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State Health Access Data Assistance Center

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A Profile of Parents with Publicly Insured Children in Montana

Background

Almost half of working families with incomes below 100% of the federal poverty level are uninsured.[1] Low wage workers have little access to employer-sponsored health insurance because many employers of low wage workers often don't provide coverage for their employees. Even when health insurance is offered, many low wage workers cannot afford the coverage because of its cost. For example, employees of low wage firms pay more for coverage than their high wage counterparts—37% versus 23% of premium costs, respectively.[2]

In an attempt to expand health insurance coverage to the uninsured through the State Children's Health Insurance Program (SCHIP), states have focused on covering uninsured children. Programs targeting parents have often been lower priorities as states allocate limited resources. As a result, eligibility criteria for programs like Medicaid are more restrictive for low income parents than for low income children; and low income parents are much more likely to be uninsured than their children.

In the last decade, however, at least sixteen states have expanded coverage for parents of children eligible for Medicaid or SCHIP, either through §1115 demonstration waivers, or through the new Health Insurance Flexibility and Accountability Initiative (HIFA).[3] HIFA waivers afford states greater flexibility than they have had in the past in expanding coverage for parents under Medicaid or SCHIP.

States are targeting parents for two primary reasons. First, until fairly recently, most state health care expansion efforts have targeted children. Nationally, low income parents are substantially more likely than their children to be uninsured, and are therefore less likely than their children to have access to health care. This is true for Montana as well, where 17 percent of children, but 24 percent of non-elderly adults, lack health insurance coverage. And, while 16 percent of children are enrolled in Medicaid or Montana's Children's Health Insurance Plan (CHIP), only 6 percent of non-elderly adults have public insurance. Second, in addition to closing the coverage gap for parents, many states have increased the enrollment of uninsured children in Medicaid and SCHIP by providing parents with similar sources of coverage. Recent evidence that children enrolled in public health care programs are significantly more likely to receive health care—in particular, preventive care—if parents are also enrolled in the program underscores the importance of looking at the uninsured parents of publicly insured children.[4]

What are the costs and benefits of expanding coverage for parents in Montana, either through Medicaid or CHIP? Using results from the 2003 Montana Household Survey, this issue brief explores this question, summarizing what is known about the parents of publicly insured children in terms of their demographic characteristics and insurance status. Moreover, in light of the evidence that the coverage status of the parents of publicly insured children affects health care utilization, this issue brief also summarizes the health care seeking behavior of the uninsured parents of publicly insured children.

Demographic Characteristics

Table 1 provides a comparison of different demographic characteristics for parents with publicly insured, privately insured, and uninsured children. In general, parents with publicly insured children are more likely to be female, unmarried, unemployed, and to have lower educational attainment than parents with uninsured or privately insured children. In addition, parents with publicly insured children are more likely to be living at or under the federal poverty level, which is consistent with public program eligibility requirements. Finally, with respect to gender, marital status, education, and income, parents with publicly insured children have more in common with parents of uninsured children, than with parents of privately insured children.

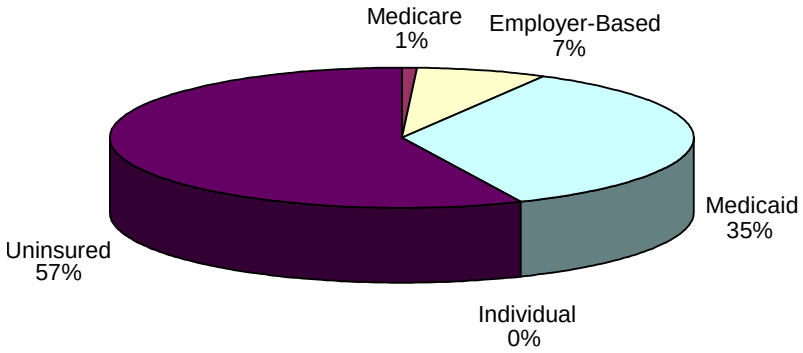
Table 1: Demographic Characteristics of Parents by Children's Insurance Status

	Percent of Parents with Children Who Are:		
	Publicly Insured	Uninsured	Privately Insured
Gender			
Male	38	54	66
Female	62	46	34
Marital Status			
Not Married	57	43	24
Married	43	57	76
Education			
Less than high school	11	6	7
High school graduate	45	43	24
Some college or college graduate	44	50	70
Residence			
Rural	49	48	38
Urban	51	52	62
Income			
Less than 100% FPL	44	12	1
100-150% FPL	27	24	7
151-200% FPL	15	28	15
Greater than 200% FPL	14	36	77
Employment			
Self-Employed	18	21	22
Employed	51	70	70
Unemployed/Other	32	9	8

Insurance Status

Figure 1 illustrates the health insurance status of Montana's parents with children insured through Medicaid or CHIP. The majority (57%) are uninsured. Over a third (35%) are covered through public programs like their children, and only 7% have employer-sponsored health insurance, even though nearly 70% of these parents are employed.

