



## EXECUTIVE SUMMARY

# Health Insurance Coverage among Children Ages 3 and Younger and Their Parents

## National and State Estimates

*Jennifer Haley, Robin Wang, Matthew Buettgens, and Genevieve M. Kenney*

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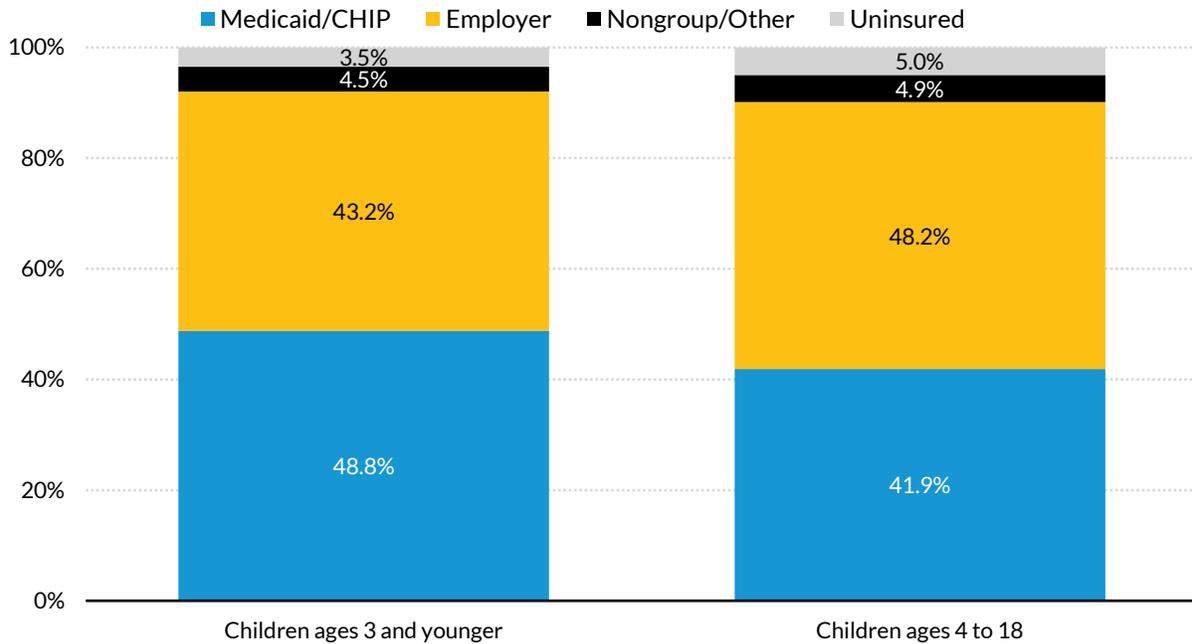
**Conditions during the earliest years of children’s lives, including access to affordable health care for children and their parents, have both immediate and long-lasting impacts on children’s health and well-being. In particular, health insurance coverage can improve health care access, health, and financial stability for the family (Howell and Kenney 2012; IOM 2009; Paradise and Garfield 2013; Wagnerman 2017). And reducing uninsurance among parents has been shown to have positive effects on coverage and receipt of care among children, ultimately contributing to children’s healthy development (Burak 2016, 2017; Hudson and Moriya 2017; Venkataramani, Pollack, and Roberts 2017).<sup>1</sup>**

This brief focuses on health insurance coverage among young children and their parents at the national and state levels, using data from the American Community Survey (ACS) and the Health Insurance Policy Simulation Model (HIPSM). We define young children as those ages 3 and younger. Our main findings are as follows:

- Medicaid and the Children’s Health Insurance Program (CHIP) are important in insuring all children, but young children especially.** Of the nation’s 15.7 million young children in 2015, more relied on Medicaid/CHIP than on any other type of insurance coverage, with nearly half (48.8 percent, or 7.7 million) covered by Medicaid/CHIP (figure 1).

