



**SCHIP**  
State Children's  
Health Insurance  
Program Evaluation

## Why Aren't More Uninsured Children Enrolled in Medicaid or SCHIP?

Genevieve Kenney and Jennifer Haley

One of the major issues facing public health insurance programs is how to reach and enroll more low-income uninsured children. Recent data indicate that millions of children are uninsured despite having family incomes low enough to qualify them for public coverage (Mills 2000). In 1997, the State Children's Health Insurance Program (SCHIP) was created, affording states the opportunity to expand coverage to children with incomes up to 200 percent of the federal poverty level (FPL) or higher, using Medicaid or state-specific programs that are separate from Medicaid. By 2000, all states and the District of Columbia had received approval to expand coverage through SCHIP.

With these expansions, more than three-quarters of all uninsured children are now eligible for public coverage (Dubay and Haley forthcoming). Thus, ineligibility for coverage is no longer a barrier for most uninsured children. Understanding why so many eligible uninsured children do not enroll in Medicaid or SCHIP is critical to devising effective outreach, enrollment, and retention strategies that help parents overcome enrollment barriers. Previous analysis indicated that lack of information about the programs, confusion about eligibility, and problems associated with the enrollment process reduce children's participation (Cohen-Ross and Cox 2000; Kaiser Commission 2000; Stuber et al. 2000).

In this brief we use new questions on the 1999 National Survey of America's Families (NSAF) to assess the reasons why low-income uninsured children do not

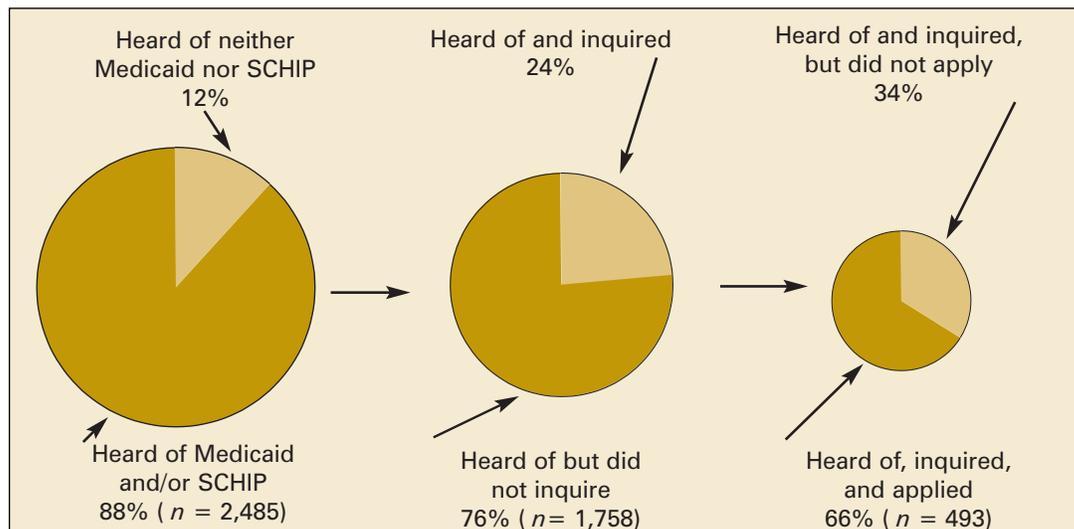
enroll in Medicaid/SCHIP programs.<sup>1</sup> The analysis shows that knowledge gaps constituted a primary barrier to enrolling a third of low-income uninsured children and that administrative hassles were a primary barrier to enrolling another 10 percent of low-income uninsured children. However, 22 percent of low-income uninsured children had parents who indicated that public health insurance coverage was not wanted or needed, and another 18 percent who were uninsured at the time of the survey had been enrolled in Medicaid/SCHIP at some point during the past year. Thus, although raising awareness of public programs and improving their enrollment systems may lead more uninsured children to enroll, other barriers must be addressed to shrink substantially the number of children who remain uninsured.

