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How Familiar Are Low-Income Parents with Medicaid and SCHIP?

Genevieve Kenney, Jennifer Haley, and Lisa Dubay

Almost all low-income parents are aware of at least one publicly subsidized insurance program for children.

A greater number of low-income children are now eligible for public health insurance coverage than at any time in the past. With expansions in Medicaid eligibility for children that began in the late 1980s and the more recent expansions in coverage under the new State Children's Health Insurance Program (SCHIP), more than 80 percent of all uninsured children are now eligible for publicly subsidized coverage (Dubay and Haley forthcoming). A major challenge facing Medicaid and SCHIP programs today is how to reach and enroll the millions of children who are eligible but who remain uninsured (Mills 2000). Relatively little is known about why these uninsured children are not covered. Knowledge gaps, confusion about program rules, and problems associated with the enrollment process appear to be contributing factors (Kaiser Commission 2000, Stuber et al. 2000).

Enacted in 1997, SCHIP gave states the opportunity to expand coverage to children with incomes up to 200 percent of the federal poverty level (FPL) or higher, using Medicaid programs or state-specific programs that are separate from Medicaid. By 2000, all states and the District of Columbia had approval for expansions under SCHIP, with 18 states expanding coverage by relying exclusively on Medicaid and 33 states implementing separate programs as part or all of their SCHIP expansion (Health Care Financing Administration 2000, Hill 2000).

For this brief, new questions on the 1999 National Survey of America's Families (NSAF) were used to assess the familiarity of low-income families (defined as below 200 percent of the FPL) with Medicaid and SCHIP programs.¹ This analysis showed that although the vast majority (88 percent) of low-income uninsured children have parents who have heard of either the Medicaid or SCHIP program in their state, only 38 percent have parents who have heard of at least one of the programs and also know that children can participate even if the family is not receiving welfare. Moreover, while 86 percent of low-income uninsured children in states with separate SCHIP programs had parents who had heard of the Medicaid program, by 1999, just 47 percent had parents who had heard of the separate SCHIP program in their state. The 1999 NSAF data also indicate substantial variation across states in awareness of these programs and confusion about eligibility.

The NSAF: Data and Methods

The NSAF is a household survey that provides nationally representative estimates and has large samples in 13 states. In the 1999 NSAF, we asked parents² whether they had heard of the separate SCHIP program in their state;³ whether they had heard of the Medicaid program in their state;^{4,5} and, for those who had heard of

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either Medicaid or SCHIP, whether they knew if their state's programs covered children in families that do not receive welfare. If parents responded either that families had to be on welfare or that they did not know whether families had to be on welfare for their children to participate in these programs, we characterized them as not understanding the basic rules. To some extent, responses to this question reflect perceptions about eligibility requirements for both Medicaid and SCHIP; however, most responses reflect how well the parents understand the eligibility rules for Medicaid.⁶

For this analysis, we focused on low-income children.⁷ Insurance status at the time of the survey was categorized using a hierarchy that gives first priority to Medicaid/SCHIP/State coverage and second priority to private coverage. We analyzed the following three insurance categories: (1) Medicaid/SCHIP/State,⁸ (2) private,⁹ and (3) uninsured.

Findings

Only 9 percent of all low-income children have parents who have not heard of either the Medicaid or SCHIP program in their state, indicating that almost all low-income parents are aware of at least one publicly subsidized insurance program for children (table 1). However, 44 percent have parents who have heard of at least one of the

programs but do not understand that their families do not need to participate in welfare for their children to be eligible for coverage. Thus, altogether, more than half (53 percent) of all low-income parents either are not aware of any child health insurance program in their state or do not know that enrollment in welfare is not a precondition for participation. In states with separate SCHIP programs, parents who have heard of the separate SCHIP program are less likely to be confused than parents who have heard only of the Medicaid program in their state, which indicates that there is greater confusion about Medicaid (data not shown).

Not surprisingly, low-income children enrolled in either Medicaid or SCHIP are more likely than other low-income children to have parents who have heard of the programs and who understand the basic eligibility rules (65 percent for Medicaid/SCHIP-covered children, compared with 38 percent for uninsured children and 34 percent for children with private coverage). But even so, 30 percent of the low-income children enrolled in Medicaid or SCHIP have parents who are confused about the basic eligibility requirements.