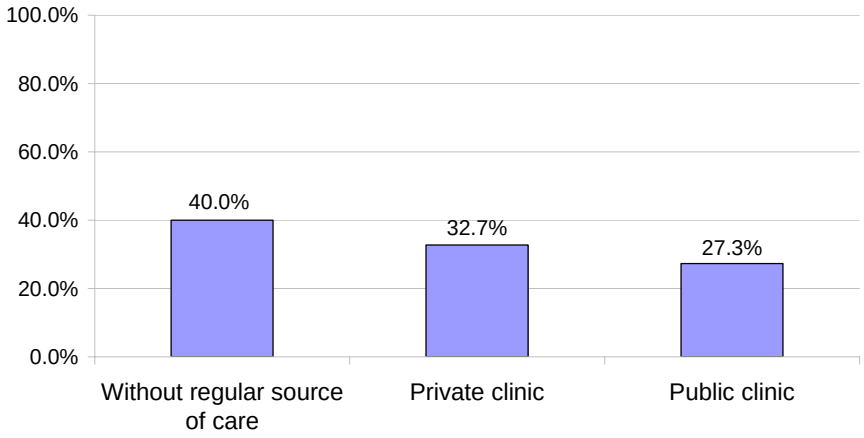
Figure 1: Insurance Status of Parents with Publicly Insured Children



How Are Uninsured Parents with Publicly Insured Children Getting Medical Needs Met?

Having a regular source of care is associated with fewer delays in getting care, better preventive care, and better treatment.[5] Figure 2 shows the places that uninsured parents of publicly insured children go to receive regular medical care. A third of this group reports their regular source of care is a private clinic while the remaining proportion (27%) indicate

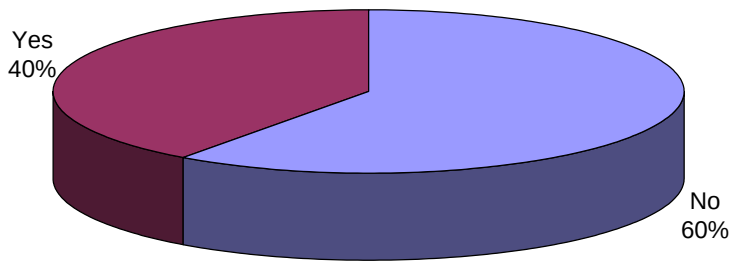
Figure 2: Places Where Uninsured Parents with Publicly Insured Children Receive Regular Medical Care



that they utilize public clinics such as free and/or community-based clinics.

Figure 3 shows that a substantial percentage (40%) of the uninsured parents of publicly insured children have postponed medical care in the past year. Of this group, the vast majority (96%) indicated that the reason for postponing care was lack of insurance (data not

Figure 3: Percentage of Uninsured Parents with Publicly Insured Children that Postponed Medical Care in the Past Year



shown).

Implications for Policy

Some potentially important target groups for coverage expansion options and/or crafting outreach strategies to parents of publicly insured children include unmarried females and those who are unemployed. No single strategy is likely to be effective in expanding coverage for all of these groups, however. Consequently, policy options will need to be tailored to particular groups of people.

Forty-three percent of Montana's parents with publicly insured children already have health insurance, either through Medicaid or to a far lesser extent, through their employers. Because Montana's current Medicaid eligibility levels for parents reflect federal minimums, however, an expansion of coverage for parents would likely provide potential access to a significant percentage of uninsured parents. This analysis does not address the extent to which these newly eligible parents would enroll, but such an expansion would have the *potential* to significantly increase the percentage of these parents with health insurance coverage.

If market-based approaches to reducing rates of uninsurance among parents are preferred, these data suggest that options involving premium subsidies may not have a high probability of success. Sixty-nine percent of parents with publicly insured children are employed, but only a fraction (7%) of these individuals have employer-sponsored health insurance. A premium subsidy program may not be effective in targeting low-income uninsured parents in

Montana because most of these individuals have not received offers of health insurance from their employers. Tax credits for low-income parents or their employers may prove to be more viable approaches.

Additionally, Montana's 2003 Household Survey reveals that just over a quarter (26%) of the State's children below 150 percent of the federal poverty level remain uninsured, despite their probable eligibility for Medicaid or CHIP. Some states have addressed this problem by expanding coverage for *parents.* States that have expanded their family-based coverage have a higher program participation rate among eligible children.[6]

Finally, along with other states experiencing limited resources and rising health care expenditures, Montana will undoubtedly face challenges in reducing the number of uninsured parents. However, findings presented here suggest opportunities in doing so. Forty percent of uninsured parents with publicly insured children do not have a regular source of medical care. Increasing access to health insurance among Montana's parents would be a step toward expanding the access and use of preventive care, and reducing the unnecessary costs associated with serious medical conditions that could otherwise be prevented with earlier treatment.

The opinions expressed in these briefs represent those of the authors. Any questions or comments are welcome and should be directed to shadac@umn.edu.

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