

Covering Missouri's Uninsured Children

Laura McComas

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*Institute of Public Policy
University of Missouri
137 Middlebush Hall
Columbia, MO 65211*



Harry S Truman School of Public Affairs

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Introduction

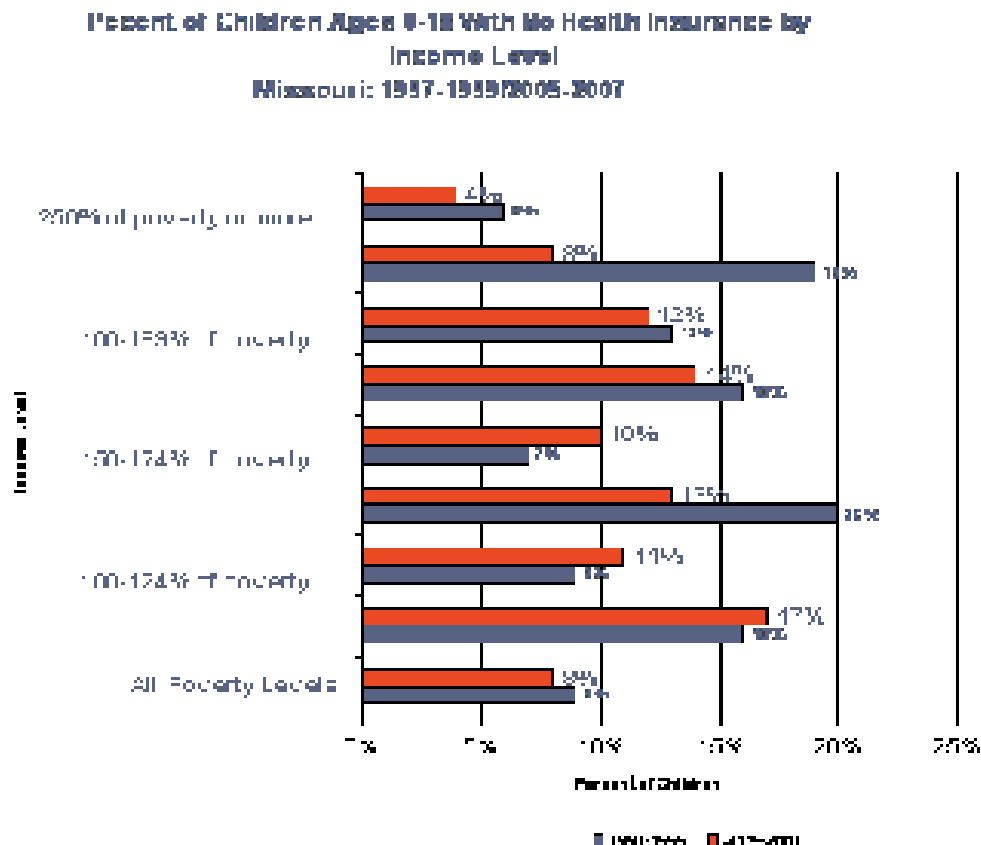
Missouri provides insurance for children through its Medicaid program, known as MO HealthNet and its version of the federal State Children's Health Insurance Program, or SCHIP, known as MO HealthNet for Kids. Research indicates that a significant proportion of eligible children are not covered by either program. Missouri has attempted to ease access by allowing "presumptive eligibility" (PE) where children are provided care as though qualified for the programs, with actual eligibility established later. Currently, presumptive eligibility can be established at four Missouri hospitals but the Missouri General Assembly made additional funding available for FY09 (beginning July 1, 2008) to expand PE to community health clinics. Access to health insurance will potentially increase significantly by

expanding the number of sites that can provide care under the presumptive eligibility standard.

Overview: Uninsured Rates Across the Nation and in the State

In 2006, the Census Bureau estimated that 8.7 million (11.7%) of the nation's children were uninsured. The data also showed that children in poverty were more likely to be uninsured than other children, with 19% of poor children lacking health insurance.¹ In Missouri in 2006, approximately 127,000 children, or 1 out of 10 children, lacked health insurance.² Missouri's low-income children mirror the national trend mentioned above, with 17% of Missouri children who live in households under 100% of the federal poverty level (FPL) remaining uninsured (see Table 1, page 2).