### The NSAF: Data and Methods

The NSAF is a household survey that provides nationally representative information on more than 100,000 children and non-elderly adults. For this analysis, we focused on low-income children who were uninsured at the time of the survey.<sup>2</sup> On the 1999 NSAF, we asked parents<sup>3</sup> (1) whether they had heard of the separate SCHIP program in their state; (2) whether they had heard of the Medicaid program in their state; (3) whether their child had participated in Medicaid or SCHIP at any time in the preceding year; (4) whether those who had heard of Medicaid or SCHIP had inquired about coverage on behalf of their

*Knowledge gaps constituted a primary barrier to enrolling a third of low-income uninsured children.*

FIGURE 1. Knowledge of, Inquiries about, and Applications for Medicaid/SCHIP Coverage on Behalf of Low-Income Uninsured Children



Source: 1999 National Survey of America's Families.

Note: Children who were uninsured at the time of the survey but who had been enrolled in Medicaid or SCHIP at some point during the past year are not included in the pie charts for inquiries or applications.

*Administrative hassles were a primary barrier to enrolling another 10 percent of low-income uninsured children.*

child (this was asked about low-income children who had not been enrolled in Medicaid or SCHIP in the preceding year); (5) whether, for those who had inquired about coverage, they had applied for either program in the past year; and (6) the main reason that they did not inquire about or apply for coverage.

For children whose parents did not inquire or apply, the main reasons stated for not inquiring or applying were as follows:

- Did not think child was eligible (for example, thought child was ineligible because of family's income level, car ownership, citizenship status)
- Did not know enough about program (for example, did not know how to find out more about the program, did not think the program was available where they lived)
- Did not want to deal with administrative hassles (for example, could not obtain necessary documents, faced transportation or language barriers)

- Did not need or want program (for example, did not want to accept a government handout, did not think child needed public coverage because child already had insurance coverage or was getting care from a community health center)
- Other (for example, other parent responsible for insurance coverage, feared enrollment would threaten immigration status, never thought about it)

In order to categorize children by the reason they were uninsured, we combined the information we collected on awareness of and participation in public programs with the main reasons parents gave for not inquiring or applying for public coverage. We placed children into one of the following mutually exclusive categories:

- Knowledge Gaps<sup>4</sup>
- Administrative Hassles<sup>5</sup>
- Enrolled in Past Year but Not at Present<sup>6</sup>

TABLE 1. Main Reason No Inquiries or Applications Were Made for Medicaid/SCHIP Coverage on Behalf of Low-Income Uninsured Children Whose Parents Had Heard of Medicaid or SCHIP

Main Reason Given	For Not Inquiring	For Not Applying
Did not think child was eligible	30% (2.1)	29% (4.7)
Did not know enough about program	4% (0.7)	3% (2.0)
Did not need or want program	40% (3.3)	13% (5.9)
Administrative hassles	14% (2.0)	38% (6.4)
Other	12% (1.9)	16% (4.1)
Sample size	1,265	135

Source: 1999 National Survey of America's Families.

Note: Standard errors are in parentheses. Children who were uninsured at the time of the survey but who had been enrolled in Medicaid or SCHIP at some point during the past year are not included.

- Applied for Coverage but Not Enrolled<sup>7</sup>
- Not Needing or Wanting Program<sup>8</sup>
- Other Main Reason Given<sup>9</sup>

## Findings

### Experiences with Programs

Fully 88 percent of all low-income uninsured children had parents who had heard of either the Medicaid program or the SCHIP program in their state; but among those parents who had heard of at least one of the programs and whose child was not enrolled in Medicaid or SCHIP at any point in the past year, only 24 percent had inquired about the program on behalf of their child (figure 1). Among the 24 percent whose parents had inquired, 66 percent had parents who had applied for coverage for their child. Thus, even though most parents had heard of one or both of these programs, few had inquired about or applied for coverage on behalf of their uninsured child.

