MATHEMATICA Policy Research

# InFOCUS

To meet the health care needs of millions of uninsured children, CHIP was created as part of the Balanced Budget Act of 1997. CHIPRA, the legislation reauthorizing CHIP, was signed into law on February 4, 2009, providing significant new financial support for CHIP and introducing new initiatives to increase enrollment, improve retention, and strengthen access and quality of care in Medicaid and CHIP. More than eight million children were enrolled in CHIP at some point in federal fiscal year 2013.

## CHIP Improves Children's Access to Care, Eases Financial Burden on Families

A nationwide evaluation of the Children's Health Insurance Program (CHIP) reveals that CHIP has successfully expanded health insurance coverage to children who would otherwise be uninsured, thereby increasing their access to health care and reducing the financial burden on their families. Mandated as part of the Children's Health Insurance Reauthorization Act (CHIPRA) of 2009, this evaluation presents new information on the evolution of CHIP from 1997 to 2012, including whether the program is meeting its goals and how it was affected by CHIPRA and the Affordable Care Act.

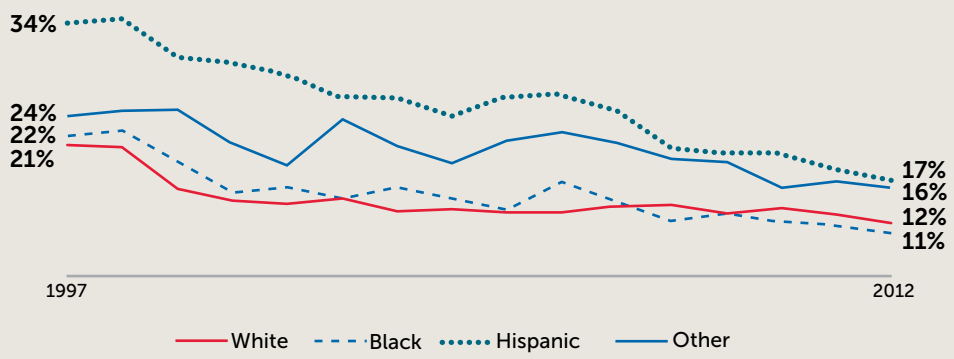
### SEVEN KEY FINDINGS FROM THE CHIPRA-MANDATED EVALUATION OF CHIP

1. CHIP, along with Medicaid, contributed greatly to the decline in uninsured rates among low-income children, which fell from 25 percent in 1997 to 13 percent in 2012. Since CHIP was enacted, coverage rates improved for all ethnic and income groups, and coverage disparities narrowed significantly for Hispanic children.
2. Nationwide, Medicaid and CHIP participation rates increased from 82 percent in 2008 to 88 percent in 2012, even as the number of eligible children has grown. Meanwhile, the number of eligible children who remain uninsured fell from 4.9 million in 2008 to 3.7 million in 2012.

Since CHIP was implemented, the percentage of uninsured children has decreased from

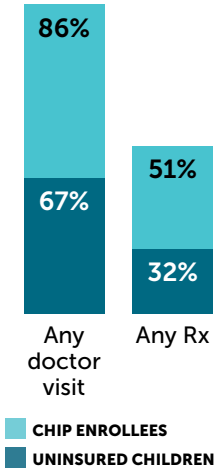
**25** to **13**
**1997** **2012**

**Percentage of uninsured children, by ethnic group, 1997–2012**




Source: Current Population Survey Annual Social and Economic Supplement.
Note: Children are ages 0 to 18. Low income is below 200 percent of the federal poverty level.

**CHIP-enrolled versus uninsured children: access and service use in the past 12 months, based on parents' report**




3. Enrollment in both Medicaid and CHIP worked as intended to provide a safety net for low-income children, especially during economic downturns. For example, the 2008 recession coincided with the largest-ever increase in CHIP enrollment.
4. Most new CHIP enrollees stayed insured continuously in public coverage (Medicaid or CHIP) for more than two years, and the vast majority left because they were no longer eligible. Many children moved between Medicaid and CHIP; although most made a seamless transition, short gaps in coverage were common in some states, especially among children moving from Medicaid to CHIP.
5. Children in Medicaid and CHIP had better access to care, fewer unmet needs, and greater financial protection than uninsured children. Compared with children with private insurance, CHIP enrollees had better access to dental benefits, and their families had much lower financial burden and stress in meeting the children's health care needs.
6. Most low-income families knew about Medicaid and CHIP, and those with children enrolled in the programs reported positive application experiences. However, some barriers to enrollment remain for eligible but uninsured children.
7. Relatively few low-income children in CHIP have access to private insurance coverage; the rate of children directly switching from private to public coverage at the time of CHIP enrollment was as low as 4 percent. Even when dependent coverage is available to families with children in CHIP, affordability is likely a barrier many parents face in obtaining employer-sponsored coverage for their children.

## LESSONS FOR POLICYMAKERS

As CHIP's future is debated in the coming months—CHIP is authorized through 2019, but current federal funding runs out in 2015—lessons from this evaluation can inform decisions about CHIP policies and programs. The evaluation showed that CHIP has succeeded in expanding coverage for children, increasing their access to health care, and reducing the financial burdens and stress on their families. These positive impacts were found in states with various program designs and features, across demographic and socioeconomic groups, and for children with a range of health care needs. However, improvements are needed to address remaining unmet health care needs, to reduce the percentage of children who cycle off and back on to Medicaid and CHIP, and to reach the estimated 3.7 million children who are eligible for Medicaid or CHIP but remain uninsured.

Expansions of Affordable Care Act coverage are expected to improve the health and well-being of low-income parents and other adults, particularly in states that choose to expand Medicaid. The central question for policymakers is how to build upon CHIP's accomplishments to achieve additional coverage, access, and quality improvements for children.

The evaluators selected 10 states for intensive study: Alabama, California, Florida, Louisiana, Michigan, New York, Ohio, Texas, Utah, and Virginia. Together they represented 53 percent the nation's uninsured children and 57 percent of children enrolled in CHIP when they were selected in 2010.

## ABOUT THE EVALUATION

Congress called for a comprehensive evaluation of CHIP when reauthorizing the program in 2009. Mathematica Policy Research and its partner, the Urban Institute, received the contract in 2010 to conduct the evaluation, which was overseen by the Office of the Assistant Secretary for Planning and Evaluation, on behalf of the secretary of the U.S. Department of Health and Human Services. An interim report was sent to Congress in 2011, and a final report was delivered in September 2014.

**For additional information or to see the full evaluation report, please contact info@mathematica-mpr.com, or visit mathematica-mpr.com or aspe.hhs.gov.**