**FIGURE 1**

**Health Insurance Coverage of Children Ages 18 and Younger, by Age, 2015**



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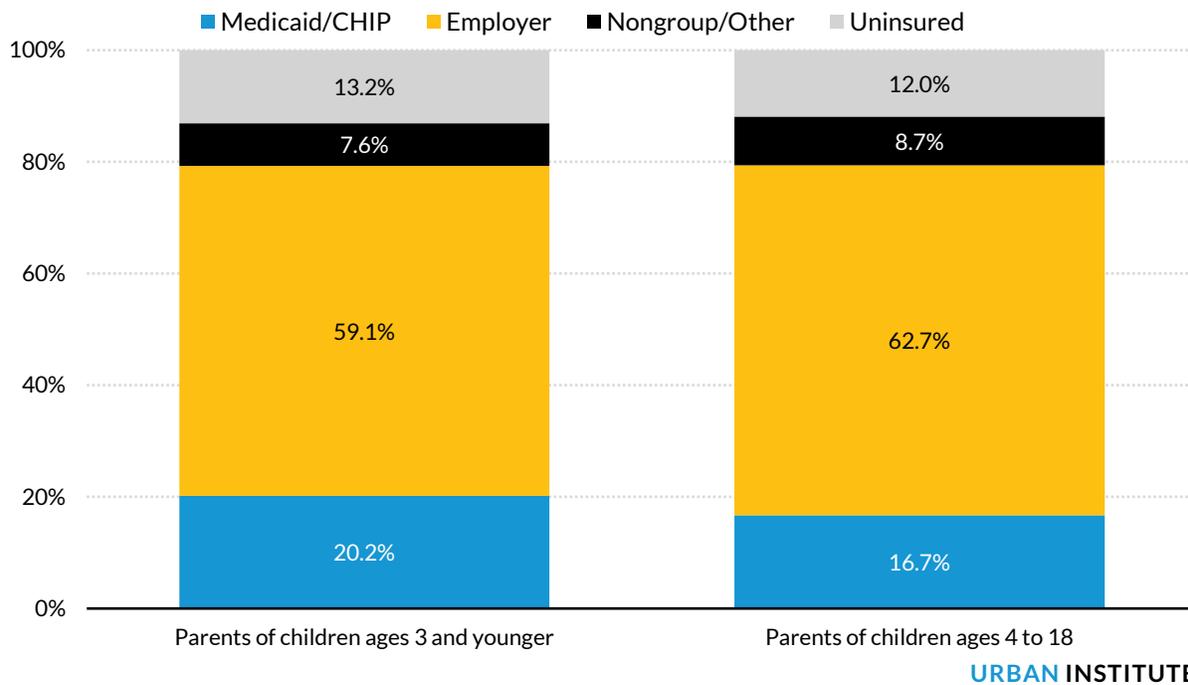
**Source:** Urban Institute analysis of 2015 American Community Survey data from the Integrated Public Use Microdata Series.

**Notes:** CHIP = Children’s Health Insurance Program. Rates for children ages 3 and younger are significantly different from rates for children ages 4 to 18 at the 0.01 level.

- Just 3.5 percent of young children were uninsured in 2015, but 13.2 percent of parents of young children were uninsured, compared with 12.0 percent of parents of older children (figure 2). Certain family characteristics, such as lower incomes, younger parents, and mixed immigration status, are more prevalent among families of young children, placing them at higher risk of lacking coverage.

FIGURE 2

Health Insurance Coverage of Parents of Children Ages 18 and Younger, by Child's Age, 2015



Source: Urban Institute analysis of 2015 American Community Survey data from the Integrated Public Use Microdata Series.

