

colorado  
children's  
campaign

# Health Insurance for Colorado Kids: What's at Issue?

## A Colorado KIDS COUNT Issue Brief June 2002

### Introduction

Health insurance is vital for all, but it is especially important for children. A child is more vulnerable to disease than an adult, and a child may face a life that is seriously compromised if he doesn't get a healthy start.

Children with untreated health problems often have trouble concentrating in school, may chronically miss school and may suffer lifelong consequences.

And without insurance, children are unlikely to receive preventive care and maintain good health. Many low-income and minority children in Colorado have public health insurance through Medicaid and the Child Health Plan Plus (CHP+). But even these programs don't close the health gap between income and ethnic groups.

### Health Outcomes Differ by Race

In the first year of life, a child's race and family income may predict his sound health - or relegate him to low birthweight or even death. In Colorado and across the nation, for example, babies born to black mothers are more likely to be born at low weight (less than 5.5 pounds) or very low weight (less than 3.3 pounds) and to die in their first year.

Low Weight Births by Race of Mother:	All Races	White	Hispanic	Black	Asian	American Indian
Colorado, 2000						
Number	5,549	3,368	1,459	452	210	57
Percent	8.5	8.1	8.2	14.9	10.1	8.9

Infant Mortality Rate by Race of Mother:	All Races	White	Hispanic	Black	Asian	American Indian
Colorado, 2000						
Number	402	234	94	59	7	6
Rate per 1,000 births	6.1	5.6	5.3	19.5	3.4	9.3

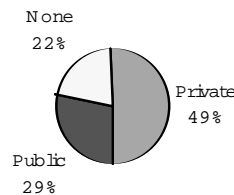
Life-saving immunizations and good nutrition also are less likely for low-income and minority children than for middle- and upper-income and white children. Those at the greatest risk of hunger or living on the edge of hunger usually are in families with any or all of these factors: Hispanic or black, headed by a single woman, with incomes below the federal poverty level.

### Health Insurance Differs by Income

While only 14 percent of all children in Colorado and the U.S. are uninsured, 41 percent of Colorado's poorest children, those under 100 percent of the poverty level, don't have health insurance. Yet nationwide, only 25 percent

of the poorest kids are uninsured.<sup>i</sup> The dramatic difference for Colorado's poorest children has frightening implications because uninsured kids are unlikely to get health care. Regardless of the estimate used, more than 100,000 Colorado children are uninsured.

Child Health Insurance Coverage for Low-Income Children: CO, 1999



Clearly, family income in Colorado usually dictates a child's health insurance status. Insurance can be too expensive for many, while others get the benefit of employer-provided programs. As one would expect, children in low-income<sup>ii</sup>

families are much more likely to have public or no health insurance than children in families with higher income.<sup>iii</sup>

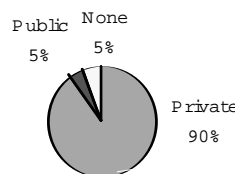
Yet surprisingly, unlike low-income children across the nation, Colorado kids of all income levels were much more likely to have private health insurance and much less likely to have public health insurance in 1999.

### Health Insurance Fluctuates

As jobs are lost and incomes change, the number of uninsured Colorado children fluctuates wildly. The number of children with employer-provided health coverage increased sharply when Colorado's economy boomed in the late 1990s, for example. Given the spate of layoffs and company closures in 2001-02, far fewer children probably still have private, employer-sponsored insurance.

What remains constant, however, is that uninsured children

Child Health Insurance Coverage for Higher Income Children: CO, 1999



are far less likely to be treated for the usual childhood illnesses, such as sore throats, earaches or asthma. When these illnesses are ignored, the consequences can be as drastic as lifelong hearing loss or hospitalization

for uncontrolled asthma. Uninsured kids also aren't likely to receive essential childhood immunizations, leaving them susceptible to severe but preventable illness.

The Urban Institute and Child Trends conducted the National Survey of America's Families (NSAF) in 1997 and 1999, sampling 13 states separately, including Colorado. The data in this Issue Brief, unless otherwise noted, are from the 1999 NSAF on Colorado children under age 18.

### Restrictions of Low-Income Kids' Health Insurance Programs

While Colorado offers Medicaid and the Child Health Plan Plus to children from low-income families, both programs carry restrictions that limit eligibility.

Income standards for CHP+ - which sets eligibility at just 185 percent of the federal poverty level - are among the most restrictive in the nation. Only four states are stricter. Almost all states set their Child Health Plan eligibility at 200 or 300 percent of the FPL.

