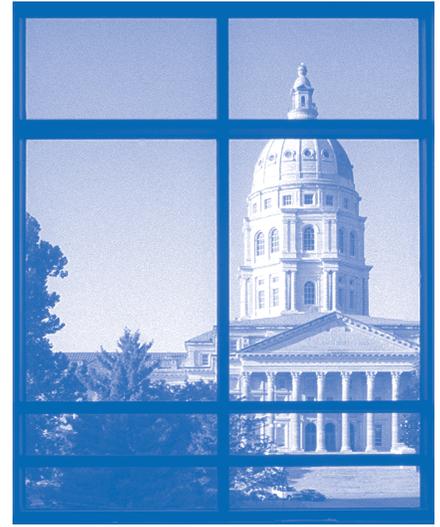


# Research Brief



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## Who are the children enrolling in SCHIP and Medicaid?

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## Findings from the HealthWave Evaluation Project

*This is the first in a new series of Research Briefs by the Kansas Health Institute summarizing findings from a comprehensive evaluation of the State Children's Health Insurance Program (SCHIP, also known as HealthWave). This publication and other related reports are available on our Web site at [www.khi.org](http://www.khi.org).*

### Results in Brief

This report describes characteristics of children entering SCHIP and Medicaid, as well as characteristics of their families.

- SCHIP was designed to provide insurance coverage to children in low-income, working families earning too much to qualify for Medicaid, but unable to afford private insurance.

- Consistent with this intent, 87 percent of enrollees in SCHIP had at least one employed parent. Medicaid enrollees' parents were less likely to be employed; nevertheless, two-thirds (68 percent) of Medicaid children had at least one working parent.

- SCHIP enrollees lived in households whose head attained higher educational levels; they also were more likely than children in Medicaid to have family incomes above the federal poverty level.

- Because Medicaid allows younger children to qualify for coverage with higher family incomes, it tended to enroll more young children. SCHIP enrolled larger proportions of older children and adolescents.

- Demographic measures show SCHIP serves children of low-income, working families, consistent with the design of the program. Medicaid serves a younger population with greater economic needs.

## Introduction

In 1997, Congress created the State Children’s Health Insurance Program (SCHIP) under Title XXI of the Social Security Act. SCHIP provides federal funds to state programs of health insurance for uninsured, low-income children who are not eligible for Medicaid.

Medicaid covers children in very low-income families, including families transitioning from welfare to work, along with having special eligibility categories for disabled and low-income adults with high medical expenses. States are permitted to use SCHIP funds to expand Medicaid plans, establish a health insurance program with benefits similar to employment-based coverage, or a combination of both. The SCHIP program in Kansas, originally a separate program, was integrated in 2001 with the state’s Medicaid program, under the name HealthWave.

Children must meet age and family income standards to be eligible; Medicaid income thresholds allow enrollment with family income up to 150 percent of federal poverty levels (FPL) up to age one, 133 percent FPL up to age six, and 100 percent FPL between ages six and 19. SCHIP extends coverage to children with incomes up to 200 percent of the FPL.

## Key Findings

Children enrolling in SCHIP were more likely to have employed parents, and reside in households with greater educational attainment and comparatively higher incomes, than children enrolling in Medicaid.

SCHIP covers a larger proportion of children whose parents are employed full-time than Medicaid [See figure opposite]. Compared to 47 percent of Medicaid enrollees, 68 percent of SCHIP children had at least one parent who was employed full-time. The large proportion of full-time workers among SCHIP parents raises the question: to what degree does the program provide insurance coverage for working families for whom private employment-based coverage may be an option? Future Research Briefs will address this question.

Large proportions of Medicaid-eligible families also participate in the labor force; only 32 percent of Medicaid children are in families where neither parent is working.

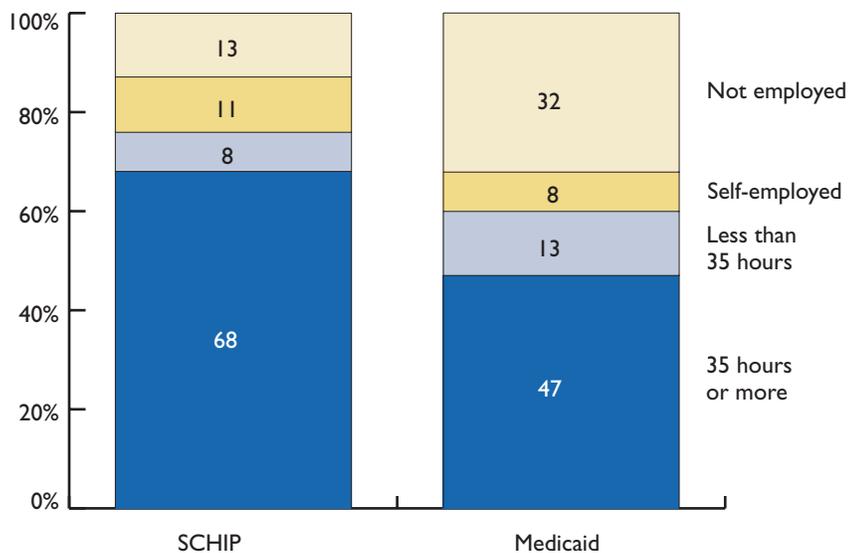
SCHIP enrollees tend to live in households whose heads achieved greater levels of education than those of Medicaid enrollees [See table below]. Among chil-

### SCHIP Families Have Higher Education, Greater Income, and Are More Likely to Have Two Parents

	SCHIP	Medicaid
<b>Educational Attainment of Head of Household</b>		
Less than High School	6%	9%
High School Graduate	58%	65%
Some College	22%	20%
College Graduate or Higher	14%	6%
<b>Family Income &lt;150% of Federal Poverty Level*</b>	68%	81%
<b>Number of Parents in Household</b>		
Two	55%	45%
One	45%	54%

\*In 2001, 150% of the Federal Poverty Level was \$26,475 for a family of four. Totals may not sum to 100% because of rounding.