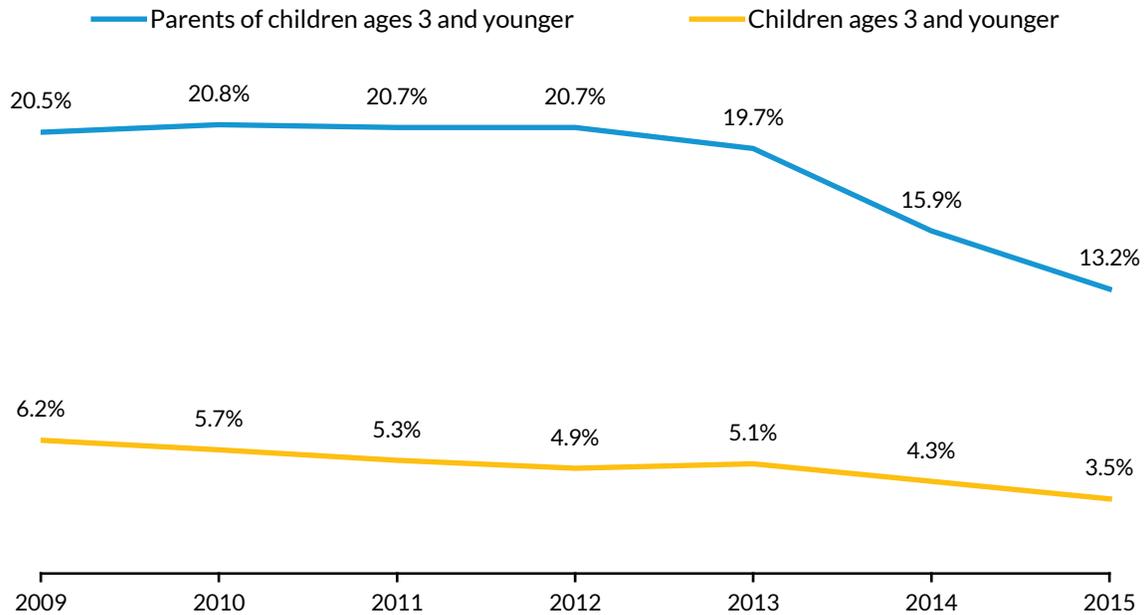
Notes: CHIP = Children's Health Insurance Program. "Parents of children ages 3 and younger" have at least one child age 3 or younger but may also have older children; "parents of children ages 4 to 18" have at least one child age 4 to 18 but may also have younger children. Rates for parents of children ages 3 and younger are significantly different from rates for parents of children ages 4 to 18 at the 0.01 level.

- The Affordable Care Act (ACA) was associated with increased coverage among young children and their families.** In the two years after implementation of the major coverage provisions of the ACA, the uninsurance rate for parents of young children fell from 19.7 percent to 13.2 percent—a drop of nearly a third, reflecting gains in coverage through Medicaid and the new Marketplaces (figure 3). Though the ACA's coverage provisions were not targeted at children, uninsurance also fell for young children; this drop was associated with the ACA's coverage expansions to parents, subsidies for Marketplace coverage, and enrollment and outreach efforts.

- Nearly half (48.8 percent) of young children had Medicaid/CHIP coverage and over a fifth (20.2 percent) of their parents had Medicaid in 2015—a higher share than among older children (41.9 percent) and their parents (16.7 percent). This represents an opportunity for Medicaid and CHIP programs to reach low-income children at critical early ages.

FIGURE 3

Uninsurance among Children Ages 3 and Younger and Their Parents, 2009–15



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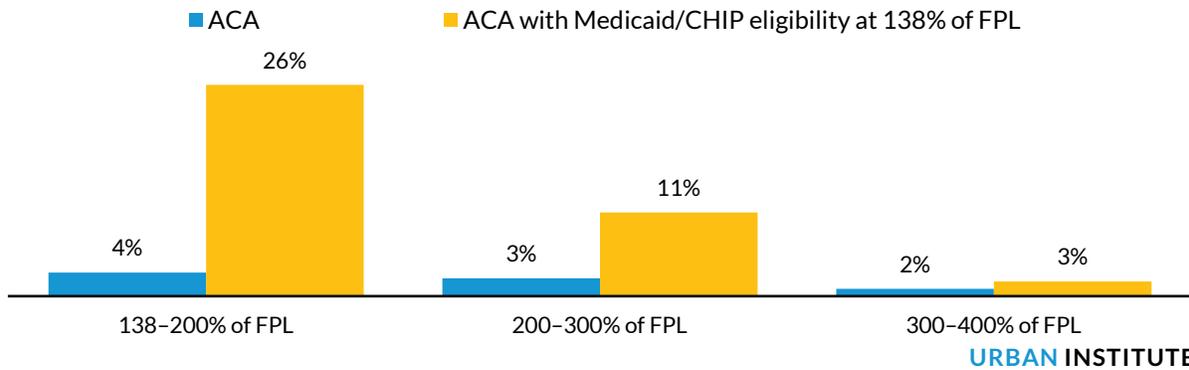
Source: Urban Institute analysis of 2009–15 American Community Survey data from the Integrated Public Use Microdata Series.

