Medicaid as part of the Title XXI of the Social Security Act. In an earlier SHADAC Issue Brief, we compared changes in children's uninsurance rates across states as an indication of SCHIP success (see Issue Brief Six.) Here we update the insurance rates using the newly released 2002 CPS data.

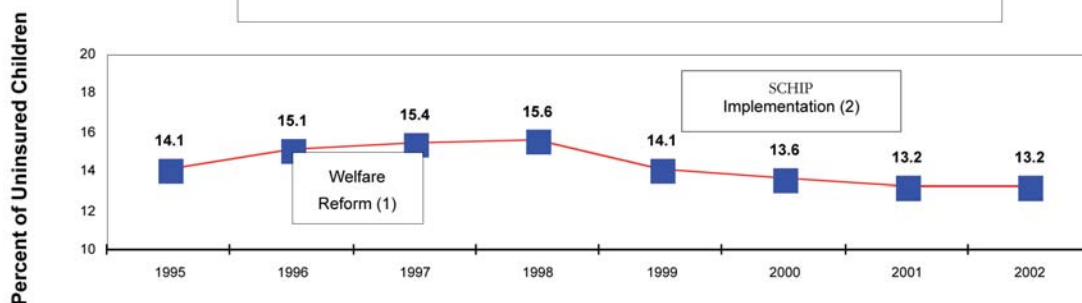
Between 1997 and 2000, all states developed and implemented programs under SCHIP. The form of SCHIP programs and the efforts to enroll new children vary by state. Many states, such as Tennessee and Missouri, have made significant outreach efforts to identify and insure children who are not covered by a health insurance plan.

Parallel to SCHIP implementation, employer-sponsored coverage grew slightly

for the population as a whole<sup>2</sup>, but decreased for children.<sup>3</sup> Despite this decrease in private coverage, the Current Population Survey's (CPS) three-year average uninsurance estimates show that more American children had health insurance coverage in 2000-02 than in 1995-97. In 2002, approximately 10.2 million children did not have health insurance, down from over 11.5 million in 1997. This suggests that SCHIP may be helping to reduce the total number of children without health insurance coverage.

Here, we assess the overall change in health insurance coverage among children across the states for the six-year time period spanning Welfare Reform and the enactment and implementation of SCHIP. Estimates used for all comparisons between 1995 and 2002 are adjusted for the verification question added to the CPS health insurance module in 2000. With the exception of Figure 1, 3-year averages for 1995-97 and 2000-02 are used to estimate uninsurance rates. For all observations, we used unverified data.<sup>4,5</sup>

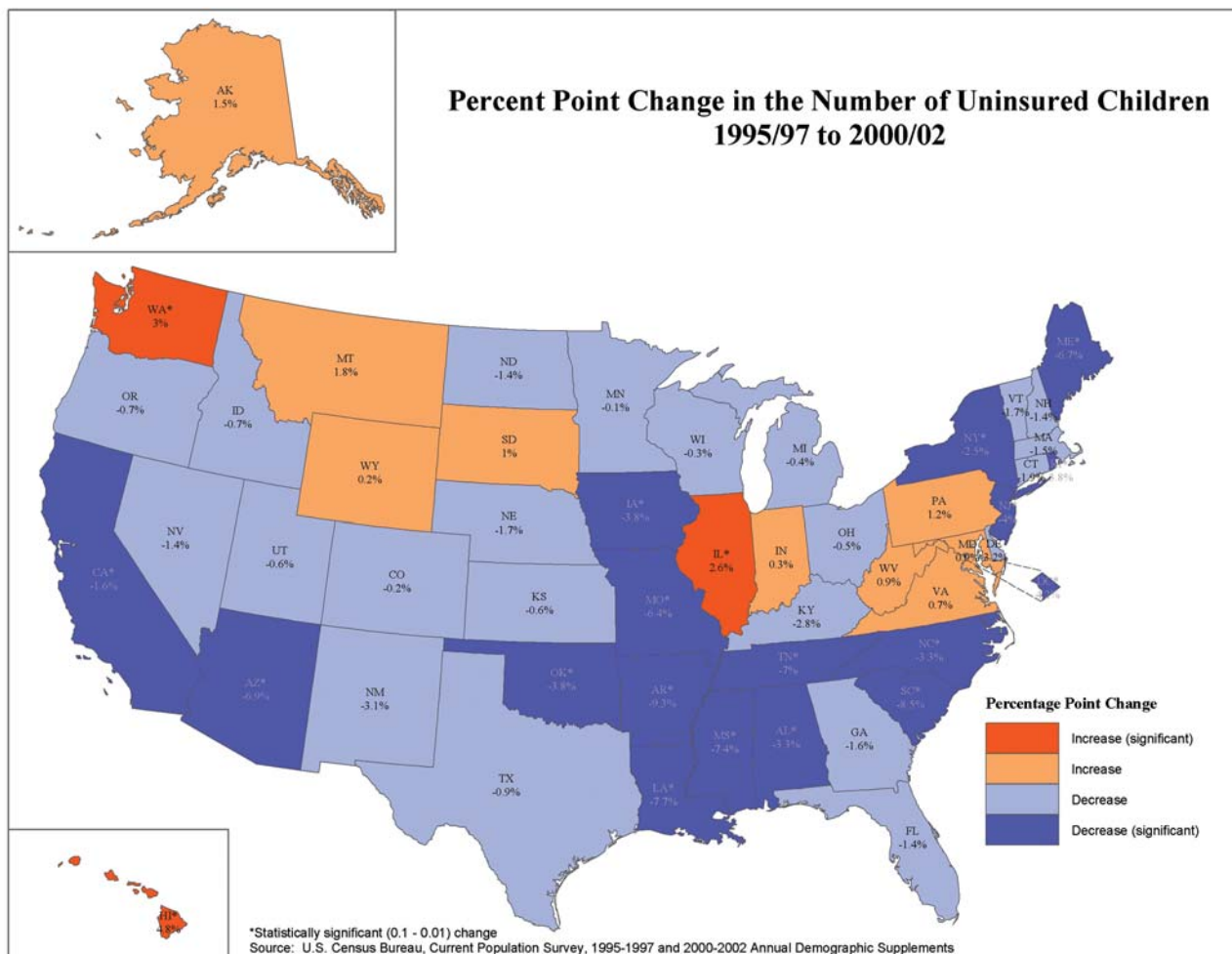
**Figure 1. National Children's Uninsurance Rates 1995 - 2002**



