



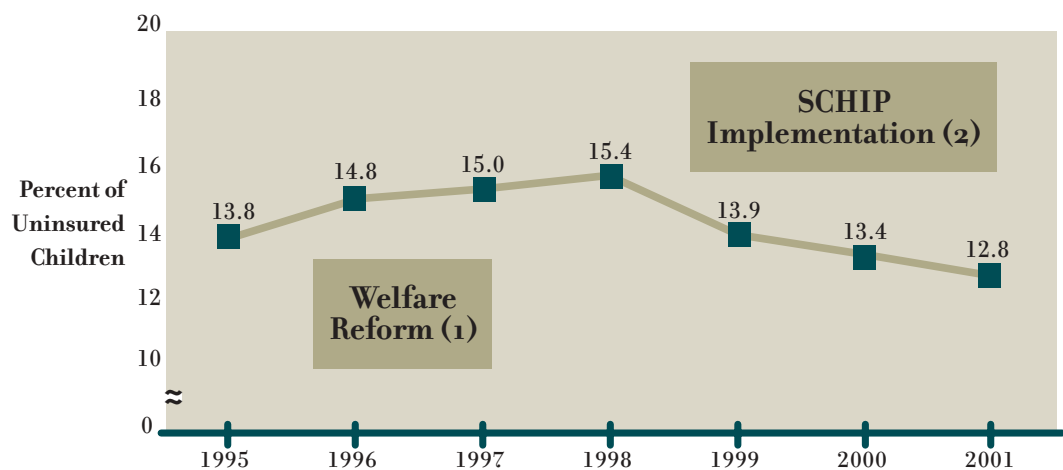
A Comparison of Children's Uninsurance Rates Across the States: 1995-96 to 2000-01

In the mid nineties, the rates of uninsured children climbed following the enactment of welfare reform, as many previously insured children became ineligible for Medicaid.¹ In 1997, the State Children's Health Insurance Program (SCHIP) was enacted as Title XXI of the Social Security Act. From 1997 to 2000, all states developed and implemented programs under SCHIP. Many of these states, such as Tennessee and Missouri, have made significant efforts to identify and insure children who are not covered by a health insurance plan. During that same period, employer-sponsored coverage grew slightly for the population as a whole² but decreased for children.³ Despite this decrease in private coverage, the Current Population Survey's (CPS) two-year average

uninsurance estimates show that more American children had health insurance coverage in 2000-01 than in 1995-96.

In 2001, approximately 8.5 million children did not have health insurance, down from over 10 million in 1996. Here, we assess the changes in health insurance coverage among children across the states for the five-year time period spanning Welfare Reform and the enactment and implementation of SCHIP. Estimates used for all comparisons between 1995 and 2001 are adjusted for the verification question added to the CPS health insurance module in 2000^{4,5}. With the exception of Figure 1, we use 2-year averages for 1995-96 and 2000-01. For observations pertaining only to 2000-01 (Table 2), we used verified data.

