



Children's Health Insurance in Indiana

Key Facts 2006

Percent of Indiana children without health insurance	8%
Percent of U.S. children without health insurance	12%
Percent of Indiana children insured through private insurance	73%
Percent of U.S. children insured through private insurance	65%
Number of Indiana children without health insurance	122,750
Number of Indiana children enrolled in Hoosier Healthwise	584,000
Percent of uninsured Indiana children that are eligible for Hoosier Healthwise	59%

The national debate on health care reform provides an opportunity to examine the state of insured children in Indiana. Reform could affect not only the number of children insured, but also the quality and accessibility of health insurance for children. Data show the benefits of health insurance extend beyond ensuring payment for doctors visits and prescriptions. Insured children are likely to have better health in childhood, lower rates of avoidable hospitalizations, and lower childhood mortality than their uninsured peers.¹

Furthermore, children with health insurance are more likely to have a regular doctor who can provide personalized care based on their knowledge of the child's medical history. Having a "usual source of care" is associated with being up-to-date on immunizations, early detection of hearing and vision problems, and receiving more cost-

effective care.^{2,3,4} Without access to a regular doctor, parents are more likely to rely on the emergency room as their source of care and to forgo necessary medical, dental or other health care for their children.⁵

In addition to increasing the likelihood that children will receive basic health care needs,^{6,7} health insurance coverage also can affect children academically and socially. Being sick and missing school can be barriers to academic achievement that are less likely for insured children than for their uninsured peers.^{8,9,10}

The public policy debate on health care reform raises the importance of having accurate data on the state of children's health insurance in Indiana. The scope of any proposed solution is determined by the size of the problem being addressed, and accurate data can provide that measurement. The data on health insurance coverage for Indiana's children reveal several interesting components to the overall story: the percentage of children covered by public and private health insurance compares quite favorably with the rest of the nation; the majority of uninsured kids in Indiana are eligible for public plans but are not enrolled; and the remainder of Indiana's uninsured kids are not eligible for public programs.

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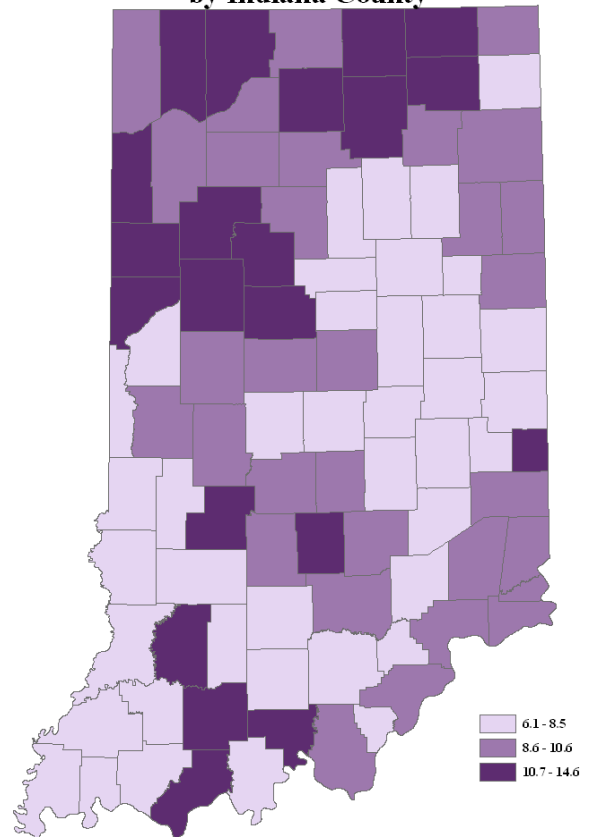
Numbers of Indiana Children Insured

Several organizations collect survey data on children's health insurance, but each measures insurance differently. Some surveys measure the number of people who have been insured over the past year, while others focus on those with insurance only at the time of the survey. Furthermore, each state uses a distinct term to describe its public insurance plan, so surveys also differ in the way they define public and private insurance.

IYI has chosen to highlight the following two sources of data because they are government-initiated and include the most comprehensive Indiana-specific data available: U.S. Census Bureau's Current Population Survey and program enrollment numbers directly from Hoosier Healthwise.

