

Recent Patterns in Children's Medicaid Enrollment: A National View

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About This Series

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Issues Relating to Children's Coverage

waste resources assessing applications for children who could have been continuously enrolled (Ku and Cohen Ross 2002; Irvin et al. 2001). One analysis found that the longer children were enrolled in Medicaid the lower their average monthly expenditures were, partly because they had more regular preventive care and partly because new enrollees may have pent-up demand for services that are more expensive than regular

California spent an estimated \$120 million to re-enroll 600,000 children who left Medicaid and then returned; most of them

brother 2005). States have to balance the administrative costs of re-enrolling children against the costs of providing coverage to those who are no longer eligible.

Twelve-month continuous eligibility, considered one of the most potentially effective policy tools for ensuring that all eligible children remain enrolled and reducing churning, has been slowly implemented by states since the option was introduced in 1998 (Cohen Ross and Marks 2009). By 2009, 16 states used full-year continuous eligibility for children enrolled in Medicaid and 30 states had this policy for CHIP enrollees (Cohen Ross and Marks 2009). Early analysis of the effects of this policy found that by implementing 12-month continuous eligibility for children states reduced administrative costs, increased average months of coverage for enrolled children, reduced average monthly costs per enrollee, and delayed disenrollment (Merrill and Rosenbach 2006; Irvin et al. 2001).

In this issue brief, we examine the enrollment patterns during calendar year 2007 for low-income children who were enrolled in Medicaid or Medicaid-expansion CHIPs as of January 2007.

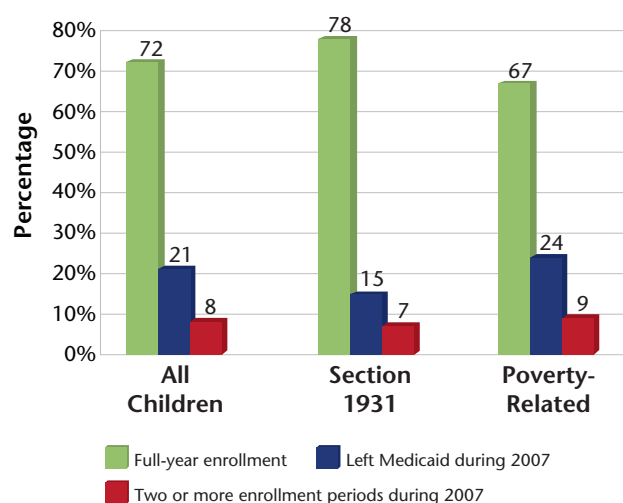
allow us to present a near-national assessment across the 45 states and the District of Columbia that have the required data.³

birth to 18 years old) in 46 Medicaid programs.⁴ We then followed that cohort each month within the state Medicaid programs, excluding children who died on or before December

time, the length of time that the children were enrolled in Medicaid before January 2007 can vary substantially. Based on our analysis, we provide information on the relationship between 12-month eligibility policies and retention rates by comparing coverage patterns for children in states that offered 12-month continuous eligibility in 2007 with patterns in those that did not.

To best assess the relationship between retention patterns and continuous eligibility policies, we limit our analysis to low-income children whose enrollment in Medicaid is likely to be affected by policy changes. We exclude children who are subject to unique eligibility and disenrollment processes, including those who are: (1) medically needy, (2) enrolled in a Section 1115 demonstration, (3) receiving transitional Medicaid

Figure 1. Enrollment Patterns for Children Enrolled in Medicaid in January 2007, by Eligibility Group



Source: Mathematica Analysis of 2007 MAX data.

coverage, (4) enrolled in state supplemental cash assistance programs, (5) eligible for institutional care, or (6) covered as foster care children.