### Reasons for Not Inquiring or Applying among Those Aware of the Programs

By a small margin, the most common reason that parents of low-income uninsured children who were aware of Medicaid or SCHIP but did not inquire gave for not inquiring was that they did not want to enroll their child in a public program or

that they felt that their child did not need the coverage (40 percent) (table 1). Not thinking the child was eligible was the second most common reason for not inquiring, specified as the main reason by the parents of 30 percent of low-income uninsured children. An additional 4 percent indicated they did not know enough about the program. Thus, knowledge gaps are a barrier for over a third of this group (34 percent), while 14 percent cited administrative hassles as the main reason for not inquiring.

### Reasons for Not Applying among Those Who Inquired

Reasons for not applying among parents who inquired about Medicaid/SCHIP were somewhat similar to reasons parents gave for not inquiring. Nearly the same proportion (29 percent) believed their child was not eligible, and a comparable proportion (3 percent) did not have enough information to apply. However, a higher proportion (38 percent) cited administrative hassles as the main reason for not applying. This suggests that administrative hassles may become more of a deterrent the further a family progresses in the enrollment process.

### Why Are Low-Income Children Not Enrolled?

Combining reasons for not inquiring or applying with information on Medicaid/SCHIP knowledge and experiences, we

*Fully 88 percent of all low-income uninsured children had parents who had heard of either the Medicaid program or the SCHIP program in their state; [of these] only 24 percent had inquired about either program.*

TABLE 2. *Reasons Low-Income Uninsured Children Were Not Enrolled in Medicaid or SCHIP Programs in 1999*

Reason Child Not Insured	Percentage of Low-Income Uninsured Children
<b>Knowledge gaps</b>	32.4 (2.1)
Had <b>not</b> heard of Medicaid/SCHIP	12.4 (2.0)
Did <b>not</b> inquire or apply because did <b>not</b> think child was eligible	17.7 (1.3)
Did <b>not</b> inquire or apply because lacked sufficient information about program	2.3 (0.4)
<b>Administrative hassles</b>	9.5 (1.2)
<b>Enrolled in past year but not at present</b>	17.8 (1.7)
<b>Applied for coverage but not enrolled</b>	11.0 (1.0)
<b>Not needing or wanting program</b>	22.1 (2.1)
<b>Other main reason given</b>	7.3 (1.0)
<b>Sample size</b>	2,485

Source: 1999 National Survey of America's Families.

Note: Standard errors are in parentheses.

*Only 32 percent [of uninsured children whose parents did not want or need coverage] had received well-child care and only 51 percent had received any dental visits in the past year.*

find that knowledge gaps constitute a primary barrier to enrolling 32 percent of all low-income uninsured children (table 2). This finding suggests that many uninsured children may not be enrolled in Medicaid or SCHIP primarily because their parents lack critical information—they do not know the programs exist, do not know enough about the programs, or do not think their children are eligible for coverage.

After knowledge gaps, the most common reason given for low-income uninsured children not being enrolled in Medicaid or SCHIP was not needing or wanting the coverage—22 percent had parents who gave this reason for not inquiring about or applying for Medicaid/SCHIP coverage. To explore why parents do not want public coverage for their children, we analyzed the health status, access, and use of medical care among uninsured children by the reason they lack coverage (table 3). Low-income uninsured children whose parents felt that Medicaid/SCHIP coverage was not needed or desirable tended to be in better health and to have fewer unmet needs relative to other low-income uninsured children. For example, uninsured children whose parents did not need or want the coverage were a third as likely as other uninsured children to be in poor or fair health and about half as likely to have

had an unmet need. While these children appear to be in better health and to experience fewer unmet needs, only 32 percent had received well-child care and only 51 percent had received any dental visits in the past year, suggesting that they are not receiving recommended levels of preventive care.