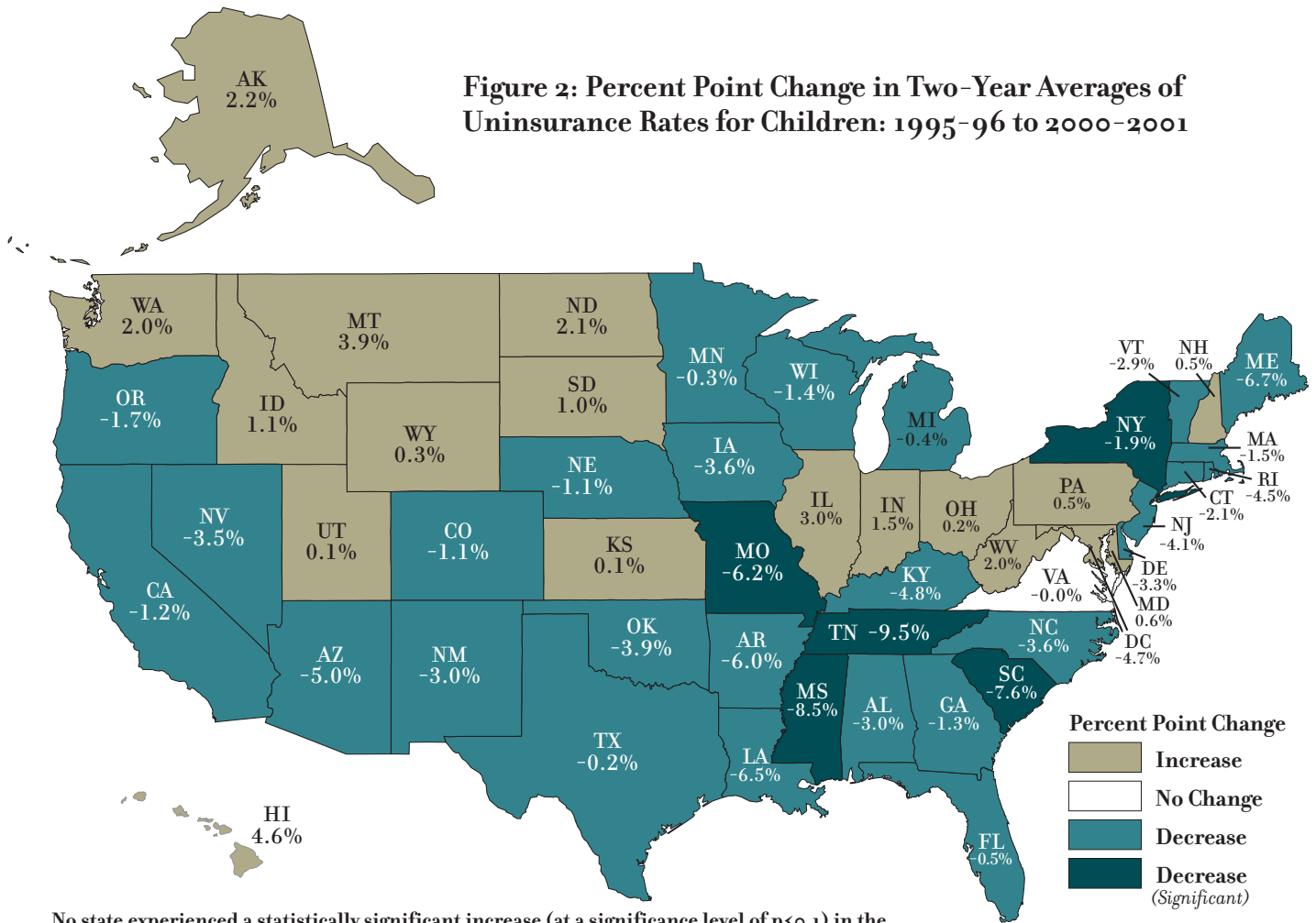
Figure 1: National Children's Uninsurance Rates Between 1995 and 2001



Source: Historic Health Insurance Tables. March Supplement 2001 CPS



Figure 2: Percent Point Change in Two-Year Averages of Uninsurance Rates for Children: 1995-96 to 2000-2001



No state experienced a statistically significant increase (at a significance level of $p < 0.1$) in the number of uninsured children during this time period.

Changes in the Number of Uninsured Children from 1995-96 to 2000-01

Although an important catalyst, SCHIP was only one factor in the increase in coverage. SCHIP outreach efforts led to an increase in Medicaid enrollment,⁶ and the economy at this time was experiencing robust growth. These were also important contributions to the decrease in uninsured children.⁷

Variation in Percent Change Across States

In general, states with the lowest uninsurance rates for children in 1995-96 retain the lowest rates in 2000-2001. In addition, many of the states with the highest uninsurance rates in 1995-96 were among those with the

most noticeable decreases in uninsured children over the five-year period. Tennessee led the nation with the largest decrease in the number of uninsured children from 1995-96 to 2000-01, reducing the child uninsurance rate by approximately 10% over five years.

A few states have shown little or no improvement. The chart below shows that only five states made statistically significant decreases in their rates of uninsured children. In 2000-01, one in five children in Texas remained uninsured, and in Arizona, New Mexico, and California, approximately one in six children had no health coverage. An additional ten states that did not have significant decreases in their rates of uninsured children remain above the national average.