Children's Enrollment in the Medicaid Program

Across the 45 states and the District of Columbia, about 17 million low-income children were enrolled in Medicaid in January 2007. These included:

1931 of the Social Security Act. Section 1931 requires states to cover children in households with income below the state's 1996 cash assistance eligibility thresholds, levels that

many states. These children are generally the lowest-income children enrolled in a state's Medicaid program.

rules. States must cover infants and children up to age 6

and children ages 6 through 18 with household incomes

children eligible under poverty-related rules vary across states, with some states covering children only up to the minimum required levels and others expanding eligibility

The majority (72 percent) of low-income children enrolled in Medicaid in January 2007 retained their coverage throughout the

higher rates of full-year retention (78 percent). In comparison, about 67 percent of children eligible under poverty-related rules were enrolled for the entire year. Although full-year coverage rates vary considerably across states, this pattern of higher rates of full-year enrollment among Section 1931 children appeared in almost all of the 45 states and the District of Columbia.⁵ Lower income eligibility rules under Section 1931 is one possible explanation for the higher retention rates among this group—household income in these families would have to increase more substantially before the children would no longer qualify for Medicaid. In addition to losing eligibility for income-related reasons, children may become ineligible because they age out of the program, or if the family moves out of state.

Since Section 1931 children had higher retention rates, it is not surprising that they were less likely to disenroll during the

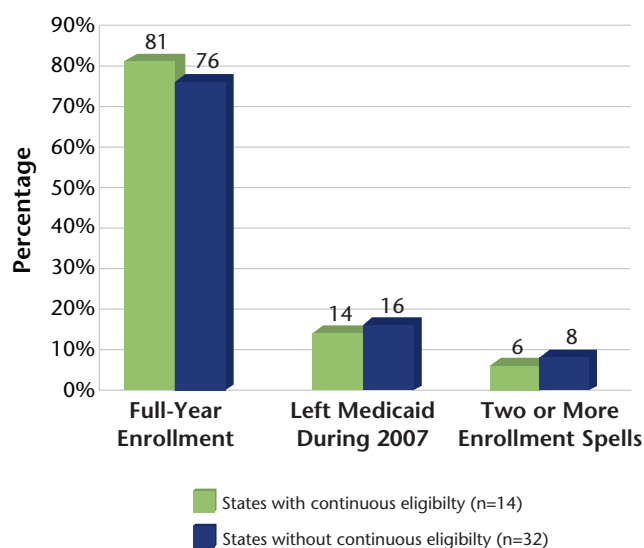
state's program during the year, compared with 24 percent of the children eligible under poverty-related rules. An additional 7 to 9 percent of low-income children left Medicaid and then re-enrolled within the year.

Influence of Continuous Eligibility Policies on Retention in 2007

Each Medicaid program is unique, as every state strives to make its program meet the needs of its residents within its particular constraints. Attributing disenrollment patterns to a particular

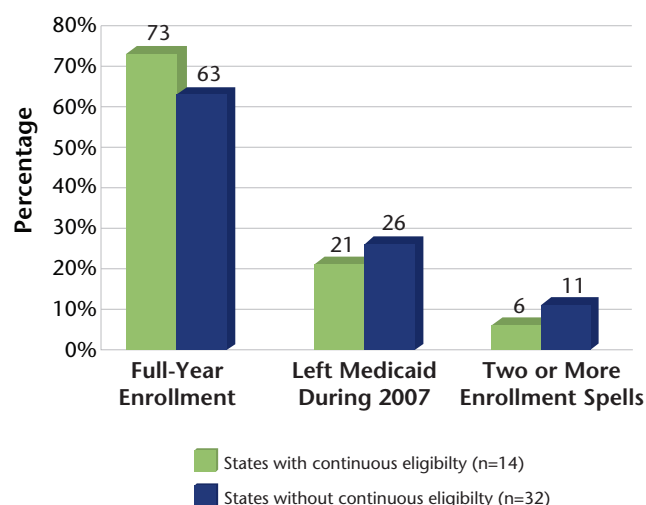
different local issues than those that don't adopt it, and they typically adopt multiple policies at the same time. Nevertheless, we can compare retention outcomes in states that adopt certain

Figure 2. Retention of Section 1931-Eligible Children for States, by Type of State Eligibility Policy



Source: Mathematica Analysis of 2007 MAX data.