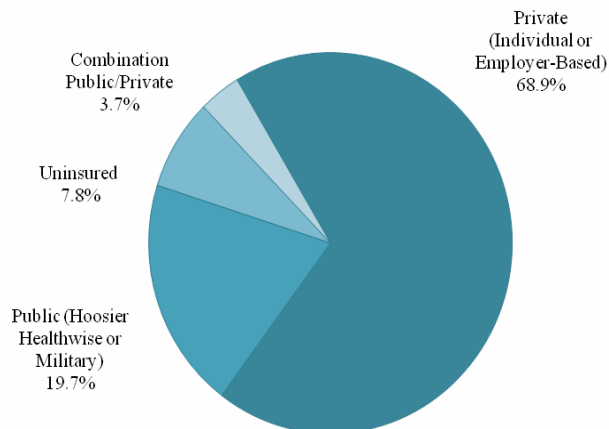
The U.S. Census Bureau reports that in 2006 more than 8.5 million U.S. children are uninsured (11.7%), and more than 150 thousand Indiana children are uninsured (7.8%). The five Indiana counties with the highest percentages of uninsured children are Porter, 14.6%; Benton, 13.5%; Marshall, 13.4%; Noble, 13.2%; and Kosciusko, 12.9%.¹¹ A list of insurance rates for all Indiana counties can be found at www.census.gov/did/www/sahie/

Percent of Children under age 19 Uninsured by Indiana County



Source: U.S. Census Bureau, Small Area Health Insurance Estimates, 2006
<http://www.census.gov/did/www/sahie/>

Type of Insurance for Indiana Children 0-17



Source: Current Population Survey Annual Social and Economic Supplement, 2007

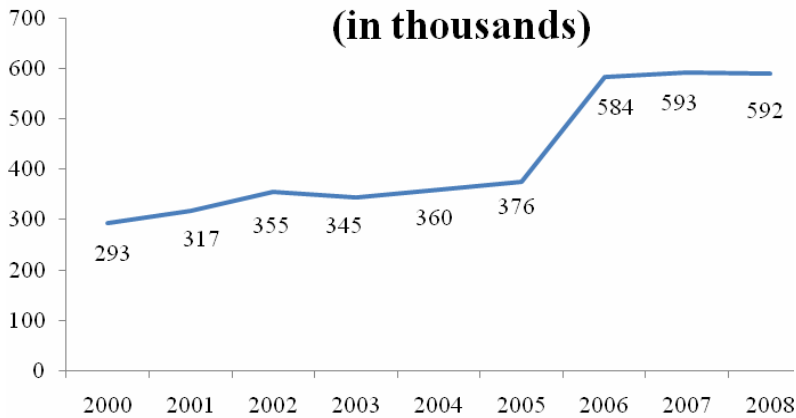
These Census Bureau estimates are based on a survey that asks whether a person was insured in the last 12 months. Therefore, someone only counts as uninsured if they lacked insurance for the entire previous year. Researchers contend that the number of people who lacked health insurance for the past year is actually lower than the Census estimate because respondents tend to under-report (or forget about) their Medicaid enrollment.¹²

Another way to look at the number of insured children is to examine how many children were uninsured at any point during the last year. The National Survey for Children's Health reported that about 15 % of Indiana children were uninsured for all or part of 2007.¹³

The Census reports that 72.6% of Indiana children were covered by private insurance, which includes individually purchased and employer-based insurance. Nationally, 64.6% of children are covered privately.

Within the privately insured population, about 94% of children are insured through their parent's employer. One study found that only 38% of Indiana employers with fewer than 50 employees provide health insurance, but 97% with more than 50 employees provide it.¹⁴

Number of Children Enrolled in Hoosier Healthwise (in thousands)



Source: Indiana Family and Social Services Administration, 2008

Hoosier Healthwise encompasses all of Indiana’s public insurance options for children. Of children ages 17 and under, 591,670 were enrolled in Hoosier Healthwise in 2008. Nearly half of Indiana’s children are eligible to receive free or low-cost health insurance, but a tenth of those eligible (75,564) have not enrolled.

Those children who are eligible but not enrolled account for 59% of Indiana’s uninsured children. However, the remaining 41%— more than 52 thousand children in Indiana— are uninsured and are not eligible for government programs.¹⁵

While the number of children who meet the low-income eligibility guidelines for Hoosier Healthwise increased by 100 thousand from 2004 to 2009, the percentage of low-income children who are uninsured dropped nine percentage points.¹⁶

Public Health Insurance in Indiana

Through two national programs, the State Children’s Health Insurance Program (SCHIP) and Medicaid, each U.S. state has access to Federal money that goes toward insuring America’s low-income children. This money is distributed to citizens through state-run programs, each of which has its own name and structure. In Indiana, Hoosier Healthwise is the only program that disburses SCHIP and Medicaid money to children under age 19 in the form of health insurance.

Various programs within Hoosier Healthwise have differing eligibility criteria based on a child’s family income as a percent of the federal poverty level (FPL).

For instance, children in the poorest families (under 150% of the FPL) are eligible to receive *free* healthcare, while children in families between 150% and 250 % of the FPL are eligible for low-cost coverage. Premiums for low-cost coverage range from \$22 to \$53 per month for one child and \$33 to \$70 for two or more children. The chart above shows the monthly average income that qualifies families of different sizes to be eligible for free and low-cost health coverage.