Note: Year-to-year changes for children and parents are statistically significant at the 0.01 level.

- **Because young children and their parents rely on Medicaid at higher rates than older children and their parents, contractions of Medicaid funding would have outsize effects on families with young children.** Maintenance of eligibility (MOE) protections are particularly important for children ages 3 and younger: if, in the absence of federal MOE protections, all states reduced Medicaid/CHIP eligibility to 138 percent of the federal poverty level (FPL), uninsurance would be as much as six times higher among young children with family incomes between 138 and 200 percent of FPL and three times higher among those with family incomes between 200 and 300 percent of FPL nationally (figure 4).

FIGURE 4

**Projected Uninsurance Rates among Children Ages 3 and Younger under Current Law and with Medicaid/CHIP Eligibility Reduced to 138 Percent of FPL, by Income, 2018**

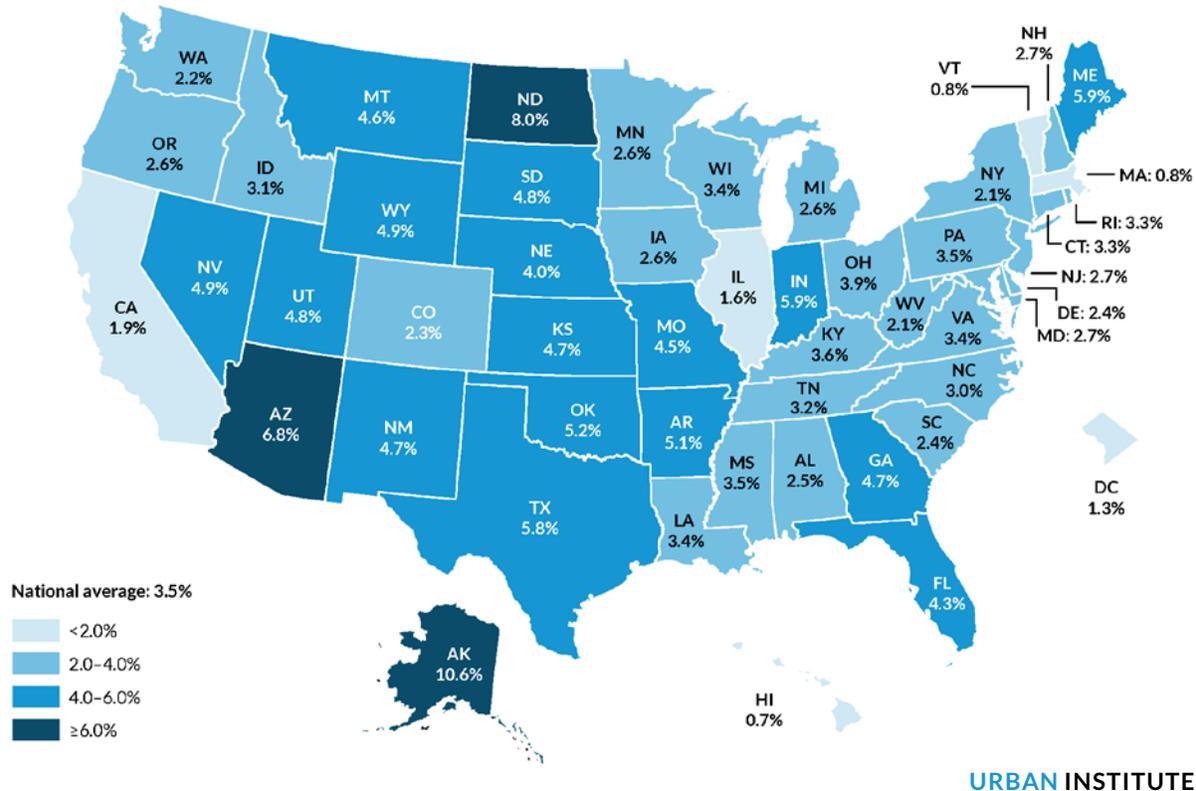


Source: HIPSM 2017.

Notes: ACA = Affordable Care Act; CHIP = Children’s Health Insurance Program; FPL = federal poverty level. If maintenance of eligibility provisions are eliminated, states could reduce Medicaid/CHIP eligibility to 138 percent of FPL for children. Rates under current law are significantly different from rates with eligibility at 138 percent of FPL at the 0.01 level.

FIGURE 5

**Uninsurance among Children Ages 3 and Younger, by State, 2015**

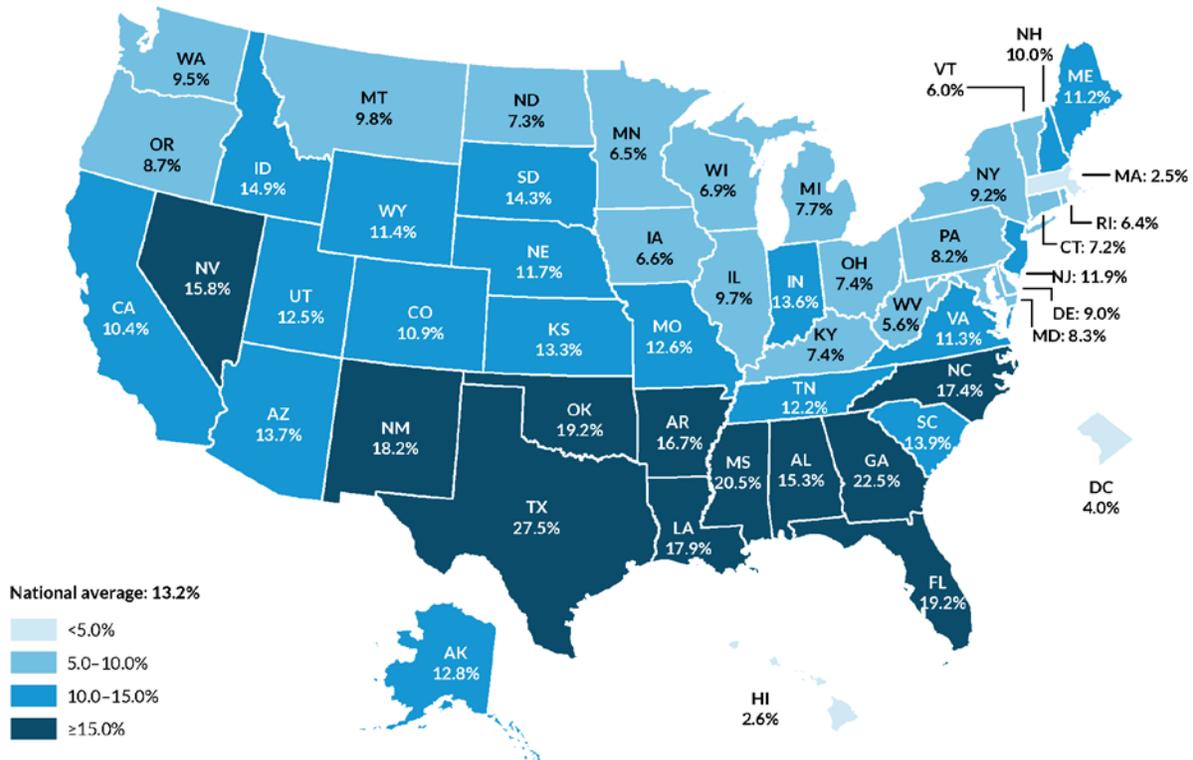


Source: Urban Institute analysis of 2015 American Community Survey data from the Integrated Public Use Microdata Series.