Figure 3: Two-Year Average Uninsurance Rates for Children 1995-96 to 2001-01

State	Rate of Uninsured Children 1995-96 (2-yr avg.)	Rate of Uninsured Children 2000-01 (2-yr avg.)	Percent Point Change Between 1995-96 & 2000-01	State	Rate of Uninsured Children 1995-96 (2-yr avg.)	Rate of Uninsured Children 2000-01 (2-yr avg.)	Percent Point Change Between 1995-96 & 2000-01
Alabama	12.9	9.8	-3.0	Montana	10.5	14.4	3.9
Alaska	11.1	13.3	2.2	Nebraska	9.2	8.1	-1.1
Arizona	22.5	17.5	-5.0	Nevada	19.9	16.4	-3.5
Arkansas	19.2	13.2	-6.0	New Hampshire	7.6	8.1	0.5
California	17.6	16.4	-1.2	New Jersey	15.3	11.2	-4.1
Colorado	16.1	14.9	-1.1	New Mexico	20.6	17.6	-3.0
Connecticut	10.4	8.3	-2.1	New York**	13.5	11.6	-1.9
Delaware	13.4	10.1	-3.3	North Carolina	15.1	11.5	-3.6
District of Columbia	16.3	11.6	-4.7	North Dakota	8.2	10.3	2.1
Florida	18.3	17.8	-0.5	Ohio	9.8	9.9	0.2
Georgia	15.0	13.6	-1.3	Oklahoma	20.9	16.9	-3.9
Hawaii	6.1	10.7	4.6	Oregon	13.9	12.2	-1.7
Idaho	13.0	14.1	1.1	Pennsylvania	8.1	8.6	0.5
Illinois	9.6	12.6	3.0	Rhode Island	9.4	4.9	-4.5
Indiana	11.5	12.9	1.5	South Carolina**	17.9	10.3	-7.6
Iowa	10.9	7.3	-3.6	South Dakota	8.3	9.2	1.0
Kansas	10.7	10.8	0.1	Tennessee***	16.8	7.3	-9.5
Kentucky	15.7	10.9	-4.8	Texas	23.5	23.3	-0.2
Louisiana	21.3	14.8	-6.5	Utah	10.6	10.6	0.1
Maine	14.5	7.8	-6.7	Vermont	7.9	4.9	-2.9
Maryland	10.5	11.1	0.6	Virginia	10.7	10.7	0.0
Massachusetts	8.8	7.3	-1.5	Washington	9.9	11.9	2.0
Michigan	7.9	7.5	-0.4	West Virginia	8.4	10.4	2.0
Minnesota	6.9	6.5	-0.3	Wisconsin	6.5	5.1	-1.4
Mississippi*	19.2	10.7	-8.5	Wyoming	12.6	12.9	0.3
Missouri**	13.1	6.9	-6.2	U.S.***	14.3	13.1	-1.2

Asterisks correspond to the following significance levels: *p<0.1, **p<0.05, ***p<0.01. Results without asterisks are not significant.
 Source: 1995-1996 and 2000-2001 Historic Health Insurance Tables and March Supplement 2002 CPS.

Distribution of Uninsured Children

Uninsurance among children varies a great deal across the states, with the highest rates concentrated in the Southwest region. Over forty percent of all the uninsured children in the U.S. live in three states-California, Texas, and Florida, while only twenty-eight percent of all the nation's children live in these states. By contrast, the large number of uninsured children in New York and Illinois is a function of the large total populations of children in those states, not of high uninsurance rates. Nine percent of the nation's uninsured children live in New York and Illinois, but eleven percent of all of the children in the country reside in these two states.

Figure 4: Distribution of Uninsured Children Across States in 2000-01

Highest Numbers of Uninsured Children		
State	Number of Uninsured Children	Percent of Total Uninsured Children in U.S.
California	1,466,500	17.13
Texas	1,358,500	15.86
Florida	643,000	7.51
New York	462,000	5.34
Illinois	328,000	3.84
Total Highest 5	4,207,000	49.68

Source: Historic Health Insurance Tables, March Supplement 2001 CPS



Conclusions

With increased federal flexibility, states have been able to tailor SCHIP and Medicaid programs to their specific needs. However, this flexibility in the use and design of the programs has made comparative analysis more difficult. Nonetheless, monitoring trends at the state level is critical to understanding the changing dynamics of health insurance coverage.

This preliminary assessment shows a marked decrease in the uninsurance rates for children following the implementation of SCHIP. While this analysis did not control for local environment and other effects, it is evident that many states had great success in lowering their children's uninsurance rate over this five-year period. These accomplishments are encouraging and should be closely watched to monitor the effects of changes in the trend over time.

Notes

- ¹ Guyer, Jocelyn. Uninsured Rate of Poor Children Declines but Remains Above Pre-welfare Reform Levels. Center on Budget and Policy Priorities 2000. Washington, DC. <http://www.cbpp.org>.
- ² Holahan, John; Pohl, Mary Beth. Changes in Insurance Coverage: 1994-2000 and Beyond. Health Affairs Web Exclusive. April 3, 2002.
- ³ Cunningham, Peter J.; Reschovsky, James D.; Hadley, Jack. SCHIP, Medicaid Expansions Lead to Shifts in Children's Coverage. Center for Studying Health System Change. Issue Brief No. 59. <http://www.hschange.org/CONTENT/508/>
- ⁴ All SCHIP statistics have been taken from SCHIP Annual Reports. Uninsurance rates, Medicaid rates, and unemployment statistics have been taken from the CPS.
- ⁵ State Health Access Data Assistance Center (SHADAC) Issue Brief #4: What is Behind the 8 Percent Drop in Uninsurance: Changes in CPS Health Insurance Measurement and the Effect on State Policy.
- ⁶ Centers for Medicare and Medicaid Services. The State Children's Health Insurance Program Annual Enrollment Report. Federal Fiscal Year 2001; October 1, 2000-September 20, 2001. February 6, 2002
- ⁷ Park, Michael H.; Cunningham, Peter J. Some Communities Make Progress in Reducing Children's Uninsurance. Center for Studying Health System Change 2000. Data Bulletin No. 19. <http://www.hschange.org>

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