Family Monthly Income/Asset Guidelines for Hoosier Healthwise Eligibility Through February 2010

Family Size	Free (< 150%)	Low-Cost (150% - 250%)
1	\$1,354	\$2,257
2	\$1,822	\$3,036
3	\$2,289	\$3,815
4	\$2,757	\$4,594
5	\$3,224	\$5,373

The Indiana General Assembly authorized insurance coverage through Hoosier Healthwise for children in families up to 300% of the poverty level; however, implementation currently stands at 250% of FPL. Raising eligibility from 200% FPL to 250% FPL in October 2008 made health insurance available to 1,047 new enrollees under age 18 in the first three months.

All Hoosier Healthwise members are able to select one of three managed care organizations (Anthem, Managed Health Services, or MDwise) or are assigned one if they do not choose within three months. Beneficiaries have access to all healthcare providers within the managed care organization they have chosen. The benefits offered include¹⁷:

Benefits offered through Hoosier Healthwise

Medical Supplies/Equipment	Clinic Services
Home Health Care	Well-Child Visits
Substance Abuse Services	Dental Care
Nurse Practitioner Service	Vision Care
Nurse Midwife Services	Chiropractors
Family Planning Services	Doctor Visits
Lab and X-Ray Services	Therapies
Mental Health Care	Foot Care
Prescription Drugs	Hospital Care

In summary, Indiana children fare better than the national average in having access to health insurance, yet about one in thirteen are still uninsured. While more than half of those uninsured children are eligible for state-provided insurance through Hoosier Healthwise, a significant number of uninsured children (52,000) are not eligible for public insurance and do not have access to private insurance. These statistics accurately measure the size of the healthcare issue and can be useful in determining the scope of proposed solutions.

¹ Baker Institute Policy Report. (June, 2009) *The Economic Impact of Uninsured Children on America*. Rice University

² Philip J. Smith, Jeanne M. Santoli, Susan Y. Chu, Dianne Q. Ochoa, and Lance E. Rodewald. (July 2005), *The Association between Having a Medical Home and Vaccination Coverage among Children Eligible for the Vaccines for Children Program*, *Pediatrics*, 116:1 p130-139.

³ Barbara Starfield and Leiyu Shuh. (May 2004), *The Medical Home, Access to Care, and Insurance: A Review of the Evidence*, *Pediatrics*, 113: 5 p1,493-1,498.

⁴ Brett Brown, et al. (September 2004). *Early Child Development in Social Context: A Chartbook* New York: The Commonwealth Fund.

⁵ Baker Institute Policy Report. (June, 2009) *The Economic Impact of Uninsured Children on America*. Rice University

⁶ Robin A. Cohen and Barbara Bloom. (2005) *Trends in Health Insurance and Access to Medical Care for Children Under Age 19 Years: United States, 1998-2003* Hyattsville, MD: National Center for Health Statistics.

⁷ 2002-2004 U.S. Census data merge of children under age 19, conducted in March 2006 by Mark Merlis for Families USA.

⁸ Lynn A. Karoly, M. Rebecca Kilburn, and Jill S. Cannon. (2005) *Labor and Population Research Brief: Children at Risk, Consequences for School Readiness and Beyond* Santa Monica: The RAND Corporation.

⁹ U.S. Department of Health and Human Services. (2005) *Asthma's Impact on Children and Adolescents* Atlanta: Centers for Disease Control and Prevention, National Center for Environmental Health, available online at <http://www.cdc.gov/asthma/children.htm>.

¹⁰ Institute of Medicine. (2003) *Hidden Costs, Value Lost: Uninsurance in America* Washington: National Academies Press.

¹¹ U.S. Census Bureau. (2006) *Small Area Health Insurance Estimates*. <http://www.census.gov/did/www/sahie/>

¹² Klerman, J.A.; Darvern, M.; Thiede Call, K.; Lunch, V.; and Ringel, J.D. (September, 2009) *Understanding the Current Population Survey's Insurance Estimates and the Medicaid 'Undercount.'* Health Affairs: The Policy Journal of the Health Sphere.

¹³ Child and Adolescent Health Measurement Initiative. (2008) *National Survey for Children's Health* Data Resource Center on Child and Adolescent Health website. <http://www.nschdata.org>.

¹⁴ Agency for Healthcare Research and Quality, Center for Cost and Financing Studies. (2008) *Medical Expenditure Panel Survey Insurance Component*. Table II.A.2. Accessed at: <http://www.statehealthfacts.org/profileind.jsp?ind=175&cat=3&rgn=16>

¹⁵ Burns & Associates, Inc. (April, 2009) *Independent Evaluation of Indiana's Children's Health Insurance Program*. Final Report. 3-yr estimates p1

¹⁶ Burns & Associates, Inc. (April, 2009) *Independent Evaluation of Indiana's Children's Health Insurance Program*. Final Report. 3-yr estimates p2

¹⁷ Burns & Associates, Inc. (April, 2009) *Independent Evaluation of Indiana's Children's Health Insurance Program*. Final Report.

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