Figure 1



Source: Current Population Survey, 2006

What Missouri Is Currently Doing

While Medicaid and the State Children's Health Insurance Program (SCHIP) have dramatically reduced the number of uninsured children over the last 10 years, millions of children still lack health coverage. This is true for Missouri, with the state seeing a general though now-stagnant decline in its number of uninsured children over the last decade.³

Missouri's Medicaid program, called MO HealthNet, provides health insurance for children under the age of 19 whose net family income does not exceed:

- 185% of FPL for children under age 1
- 133% of FPL for children ages 1-5, and
- 100% of FPL for children ages 6-18⁴

During fiscal year 2007, MO HealthNet (Medicaid) covered approximately 485,000 low-income children, which is almost 34% of Missouri's children.⁵

Table 1. 2008 Federal Poverty Level Guidelines (FPL)

Family Size	Annual Income			
	100% FPL	133% FPL	185% FPL	300% FPL
1	\$10,400	\$13,832	\$19,240	\$31,200
2	\$14,000	\$18,620	\$25,900	\$42,000
3	\$17,600	\$23,408	\$32,560	\$52,800
4	\$21,200	\$28,196	\$39,220	\$63,600

Source: U.S. Department of Health and Human Services

Missouri's SCHIP program, called MO HealthNet for Kids, provides health insurance for uninsured children in families with incomes too high to qualify for Medicaid but too low to afford private coverage. The state SCHIP program was established in 1997 as part of the federal Balanced Budget Act. The legislation gave states wide flexibility in designing the eligibility requirements and other coverage policies for their SCHIP programs. Missouri chose to implement the program as an extension of Medicaid and extended health coverage to children whose families' incomes did not exceed 300% of the FPL. This is the current eligibility threshold for the MO HealthNet for Kids (SCHIP) program, though families are required to pay premiums and co-pays on a sliding scale basis. MO HealthNet for Kids covered approximately 64,000 children in fiscal year 2007.⁶

Table 2. MO HealthNet for Kids Cost-Sharing Requirements (2007)

Income as Percentage of Federal Poverty	Sliding Scale Premiums/Co-Pays
Over 150%-185%	1% of family income
Over 185%-225%	3% of family income
Over 225%-300%	5% of family income

Source: MO HealthNet Division

Eligible but Uninsured Children

In FY 2007, MO HealthNet and MO HealthNet for Kids (Medicaid and SCHIP) provided health insurance for 548,000 low-income Missouri children.⁷ An estimated 127,000 children remain uninsured, with approximately two-thirds of them qualifying as low-income according to Medicaid and SCHIP eligibility rules. This means that there are over 83,800 uninsured Missouri children who could be enrolled in public health insurance.⁸ The primary policy issue this paper addresses, then, is the lack of participation by eligible children in public health insurance programs. Reaching these uninsured but eligible youth would help significantly reduce the number of uninsured children in the state.

Why Eligible Children Are Left Uninsured

In 2002, researchers surveyed a national sample of low-income parents with uninsured children and identified a variety of barriers that contribute to restricting access to public health coverage for uninsured but eligible children. The major reasons were:

Lack of awareness of available public health insurance programs

- This study found that 55% of low-income parents with uninsured children were unaware of the SCHIP programs in their states.⁹

Difficult eligibility verification and application processes

- The same study showed that fewer than half of these parents believed applying for Medicaid or SCHIP was easy.¹⁰

Lack of awareness of or confusion about program eligibility requirements

- Of parents who were aware of available programs, only 48% knew their children were eligible for them.¹¹ Another study



indicated that many low-income families are confused about eligibility requirements, with 43% believing their children had to be enrolled in welfare to qualify for SCHIP.¹²