Note: State rates are significantly different from the national average at the 0.05 level except in Louisiana, Mississippi, and Virginia.

- The insurance status of young children and their parents depends on where they live. In 2015, uninsurance among young children ranged from less than 1 percent in Hawaii, Vermont, and Massachusetts to more than 10 percent in Alaska (figure 5), and varied even more widely among their parents, ranging from below 3 percent in Massachusetts and Hawaii to over 20 percent in Texas, Georgia, and Mississippi (figure 6). Likewise, rates of Medicaid/CHIP coverage varied across states for both young children and their parents (figures 7 and 8).

**FIGURE 6**  
**Uninsurance among Parents of Children Ages 3 and Younger, by State, 2015**



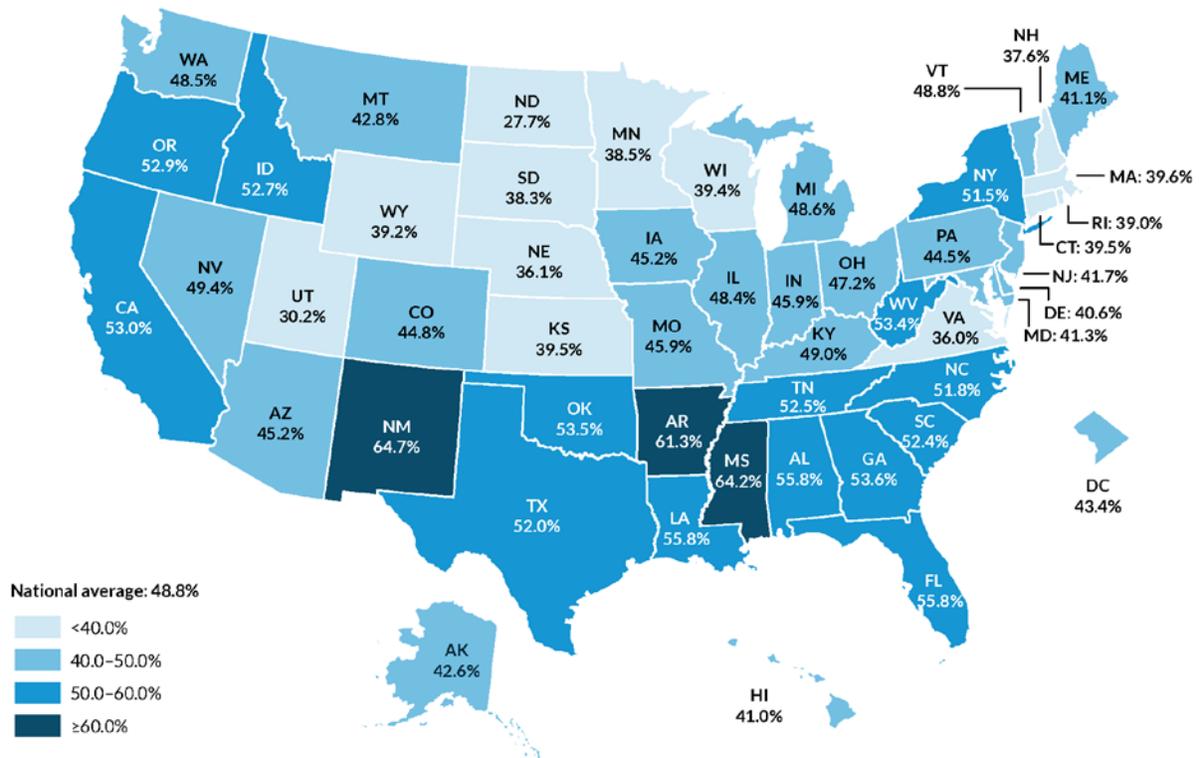
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**Source:** Urban Institute analysis of 2015 American Community Survey data from the Integrated Public Use Microdata Series.