Administrative hassles were cited as a primary concern by the parents of 10 percent of all low-income uninsured children. Two other large groups of currently uninsured children have had some experience with Medicaid or SCHIP during the past year: those who were enrolled in Medicaid or SCHIP at some point in the past year (18 percent)<sup>10</sup> and those whose parents had applied for Medicaid or SCHIP coverage at some point in the past year but who were not enrolled at the time of the survey (11 percent). That so many uninsured children (29 percent) had contact with Medicaid or SCHIP in the past year suggests that states would benefit from understanding why these children were not enrolled in Medicaid or SCHIP.

### Policy Implications

Given that knowledge gaps constitute a primary barrier for a third of all low-income uninsured children, states may

TABLE 3. Indicators of Health Status, Access, and Use among Low-Income Uninsured Children, by Reason Child Not Covered

	Did Not Need or Want Medicaid/SCHIP Coverage (%)	Uninsured for Other Reasons (%)
In excellent, very good, or good health	96.8	89.1*
In poor or fair health	3.2	10.9*
With no usual source of care	24.2	23.5
With any unmet need	9.8	18.7*
With unmet medical need	3.7	6.5*
With unmet dental need	8.5	15.1*
With unmet prescription drug need	0.4	3.5*
With physician or other health professional visit in past 12 months	43.7	58.8*
With any well-child visit in past 12 months	32.3	47.0*
With any dental visits in past 12 months	50.8	45.5
Sample size	423	2,062

Source: 1999 National Survey of America's Families.

\*The differences between the two groups of uninsured children are significant at the 0.10 level or lower.

need to invest more resources in providing information about the changing nature of public health insurance programs and in raising their visibility. Some families have not even heard of the programs, and many others are aware but do not seem to understand the extent to which eligibility has been expanded, mistakenly believing that their incomes are too high to qualify for coverage. While there is no assurance that expanded knowledge will automatically lead to enrollment, it would seem to be a necessary first step.

This analysis has also provided evidence that the enrollment system itself may deter families from obtaining coverage for their children. Around 10 percent of low-income uninsured children had parents who cited problems related to administrative hassles such as language, transportation, or provision of documents as the primary reason they didn't apply for or inquire about coverage. In an attempt to reduce the time-costs and stigma associated with applying for coverage, many states have introduced innovations to their enrollment systems (Cohen-Ross and Cox 2000; Hill and Westpfahl Lutzky forthcoming). Policy changes within both Medicaid and SCHIP, such as dropping the requirement for a face-to-face interview, permit-

ting mail-in applications or self-verification of income, and streamlining redetermination processes, may be key to enrolling children whose parents face many competing demands on their time.

This analysis has also identified a sizable subgroup of low-income uninsured children (18 percent) who were uninsured at the time of the survey but who had been enrolled in Medicaid or SCHIP in the past year. It is critical to understand why these children are no longer enrolled when so many appear to be eligible; for example, did the redetermination process play a role in the children losing coverage? Did the children experience difficulties gaining access to services that caused their parents to grow disaffected with the programs? Do these parents not value the coverage afforded under the program? States may gain valuable insights about these issues from following up with families who have left the program.

These data also indicate that not all parents want public coverage for their uninsured children. While this group of parents is clearly a minority, accounting for 22 percent of all low-income uninsured children, it is unlikely that improvements to enrollment systems or more public information campaigns about the existence of

*Policy changes, such as dropping the requirement for a face-to-face interview, permitting mail-in applications or self-verification of income, and streamlining redetermination processes, may be key to enrolling children.*

Medicaid and SCHIP will induce them to enroll their children. Given that their children appear to be in better health and to experience fewer unmet needs relative to other uninsured children, these children may not benefit as much from insurance coverage as other uninsured children do. However, this analysis suggests that the health needs of these children are not being fully met. Enrolling this group of uninsured children may require raising awareness of the importance of ongoing monitoring of children's health and convincing parents that such monitoring is facilitated through public insurance coverage.