Under federal SCHIP legislation, states have the option of implementing a variety of outreach and enrollment strategies (O&E) in order to address these access barriers. The O&E strategies are designed to target, inform, and ultimately enroll eligible children. Presumptive eligibility is one strategy that is proving to be effective in reaching and enrolling more eligible but uninsured children.¹³

What is Presumptive Eligibility

Presumptive eligibility (PE) is a policy option that allows states to provide immediate but temporary enrollment into state health coverage to children who appear to meet eligibility requirements. Under PE, states designate certain health care providers as “qualified entities,” which could include but is not limited to hospitals, public health departments, and rural health clinics. Presumptive eligibility can be administered only at these qualified entities. When uninsured children visit qualified entities for health care, they can be presumed eligible for public health insurance based on a preliminary income check done by health care staff. Children can then be temporarily enrolled in the program and can receive needed health care at the time of their visit. In addition, providers are reimbursed and states receive their federal match for expenditures related to medical services provided under the auspices of presumptive eligibility, even if the child is later found to be ineligible for the program. To keep coverage, families must be found eligible through the standard determination and application process within a month of receiving presumptive care.

Presumptive Eligibility in Missouri

Missouri has a limited program of presumptive eligibility. Currently, the state offers PE at its four children’s hospitals, which are located in Kansas City, Columbia, and St. Louis. Data from Missouri’s Department of Social Services, however, indicates access rates to health coverage through PE are relatively low.¹⁴

At the end of the 2008 legislative session, Missouri’s General Assembly appropriated \$11.7 million (\$8.5 million federal) to expand presumptive eligibility to all community health clinics. If properly

implemented, this expansion has the potential to reach and enroll a significant number of Missouri’s uninsured children.

Potential Improvements to Presumptive Eligibility in Missouri

With this new funding, the state has the option of expanding PE to federally qualified health centers (FQHC’s) and rural health clinics (RHC’s). Using FQHC’s and RHC’s as qualified entities is especially effective in reaching uninsured children because these facilities operate in areas determined to be medically underserved. This means that they typically serve higher proportions of people who are poor, uninsured or underinsured, lack access to health care, and experience higher instances of illnesses.¹⁵

Also, expanding the number and types of health care providers (qualified entities) that can provide PE would allow Missouri to increase access to SCHIP throughout the state. Currently, the geographic location of Missouri’s qualified entities, the children’s hospitals, does not allow for equal access to health coverage through PE for all children throughout the state.

For example, if we assume that children living within 50-100 miles of these hospitals have access to medical services there, that would still mean that over 50% of children lack access to the state’s children’s hospitals, and the option of being provided with health insurance under presumptive eligibility.¹⁶ Finally, only offering PE at four hospitals limits its effectiveness because it means that children who need only preventive services or routine medical care are left out. These children often access medical care at community-based providers, not hospitals, and thus do not have the option of receiving health coverage under PE if needed.¹⁷

However, by allowing FQHC’S and RHC’s to offer presumptive eligibility, the state would increase its number of qualified entities from 4 to approximately 378.¹⁸ And, with FQHC’s and RHC’s located in every county across the state, the vast majority of uninsured children would have the opportunity to access health coverage through presumptive eligibility regardless of where they live. Finally, because FQHC’s and RHC’s primarily provide community-based, routine medical care, this means that children who do not need hospital-based or emergency medical services will also have the opportunity to access health coverage through PE.



Presumptive eligibility in New Mexico

The state of New Mexico currently offers presumptive eligibility (PE) to uninsured children through a variety of entities, including hospitals, doctor's offices, clinics, schools, state agencies that work with pregnant women and children, and Boy's and Girl's Clubs.

The state's Human Services Department estimates that there are over 1,600 PE determiners in the state. Anyone in the entity can perform PE if they have completed the required one-day training session to become PE certified.

Approximately 1,000 to 1,500 children receive coverage under presumptive eligibility per month, with 68-70% going on through the regular application process to receive Medicaid/SCHIP.¹⁹

The rate of uninsured children in New Mexico has declined over the years, falling from 17% in 1998 to 14% in 2002. Also, after PE was implemented in 2000, the state saw large increases in Medicaid and SCHIP enrollment in FY 2001.²⁰

Benefits of Expanding Presumptive Eligibility

Expanding presumptive eligibility ultimately means that more uninsured children will have access to health coverage, and to the positive benefits that come with being insured.