**Note:** State rates are significantly different from the national average at the 0.05 level except in Kansas.

FIGURE 7

Medicaid/CHIP Coverage among Children Ages 3 and Younger, by State, 2015



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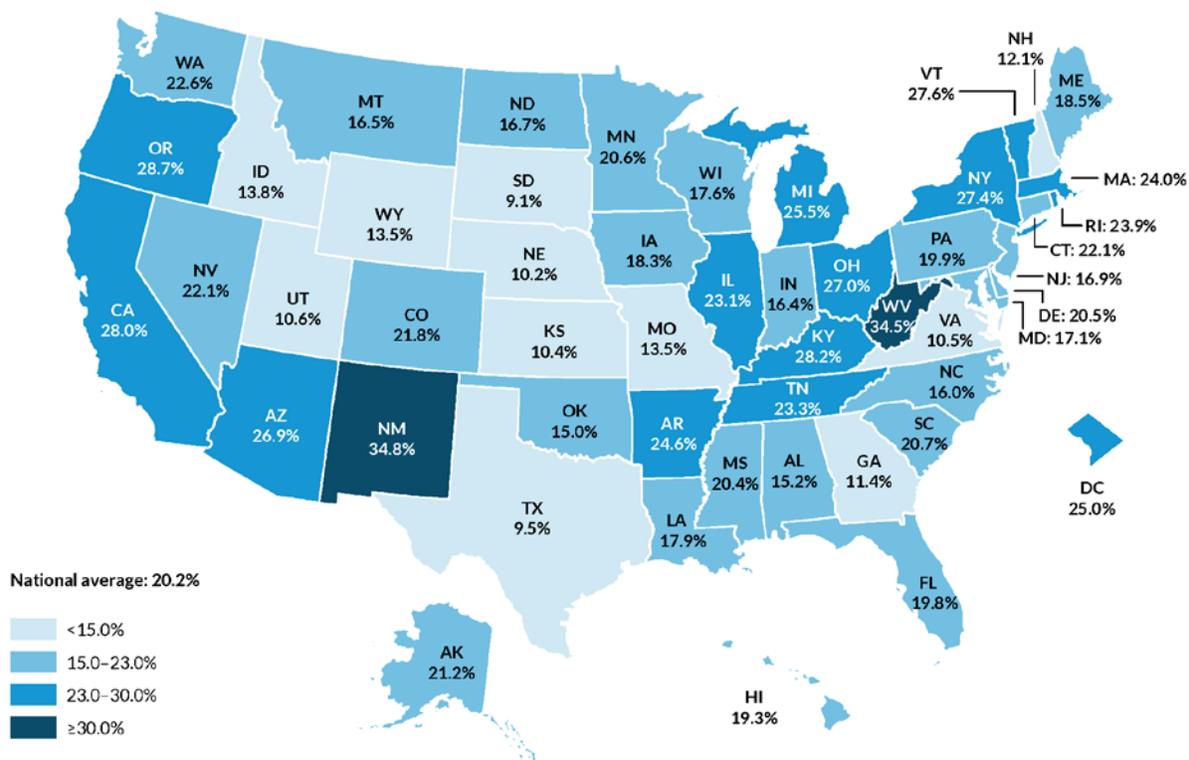
Source: Urban Institute analysis of 2015 American Community Survey data from the Integrated Public Use Microdata Series.

Note: State rates are significantly different from the national average at the 0.05 level except in Vermont.

- In 2015, parents of young children in nonexpansion states were nearly twice as likely to be uninsured as parents in expansion states. This suggests that additional states could achieve coverage gains for parents of young children through Medicaid expansion, with potential positive impacts for both parents and their children.

FIGURE 8

Medicaid/CHIP Coverage among Parents of Children Ages 3 and Younger, by State, 2015



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**Source:** Urban Institute analysis of 2015 American Community Survey data from the Integrated Public Use Microdata Series.  
**Note:** State rates are significantly different from the national average at the 0.05 level.