**Eligibility standards by age and program: CO, 2002**

	Income as a percentage of federal poverty level, by age		
	under 1	1 to 5	6 to 18
Medicaid	133	133	100
CHP+	185	185	185

In addition, Colorado is one of only six states that still imposes an assets test for Medicaid, limiting the assets a family can possess and still qualify for the program. So the mother who buys a used car to get to work under welfare reform may find that her children lose their eligibility for Medicaid because she now has an asset - a used car.

States that have eliminated the assets test were able to increase enrollment, streamline eligibility determination, adopt automated eligibility systems, improve workers' productivity and make enrollment friendlier and more accessible for families.

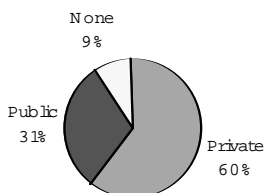
States can save money, too. That reality has spurred even poor states like Mississippi to eliminate the Medicaid assets test. In Oklahoma, \$3.5 million was being spent to verify assets. After the test was dropped, the state spent only \$2.5 million on benefits for people who otherwise would have been denied, resulting in a net savings of \$1.2 million in state general funds, the Kaiser Family Foundation reports.

### Health Insurance Coverage by Race and Ethnicity

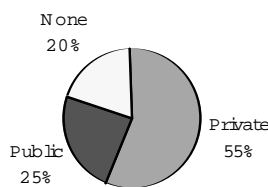
Just as health outcomes vary by race and ethnicity, so does the status of children's health insurance:

- One in five Hispanic children in Colorado has no health insurance.
- Black and Hispanic children are more likely to have public health insurance than white children.

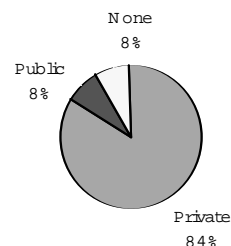
**Health Insurance Coverage of Black Children: CO, 1999**



**Health Insurance Coverage of Hispanic Children: CO, 1999**



**Health Insurance Coverage of White Children: CO, 1999**



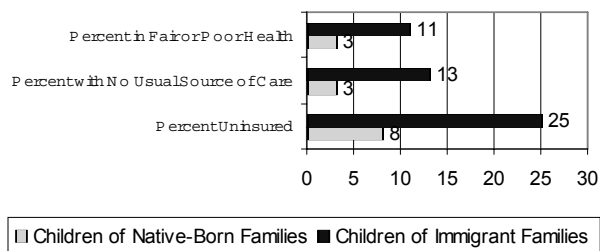
CHP+ had 41,161 children enrolled as of March 31, 2002. Of those, 43 percent are white; 30 percent Hispanic; 4 percent black; 2 percent each are Asian or Native American; and the remainder are of unidentified race.

### Immigrant Health Insurance in Colorado

Health care hardships are worse for children of immigrants than for children of U.S.-born citizens. Immigrant families tend to be confused about their eligibility for Medicaid and CHP+. Many workers who enroll families in these programs speak only English and don't comprehend the cultural differences when dealing with immigrants. Immigrants also fear deportation or losing the chance for residency or citizenship if they enroll their children.

Yet 80 percent of children with immigrant parents are themselves U.S. citizens.<sup>iv</sup> They are fully entitled to enroll in Medicaid or CHP+. But 25 percent of immigrants' children in Colorado - even those with U.S. citizenship - have no health insurance. That contrasts sharply with the 8 percent of children of U.S. citizens who are uninsured.

**Health Insurance, Access and Health Status of Immigrant and Native-Born Children: CO, 1999**



Much of that dilemma likely stems from the families' lack of knowledge about their children's eligibility. But fear also is a factor: The U.S. Immigration and Naturalization Service must ask applicants whether they have ever used public assistance -- even though use of public health programs cannot be considered when determining a person's eligibility for citizenship or residency.

## Insurance Determines Access to Health Care

Regular doctor visits are essential for diagnosing childhood illnesses and preventing health problems. Frequency of doctor visits differs by a child's health insurance status.

- Most uninsured children did not see a doctor in the 12 months preceding the survey.
- Twenty percent of privately insured Colorado kids had a doctor's visit in the past 12 months, as did 28 percent of publicly insured children.

### Any Well-Child Visits in Last 12 Months: CO, 1999

	None	1 or more
<b>All Children, Ages 0-17</b>	33.5	66.5
<b>Health Insurance Status</b>		
Private	30.9	69.1
Public	28.4	71.6
None	58.8	41.2

Uninsured children are unlikely to receive preventive care. Only 41 percent received a well-child visit in the 12 months preceding the survey.

## Child Health Status

While most Colorado parents say their children are in excellent, very good or good health, differences hinge on insurance status, ethnicity and family income. It should be noted that children with disabilities might be disproportionately insured publicly.