Increased access to health coverage

- Research indicates that PE increases access to and enrollment in public health insurance by augmenting awareness of available public health insurance programs, and reducing complex determination and application procedures for families. For example, one national survey found that more than half of low-income families of uninsured children would be "much more likely and able" to enroll their children in Medicaid if they were able to: enroll right away and provide the forms later; and if they had the opportunity to enroll at a doctor's office or clinic.²¹
- By increasing the number of children who have insurance, PE helps contribute to decreasing the rate and cost of uncompensated care that is provided to uninsured individuals. PE can be viewed as indirect cost-saving mechanism because of this.

Benefits of being insured

- By providing immediate coverage, PE allows children to obtain prompt attention for their medical needs, which reduces the need for more costly and serious interventions later. When children receive permanent health coverage as a result of PE, they are then more likely to receive regular and preventative care. For example, in 2002 the Kaiser Commission on Medicaid and the Uninsured found that uninsured children were six times more likely than their insured counterparts to lack a regular primary care physician.²²

Challenge of Expanding Presumptive Eligibility

As stated earlier, many health care providers in the state's four currently qualified entities appear to be unaware of the option of presumptive eligibility. An outreach program to these providers to promote the use of PE would likely be necessary in order for the policy to yield its full potential benefits. New Mexico, which has had success with PE, addresses this issue by requiring health care staff at qualified entities to undergo training that teaches them how to identify potentially eligible children and enroll them in public insurance. Also, some states pay qualified entities for every application that results in a child being enrolled in public insurance as an incentive for providers to utilize the option of presumptive eligibility.²³

Overall, expanding presumptive eligibility to FQHC's and RHC's has the potential to yield benefits for Missouri and the state's uninsured children. However, when implementing this expansion, it is important that administrators consider ways to increase health care providers' awareness and utilization of presumptive eligibility.

Conclusion

Of Missouri's 127,000 uninsured children, nearly two-thirds are actually eligible for coverage under Medicaid or SCHIP but are not enrolled in either program. Under federal SCHIP legislation, Missouri has the option of implementing a variety of outreach and enrollment strategies designed to target, reach, and enroll uninsured but eligible children.

Of these strategies, presumptive eligibility appears to be an effective way to reach and enroll thousands of the state's uninsured yet eligible children.



Currently, Missouri offers limited opportunities for families to access Medicaid and SCHIP through PE, but has appropriated new funding to expand these opportunities. Expanding presumptive eligibility would allow more families the opportunity to bypass administrative barriers and enroll their children in public health insurance. It would also mean that more children would receive needed medical care in a timely fashion and continue receiving care regularly. Finally, health care providers would be reimbursed for medical care provided under presumptive eligibility, thus cutting the costs of uncompensated care and yielding benefits for providers and consumers of health care alike.

By expanding presumptive eligibility to FQHC's and RHC's, and by raising awareness of the option among health care providers, Missouri will be in a position to reach and enroll more of its uninsured children. Ultimately, this should contribute to lower health care costs in the state, as well as healthier and more productive children.

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¹⁶ Includes the counties of Jackson, Clay, Platte, St. Louis, St. Charles, Jefferson, Franklin, Boone, and Cole, which have a total of 700,646 children. The state's total child population is 1,416,952. Numbers derived from the U.S. Census Bureau, State and County Quick Facts (2006). Available at <http://quickfacts.census.gov/qfd/states/29000.html>.

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Author Biography

Laura McComas graduated from the Harry S Truman School of Public Affairs in 2008 with a Master's in Public Affairs and a concentration in public policy. She also received a BS in Social Work from the University of Missouri-Columbia.

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Institute of Public Policy
137 Middlebush
University of Missouri
Columbia, MO 65211
<http://www.truman.missouri.edu/ipp>