The low uninsured rates (below 5 percent in 42 states and the District of Columbia) among children ages 3 and younger in 2015 indicate that relatively few of these children experienced lack of insurance coverage as a barrier to getting the health care they need to thrive. Yet three in 10 young children are poor, and one in six has an uninsured parent, placing these families at risk for serious financial hardships and related problems. Because young children and their parents rely on Medicaid and CHIP more than older children and their parents, policy changes in Medicaid and CHIP that affect eligibility or enrollment would affect young children even more than older children. The ACA’s premium tax credits and cost-sharing reductions for coverage in the Marketplaces contributed to recent increases in health coverage, particularly among parents, so the future of the Marketplaces is important as well. Because the earliest years of a child’s life set the foundation for healthy development, it will be critical to assess the impact of future Medicaid, CHIP, and Marketplace policy changes on the health and well-being of young children and their families.

## Notes

- <sup>1</sup> We used the 2009–15 American Community Survey, an annual survey fielded by the US Census Bureau. Young children are defined as those ages 3 and younger, older children as those ages 4 to 18. A parent is defined as an adult living in a household with a biological child, adoptive child, or stepchild younger than 19. “Parents of young children” have at least one child age 3 or younger but may also have older children; “parents of older children” have at least one child age 4 to 18 but may also have young children. The sample size of children in the 2015 ACS is 129,000 young children and 174,000 parents of young children. To address potential misclassification of coverage on the ACS, we applied a set of coverage edits. The ACS is fielded continuously over the course of the year, so the estimates reported here reflect averages for each year. Using the Urban Institute’s Health Insurance Policy Simulation Model, we estimate the potential coverage impacts of the discontinuation of maintenance of eligibility protections and cutbacks of children’s Medicaid/CHIP eligibility to 138 percent of FPL. See full report for more details.

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## About the Authors

**Jennifer Haley** is a research associate in the Health Policy Center at the Urban Institute. Her research focuses on topics including the implications of the Affordable Care Act on adults' and children's health insurance coverage, barriers to enrollment in Medicaid and CHIP, disparities across states and subgroups of the population, and uninsurance among military veterans. In addition, she has conducted federally mandated evaluations of CHIP and developed detailed simulation models of Medicaid/CHIP eligibility. She has an MA in sociology from Temple University.

**Robin Wang** is a research associate in the Health Policy Center, where he helps develop Urban's Health Insurance Policy Simulation Model. Previously, Wang researched health policy, long-term care insurance schemes, and pay-for-success models, and had professional engagements with the UK House of Commons and the European Parliament. Wang is an MPA graduate of the London School of Economics and Political Science.

**Matthew Buettgens** is a senior research analyst in the Health Policy Center, where he is the mathematician leading the development of Urban's Health Insurance Policy Simulation Model. The model is currently being used to provide technical assistance for health reform implementation in Massachusetts, Missouri, New York, Virginia, and Washington as well as to the federal government. His recent work has focused on the costs and coverage implications of Medicaid expansion for both federal and state governments; small firm self-insurance under the Affordable Care Act and its effect on the fully insured market; state-by-state analysis of changes in health insurance coverage and the remaining uninsured; the effect of reform on employers; the affordability of coverage under health insurance exchanges; and the implications of age rating for the affordability of coverage.

**Genevieve M. Kenney** is a senior fellow and codirector of the Health Policy Center. She has been conducting policy research for over 25 years and is a nationally renowned expert on Medicaid, CHIP, and broader health insurance coverage and health issues facing low-income children and families. Kenney has led a number of Medicaid and CHIP evaluations and published over 100 peer-reviewed journal articles and scores of briefs on insurance coverage, access to care, and related outcomes for low-income children, pregnant women, and other adults. In her current research, she is examining implications of the Affordable Care Act, variation in primary care across states and insurance groups, and emerging policy questions related to Medicaid and CHIP. She received a master's degree in statistics and a PhD in economics from the University of Michigan.

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