Even in a world with perfect information about Medicaid and SCHIP, wherein the enrollment, redetermination, and service delivery systems function smoothly and involve few barriers, it would be unrealistic to expect universal participation. When families' economic circumstances and access to private insurance coverage change, we would not expect them to instantaneously seek out public coverage. Some parents may not enroll their child until their child experiences an acute need for care and they face high expenses. However, there is clear evidence that chronically uninsured low-income children are disadvantaged relative to insured children in terms of their access to care and receipt of services (Dubay and Kenney 2001). Such problems are likely to compound the difficulties these uninsured children face in other arenas of life. Thus, devising and implementing strategies that lead to more uninsured children being enrolled in Medicaid or SCHIP have the potential to improve not only the health but also the general well-being of these children.

### Endnotes

1. Additional information on awareness of Medicaid/SCHIP programs is presented in another brief (Kenney, Haley, and Dubay 2001).
2. This analysis excludes 13 of the 2,498 total low-income uninsured children; these 13 either were emancipated minors (who were not asked about their Medicaid/SCHIP knowledge or experiences) or had parents who said they did not know whether they had heard of Medicaid or SCHIP.

Responses to the interviews are weighted to reflect the design features of the sample, including the oversampling of low-income households in 13 states, and contain adjustments for nonresponse and undercoverage. We compute variance estimates using a replication method that adjusts for the survey's complex sample design.

3. Information was collected from the adult who knew the most about the education and health care of the child; we refer to this adult as the parent because 95 percent of these respondents were a parent of the child.

4. This category includes those whose parents have not heard of either program, did not inquire or apply because they did not think their child was eligible, or did not inquire or apply because they did not know enough about the program. We classify children whose parents think they are ineligible for coverage as having knowledge gaps, because nearly all low-income uninsured children in the 1999 NSAF are eligible for Medicaid and SCHIP (Dubay and Haley forthcoming).

5. This category includes those whose parents cited administrative hassles as the main reason they did not inquire or apply.

6. We did not ascertain why low-income uninsured children who had been enrolled in Medicaid or SCHIP in the past year were not currently enrolled. We categorize these children separately because we do not know the main reason these children were not enrolled at the time of the survey. It may be that they lost coverage through the redetermination process, they became ineligible, or their parents grew dissatisfied with the program. Thus, it is possible that some of these children could be categorized as having knowledge gaps, administrative hassles, or not needing/wanting the programs as the primary reason they are no longer enrolled. A follow-up question will be included in subsequent rounds of the NSAF for these children.

7. For these children, we know only that their parents applied for coverage; we do not know why the child was not successfully enrolled. It could be that their parents would cite knowledge gaps, administrative hassles, or not needing/wanting the programs if they had been asked, or that the application was still pending at the time of the survey. Parents will be asked about the status of the application on subsequent NSAF rounds.

8. This category includes those whose parents gave not needing or wanting the program as the main reason for not inquiring or applying.

9. This category includes those whose parents gave some other main reason for not inquiring or applying that could not be classified in the above categories.

10. Preliminary analyses indicate that the majority of these uninsured children remain eligible for Medicaid or SCHIP but that many live in families

that experienced disruptions in other areas of life, such as job changes or moves, that may have contributed to their no longer being enrolled.

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This series presents findings from the 1997 and 1999 rounds of the National Survey of America's Families (NSAF). Information on more than 100,000 people was gathered in each round from more than 42,000 households with and without telephones that are representative of the nation as a whole and of 13 selected states (Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin). As in all surveys, the data are subject to sampling variability and other sources of error. Additional information on the NSAF can be obtained at <http://newfederalism.urban.org>.

The NSAF is part of *Assessing the New Federalism*, a multiyear project to monitor and assess the devolution of social programs from the federal to the state and local levels. Alan Weil is the project director. The project analyzes changes in income support, social services, and health programs. In collaboration with Child Trends, the project studies child and family well-being.

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