## Most Parents of Public Health Insurance Enrollees Are Employed



Kansas Health Institute, 2003

dren enrolling in SCHIP, 36 percent lived in households where the head of household attended at least some college or were college graduates, compared with 26 percent of children in Medicaid. The difference in the eligibility criteria of SCHIP and Medicaid is also reflected in the relative difference in family incomes of enrollees. For children enrolling in Medicaid, 81 percent were in families below 150 percent FPL, compared with only 68 percent of children enrolling in SCHIP.

Consistent with these other socioeconomic advantages, SCHIP enrollees were somewhat more likely to reside in two-parent households (55 percent vs. 45 percent in Medicaid). Differences between the programs in enrollees' race and ethnicity and their experience of language barriers will be explored in later Research Briefs.

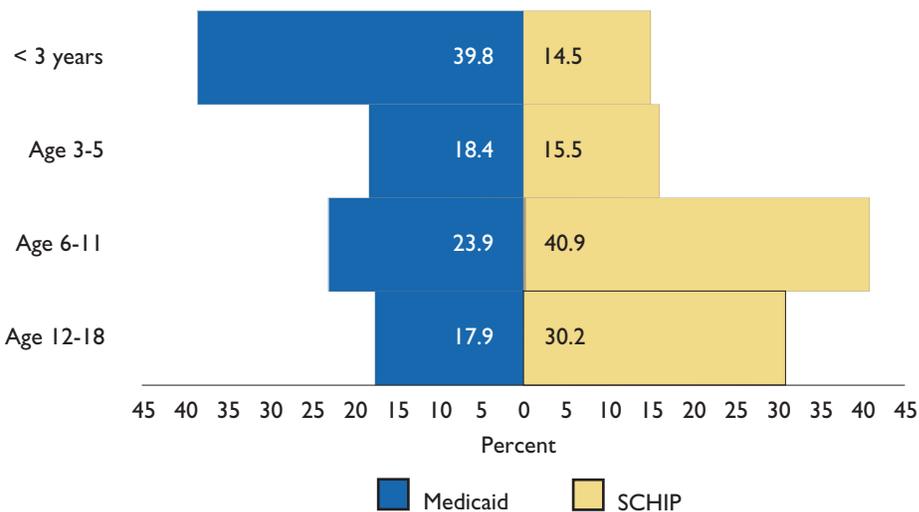
### SCHIP children tend to be older than Medicaid children.

Because children under the age of six are allowed to enroll in

Medicaid at higher family income levels, children enrolling in SCHIP were more likely to be older children and adolescents [See figure below].

SCHIP provides larger numbers of older children access to Kansas health programs. The programs should assure that providers are available to meet the special health care needs of adolescents, such as counseling for at-risk behaviors.

### SCHIP Tends to Enroll Older Children Than Medicaid



Kansas Health Institute, 2003

**“Although SCHIP and Medicaid are both health insurance programs directed at low-income children, their enrollees differ in a number of ways that are consistent with the policies for gaining eligibility in each program.”**



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The Kansas Health Institute is an independent, nonprofit health policy and research organization based in Topeka, Kansas. Established in 1995 with a multi-year grant from the Kansas Health Foundation, the Kansas Health Institute conducts research and policy analysis on issues that affect the health of Kansans.

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**Most enrollees in both SCHIP and Medicaid reside in urban areas, but Medicaid enrollment is more heavily urban.**

Program enrollment is proportionate to the share of the total Kansas population (85 percent) residing in urban areas and densely settled rural counties (those with 20 or more persons per square mile). Most children newly enrolling in SCHIP (81 percent) and Medicaid (86 percent) lived in these counties.

## **Discussion and Policy Implications**

Although SCHIP and Medicaid are both health insurance programs directed at low-income children, their enrollees differ in a number of ways that are consistent with the policies for gaining eligibility for each program. Families with chil-

dren in SCHIP are of somewhat higher socioeconomic status than families with children enrolled in Medicaid; SCHIP children live in families with greater educational attainment, more work force participation, and relatively greater incomes.

Children newly enrolled in SCHIP also tend to be older, which is consistent with the age differences in program eligibility. SCHIP provides health insurance for low-income families who may have improved their economic status (relative to most Medicaid families) as they and their children mature. Although most children enrolling in SCHIP have parents who are employed full-time, SCHIP provides access to health insurance coverage that may not be available or affordable at their place of employment.

## **About the HealthWave Evaluation Project**

This project led by the Kansas Health Institute includes a survey of the families of 1,324 children who were newly enrolled in Medicaid or SCHIP to evaluate the impact of the SCHIP program in Kansas. The survey, conducted in 2001 with a follow up in 2002, was designed to be representative of all children under age 19 enrolling in SCHIP and non-disabled children under age 19 enrolling in Medicaid. Interviews were conducted in English, or upon request in Spanish, with an adult respondent who was responsible for the enrolled child; in 92 percent of the cases, this was a parent. The findings in this Research Brief are based on the results of this survey.

## **Project Funding**

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