Only 38 percent of low-income uninsured children have parents who have heard of Medicaid or SCHIP programs and who also understand the basic eligibility rules. In particular, although fully 88 per-

TABLE 1. *Familiarity with Medicaid/SCHIP Programs among Parents in Low-Income Families, Nationally, by Child's Insurance Status, 1999*

	All Low-Income Children	Insurance Status		
		Private	Medicaid/SCHIP	Uninsured
Have not heard of program(s) or do not understand basic rules	53	66*	35	62*
<i>Have not heard of Medicaid/SCHIP</i>	9	11*	5	12*
<i>Heard of program(s) but do not understand basic rules</i>	44	55*	30	49*
Heard of program(s) and understand basic rules	47	34*	65	38*

Source: 1999 National Survey of America's Families (NSAF).

Note: An asterisk indicates group is significantly different from the reference category, which is Medicaid/SCHIP/State, at the 0.01 level.

cent of all low-income uninsured children have parents who are aware of either Medicaid or SCHIP, 50 percent have parents who have heard of the programs but do not understand the basic eligibility rules. Familiarity with Medicaid and SCHIP is similar between low-income parents with uninsured children and those with privately insured children.

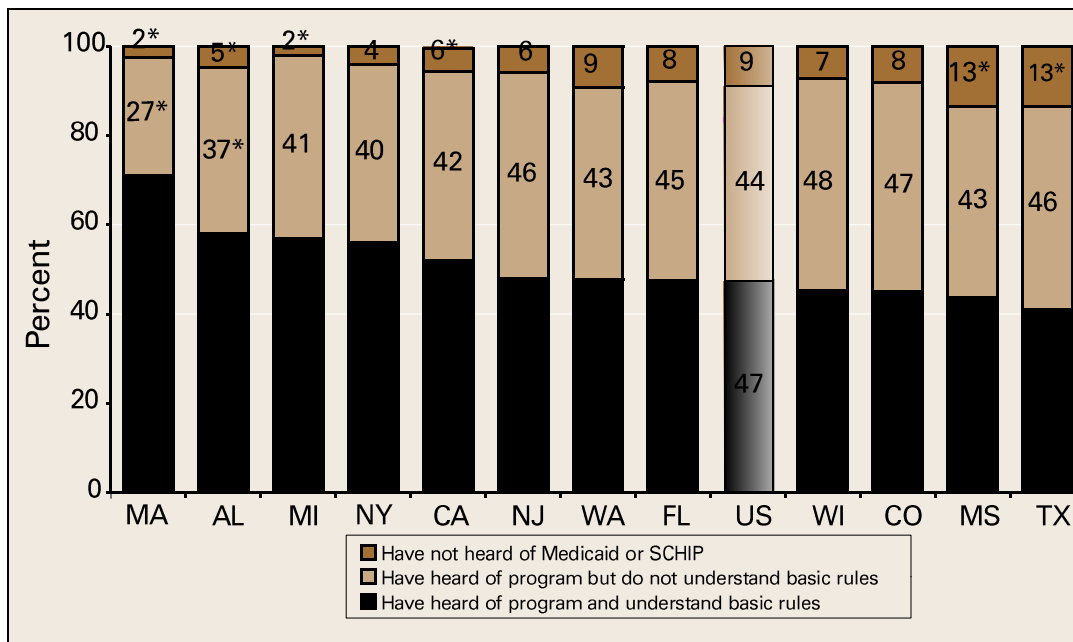
Familiarity with public health insurance programs does not appear to be uniform among low-income families in different states (figure 1)—more than 70 percent of all low-income children in Massachusetts have parents who have heard of the Medicaid/SCHIP program in their state and who understand that families do not need to be on welfare to participate, compared with just 41 percent in Texas. It is not clear why such differentials exist, although they appear to be correlated with underlying factors in these states. For example, public coverage reached very different shares of the low-income populations of Massachusetts and Texas, the two states at opposite ends of the spectrum: In 1999, 60 percent of all low-income unin-

sured children in Massachusetts were enrolled in the state’s Medicaid/SCHIP program compared with just 26 percent in Texas (Kenney, Dubay, and Haley 2000). In addition, Massachusetts and Alabama, the two states with the highest levels of basic awareness and understanding, were also among the earliest to implement their SCHIP expansions and major outreach initiatives, while Texas and Mississippi, the two states with the lowest levels of basic understanding, rolled out the major portion of their SCHIP expansions after 1999 (Ullman, Hill, and Almeida 1999, Hill and Westpfahl Lutzky 2000).