(1) Personal Responsibility and Work Reconciliation Act, Public Law 104-193. Signed by President Clinton, August 22, 1996.

(2) Balanced Budget Act of 1997, Public Law 105-33. Subtitle J — State Children's Health Insurance Program. Effective beginning October 1, 1997.

Data Source: U.S. Census Bureau's Current Population Survey, December 2002



## CHANGES IN THE NUMBER OF UNINSURED CHILDREN FROM 1995-97 TO 2000-02

Although an important catalyst, SCHIP was only one factor in the increase in coverage. SCHIP outreach efforts led to an increase in Medicaid enrollment.<sup>6</sup> A robust economy at this time was also an important contribution to the decrease in uninsured children.<sup>7</sup>

## VARIATION IN PERCENT CHANGE ACROSS STATES

Table 1 below shows that seventeen states experienced a statistically significant decrease in their rate of uninsured children. This analysis shows greater improvement in uninsurance rates than an earlier analysis done by SHADAC (see Issue Brief Six.) This can be attributed to two methodological changes. First, the current uninsurance rate was calculated for three-

year averages, which is more reliable than the two-year average previously used. Further, the current analysis included eighteen-year-old children, while the previous excluded this population. It is appropriate to include eighteen year olds, as they are eligible for SCHIP programs. We believe that our current estimate is more reliable because of these two changes, indicating that SCHIP has had a greater impact across states than previously noted.

In general, states with the lowest uninsurance rates for children in 1995-97 (Minnesota, Wisconsin, and Vermont) retain the lowest rates in 2000-2002. In addition, many of the states with the highest uninsurance rates in 1995-97 (Arizona, Arkansas, and Louisiana) were among those with the most noticeable decreases in uninsured children over the six-year period. New York led the nation with the largest decrease in the number of uninsured children (almost

150,000) from 1995-97 to 2000-2002, reducing the child uninsurance rate by approximately 2.5% over the time period. Arkansas led the nation with the largest decrease in the percent of uninsured children from 1995-97 to 2000-2002, reducing the child uninsurance rate by approximately 9.3%, reflecting a reduction of almost 80,000 children.

A few states have shown little or no improvement. In 2000-02, over one in five children in Texas remain uninsured, and in New Mexico, Arizona, Florida, and Nevada over one in six children have no health coverage. An additional six states that did not have significant decreases in their rates of uninsured children remain above the national average of 13.3%.