- 15.5 percent of children with public health insurance are in fair or poor health, according to their parents,<sup>v</sup> compared with 1.7 percent of children with private insurance.
- 10.8 percent of Hispanic children are in fair or poor health, compared with 2.2 percent of white children.
- 8 percent of low-income children are in fair or poor health, compared with 2.1 percent of children in higher-income families.



## Satisfaction with Care

Parental satisfaction with the quality of medical care received by their family varies by health insurance status. Among parents of uninsured children in Colorado, 23.1 percent are dissatisfied with the quality of medical care their family received over the past 12 months, compared with 9.1 percent of parents whose kids have private insurance and 15.5 percent of those with public insurance.

## A Medical Home

Nearly all Colorado children have a usual source of medical care, a "medical home." The American Academy of Pediatrics suggests children should have a medical home where health care services are accessible, family-centered, continuous, comprehensive, coordinated, compassionate and culturally competent.<sup>vi</sup>

### Usual Source of Medical Care: CO, 1999

	Has Usual Source of Care	Has NO Usual Source or uses ER
<b>All Children, Ages 0-17</b>	94.1	5.9
<b>Family Income</b>		
At or above 200% FPL	96.4	3.6
Below 200% FPL	89.6	10.4
<b>Health Insurance Status</b>		
Private	96.2	3.8
Public	95.5	4.5
None	77.8	22.2
<b>Race/Ethnicity</b>		
Black	90.0	10.0
Hispanic	88.7	11.3
White	96.5	3.5

- More than 22 percent of uninsured children in Colorado have no usual source of medical care or use the emergency room as their usual source of care.
- Low-income, uninsured and Hispanic children are less likely to have a medical home.
- Among all uninsured children, 77.8 percent nonetheless have a medical home. We congratulate the community providers, such as public health nurses and community health centers, who ensure that children are welcome no matter what their insurance status.

## Emergency Room Visits

Emergency room visits vary based on child health insurance coverage. These findings raise the question of whether publicly insured kids have trouble finding or seeing a doctor.

Although public health programs were designed to provide low-income kids with primary care doctors and to lessen their reliance on expensive and inappropriate emergency room visits, that plan may not be working as intended. Children with public health insurance are more likely to visit the ER than children with private or no health insurance.

### Any ER Visits in Last 12 Months: CO, 1999

	None	1 or more
<b>All Children, Ages 0-17</b>	77.3	22.7
<b>Health Insurance Status</b>		
Private	79.1	20.9
Public	64.1	35.9
None	80.7	19.3

## Parental Confidence in Health Care Accessibility

Children need access to regular medical care. But among low-income families, 43 percent of parents are not confident or only somewhat confident that their family members can get health care when they need it, compared with 21 percent of families with higher incomes.

## CONCLUSIONS

### Questions for future research:

1. Simply being enrolled in a health plan does not guarantee care. Are children throughout Colorado able to access medical care through the barriers of low provider reimbursement, physician and nursing shortages and program eligibility requirements?
2. Is the 185 percent of FPL (\$27,066 for a family of three) eligibility level for CHP+ excluding many families who have no other access to health coverage? Colorado has one of the least generous income levels despite our high cost of living.
3. What impact has Colorado's recent economic downturn had on child health insurance rates in Colorado?

### Recommendations:

- The Legislature should eliminate the Medicaid assets test. Money spent providing more children with preventive care will be saved through reducing administrative costs generated by the assets test.
- CHP+ and Medicaid should put a special emphasis on recruiting providers to serve their enrollees. This would better serve the children and increase confidence in access to medical care for families with public health insurance.
- Program workers should accelerate their efforts to provide culturally appropriate outreach to low-income families about CHP+ and Medicaid.

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<sup>i</sup> Of the 140,000 children under 100% of the Federal Poverty Line (FPL), the Census Bureau estimated that 58,000 are uninsured.

<sup>ii</sup> Low-income is below 200% of the FPL.

<sup>iii</sup> Higher income is at or above 200% of the FPL.

<sup>iv</sup> Capps, R. (2001). Hardship among Children of Immigrants: Findings from the 1999 National Survey of America's Families. Washington, DC: Urban Institute. Assessing the New Federalism Policy Brief B-29.

<sup>v</sup> In the NSAF, the adult most knowledgeable about the child answered survey questions about the child and about his/her employment, symptoms of mental health, and educational attainment. Most often, the most knowledgeable adult was the child's mother.

<sup>vi</sup> American Academy of Pediatrics, <[www.aap.org](http://www.aap.org)>.

*This series of issue briefs is funded by the Annie E. Casey Foundation and the Family Assets Initiative at The Ford Foundation.*