Figure 3. Retention of Children Eligible Under Poverty-Related Rules, by Type of State Eligibility Policy



Source: Mathematica Analysis of 2007 MAX data.

policies with outcomes in states that do not to provide insights as to how the policy may be working. In this section, we consider the relationship between full-year continuous eligibility policies and enrollment patterns among children, but caution that we cannot interpret the relationship as a result of the policy.

Medicaid in 2007.⁶ This policy allows children to maintain coverage for 12 months even if their family experiences a temporary change in income or status. Children in continuous eligibility states had slightly higher retention rates and lower rates of churning during 2007 than states without this policy. This relationship is stronger for children eligible under poverty-related rules. Eighty-one percent of Section 1931 children in continuous eligibility states retained coverage throughout 2007, compared with 76 percent in states without such policies—a difference of 5 percent—

under poverty-related rules in states with continuous coverage were retained, compared with 63 percent in states without continu-

Two continuous eligibility states with high rates of full-year enrollment account for some of the differences between continuous eligibility states and other states, but not for the entire difference. California has a very large Section 1931 program for children and about 82 percent of these children were retained for all of 2007. When this state is removed from the analysis, full-year enrollment for continuous eligibility states drops to 78 percent. Similarly, Illinois has a large poverty-related program for children and the state retained 89 percent of these children for the full year in 2007. When this state is removed from the analysis of poverty-related children, rates of full-year enrollment drop to 68 percent.

Key Findings

This issue brief assesses Medicaid coverage patterns across the country, taking advantage of the availability of MAX data, which provide person-level information for state Medicaid programs in a consistent format. We examine the Medicaid coverage patterns for a cohort of children who were enrolled in the program in January 2007.⁷

We found that almost three-quarters of the children enrolled in Medicaid remained enrolled throughout 2007, and 8 percent disenrolled and re-entered the program within the year. Children who were eligible under Section 1931 provisions were more likely to remain enrolled for the full year, and less likely to leave the program; this result is not surprising, given that they have the lowest family incomes and, as a result, are the least likely to become ineligible due to income improvements.

found higher levels of full-year retention and lower levels of churning in states with 12-month continuous eligibility policies. Children who receive coverage under these provisions generally have higher household income and are more likely to become

hold status. We cannot attribute the differences across the states to the policy; however these results are consistent

and may reduce churning—which could help reduce Medicaid administrative costs.

Endnotes

¹ Medicaid Analytic Extract (MAX) data, 2007

² <http://www.statehealthfacts.org/comparetable.jsp?yr=30&typ=1&ind=871&cat=4&sub=61>

³ LA, OH, RI, VA, and WV were excluded from this analysis.

These states report some or all of the children in Section 1931 and poverty-related groups as ‘other’ enrollees in MAX data. We cannot separately identify the children in these states who are equivalent to Section 1931 children and poverty-related children in other states.

⁴ Data constraints allowed us to follow children within the Medicaid program within their own states. If a child were to move across state lines, or if he or she were to enroll in a state CHIP program, we were unable to identify that here.

⁵ enrollment even if their basis for eligibility changed during the year.
shifted to coverage as a child with disabilities or moved to another

Medicaid eligibility group or Medicaid-expansion CHIP coverage would be counted as remaining in Medicaid for a full year. Children

in Medicaid for the full year.

⁶ Cohen Ross, Horn, and Marks 2008. The 14 states are: AL, CA, ID, IL, KS, ME, MI, MS, NC, NJ, NY, SC, WA, and WY.

⁷ Like all studies, this analysis has limitations, as we can only observe children’s coverage within each state’s Medicaid program, and cannot account for enrollment in other types of health insurance, includ-