**Table 1. Three-Year Average Uninsurance Rates for Children 1995-97 to 2000-02**

STATE	Rate of Uninsured Children 1995-1997 (3-yr average)	Rate of Uninsured Children 2000-2002 (3-yr average)	Percent Point Change Between 1995-97 and 2000-02	STATE	Rate of Uninsured Children 1995-1997 (3-yr average)	Rate of Uninsured Children 2000-2002 (3-yr average)	Percent Point Change Between 1995-97 and 2000-02
Alabama*	13.7	10.4	-3.3	Montana	13.2	15.0	1.8
Alaska	12.4	13.8	1.5	Nebraska	9.5	7.8	-1.7
Arizona***	24.6	17.7	-6.9	Nevada	20.1	18.7	-1.4
Arkansas***	22.2	12.9	-9.3	New Hampshire	8.9	7.4	-1.4
California*	18.2	16.5	-1.6	New Jersey***	15.6	11.6	-4.0
Colorado	15.5	15.3	-0.2	New Mexico	20.7	17.6	-3.1
Connecticut	10.7	8.7	-1.9	New York***	14.4	11.8	-2.5
Delaware	13.7	10.5	-3.2	North Carolina**	16.2	12.9	-3.3
Dist. of Columbia*	15.8	11.6	-4.2	North Dakota	11.2	9.8	-1.4
Florida	19.2	17.7	-1.4	Ohio	10.3	9.8	-0.5
Georgia	15.8	14.2	-1.6	Oklahoma*	19.9	16.1	-3.8
Hawaii***	6.0	10.7	4.8	Oregon	13.4	12.7	-0.7
Idaho	15.2	14.5	-0.7	Pennsylvania	8.4	9.5	1.2
Illinois**	10.3	12.8	2.6	Rhode Island**	9.2	5.4	-3.8
Indiana	12.0	12.3	0.3	South Carolina***	18.1	9.6	-8.5
Iowa**	11.1	7.4	-3.8	South Dakota	8.9	9.9	1.0
Kansas	10.8	10.3	-0.6	Tennessee***	15.1	8.1	-7.0
Kentucky	15.2	12.4	-2.8	Texas	24.5	23.6	-0.9
Louisiana***	22.2	14.4	-7.7	Utah	11.4	10.8	-0.6
Maine***	14.9	8.3	-6.7	Vermont	7.4	5.7	-1.7
Maryland	10.6	11.5	0.9	Virginia	11.4	12.1	0.7
Massachusetts	9.1	7.6	-1.5	Washington*	10.0	13.0	3.0
Michigan	8.2	7.8	-0.4	West Virginia	10.7	11.6	0.9
Minnesota	7.0	6.9	-0.1	Wisconsin	6.1	5.8	-0.3
Mississippi***	19.3	11.9	-7.4	Wyoming	13.6	13.8	0.2
Missouri***	13.3	6.9	-6.4	U.S. ***	14.8	13.3	-1.5

\*\*\* p=.01 \*\*p=.05 \*p=.1

Source: Current Population Survey, December 2002

## DISTRIBUTION OF UNINSURED CHILDREN

Uninsurance among children varies a great deal across the states, with the highest rates concentrated in the Southwest region. Almost forty percent (38.3%) of all uninsured children in the U.S. live in three states – California, Texas, and Florida – while only twenty-seven

percent of all the nation's children live in these states. By contrast, the large number of uninsured children in New York and Illinois is a function of the large total populations of children in those states, not of high uninsurance rates. 9.8 percent of the nation's uninsured children live in New York and Illinois, but 10.7 percent of all of the children in the country reside in these two states.



## CONCLUSIONS

With increased federal flexibility, states have been able to tailor SCHIP and Medicaid programs to their specific needs. However, this flexibility in the use and design of the programs has made comparative analysis more difficult. Nonetheless, monitoring trends at the state level is critical to understanding the changing dynamics of health insurance coverage.

This continued assessment shows further decrease in the uninsurance rates for children following the implementation of SCHIP. While this analysis did not control for local environment and other effects, it is evident that many states had great success in lowering their children's uninsurance rate over this six-year period. These accomplishments are encouraging and should continue to be watched to monitor the effects of changes in the trend over time.

**Table 2. Distribution of Uninsured Children Across States in 2000-02**

HIGHEST NUMBERS OF UNINSURED CHILDREN		
STATE	Number of Uninsured Children	Percent of Total Uninsured Children in U.S.
California	1,687,724	16.5
Texas	1,512,704	14.8
Florida	720,446	7.0
New York	576,644	5.6
Illinois	429,343	4.2
Total Highest 5	4,926,861	48.2

## NOTES

<sup>1</sup> Guyer, Jocelyn. Uninsured Rates of Poor Children Declines but Remains Above Pre-welfare Reform Levels. Center on Budget and Policy Priorities 2000. Washington, DC. <http://www.cbpp.org>

<sup>2</sup> Holahan, John; Pohl, Mary Beth. Changes in Insurance Coverage: 1994 – 2000 and Beyond. Health Affairs Web Exclusive. April 3, 2002.

<sup>3</sup> Cunningham, Peter J.; Reschovsky, James D.; Hadley, Jack. SCHIP, Medicaid Expansions Lead to Shifts in Children's Coverage. Center for Studying Health System Change. Issue Brief No. 59, <http://www.hschange.org/CONTENT/508/>

<sup>4</sup> All SCHIP statistics have been taken from SCHIP Annual Reports. Uninsurance rates, Medicaid rates, and unemployment statistics have been taken from the CPS.

<sup>5</sup> State Health Access Data Assistance Center, (SHADAC) Issue Brief #4: What is Behind the 8 Percent Drop in Uninsurance: Changes in CPS Health Insurance Measurement and the Effect on State Policy.

<sup>6</sup> Centers for Medicare and Medicaid Services. The State Children's Health Insurance Program Annual Enrollment Report. Federal Fiscal Year 2001; October 1, 2000 – September 20, 2001. February 6, 2002.

<sup>7</sup> Park, Michael H.; Cunningham, Peter J. Some Communities Make Progress in Reducing Children's Uninsurance. Center for Studying Health System Change 2000. Data Bulletin No. 19. <http://www.hscange.org>

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