Not surprisingly, given the relative “newness” of SCHIP, low-income families are more aware of Medicaid than of separate SCHIP programs; 90 percent of all low-income children have parents who have heard of Medicaid, while only 49 percent have parents who have heard of the separate SCHIP program in their state (figure 2). For each insurance group, only a small proportion of low-income children—less than 5 percent—had parents who had heard of the separate SCHIP pro-

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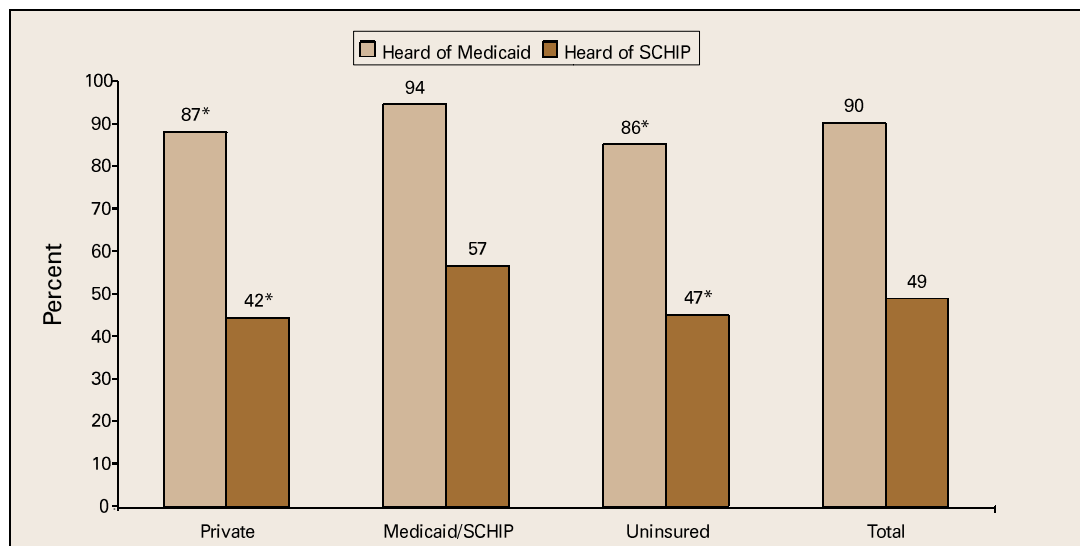
FIGURE 1. Familiarity with Medicaid/SCHIP Programs among Low-Income Families, by State, 1999



Source: 1999 National Survey of America’s Families (NSAF).

Note: An asterisk indicates state is significantly different from the national average at the 0.05 level or lower.

FIGURE 2. Awareness of Medicaid and Separate SCHIP Programs among Low-Income Families, Nationally, by Insurance Status, 1999



Source: 1999 National Survey of America's Families (NSAF).

Note: An asterisk indicates group is significantly different from the reference category, which is Medicaid/SCHIP, at the 0.01 level. Measured in 25 states with separate SCHIP programs in 1999.

gram but not the Medicaid program, whereas between 40 percent and 49 percent had parents who had heard of Medicaid but not the separate SCHIP program (data not shown). Consistent with the data presented above, children enrolled in Medicaid or SCHIP were more likely than other children to have parents who were aware of the separate SCHIP program in their state. But even so, more than 40 percent of all low-income children with Medicaid/SCHIP coverage had parents who had *not* heard of the separate SCHIP program.¹⁰

Awareness of Medicaid and separate SCHIP programs was 86 percent and 47 percent, respectively, among the parents of low-income uninsured children. Thus, fewer than half of all low-income uninsured children had parents who had heard of the separate SCHIP program in their state. The comparable figures for children with private coverage were 87 percent and 42 percent, respectively.

Figure 3 demonstrates that states had achieved very different levels of name recognition with their separate SCHIP programs and that some states had been able to achieve high levels of awareness with their programs by 1999. In New Jersey and New York, more than 75 percent of all low-income children had parents who had

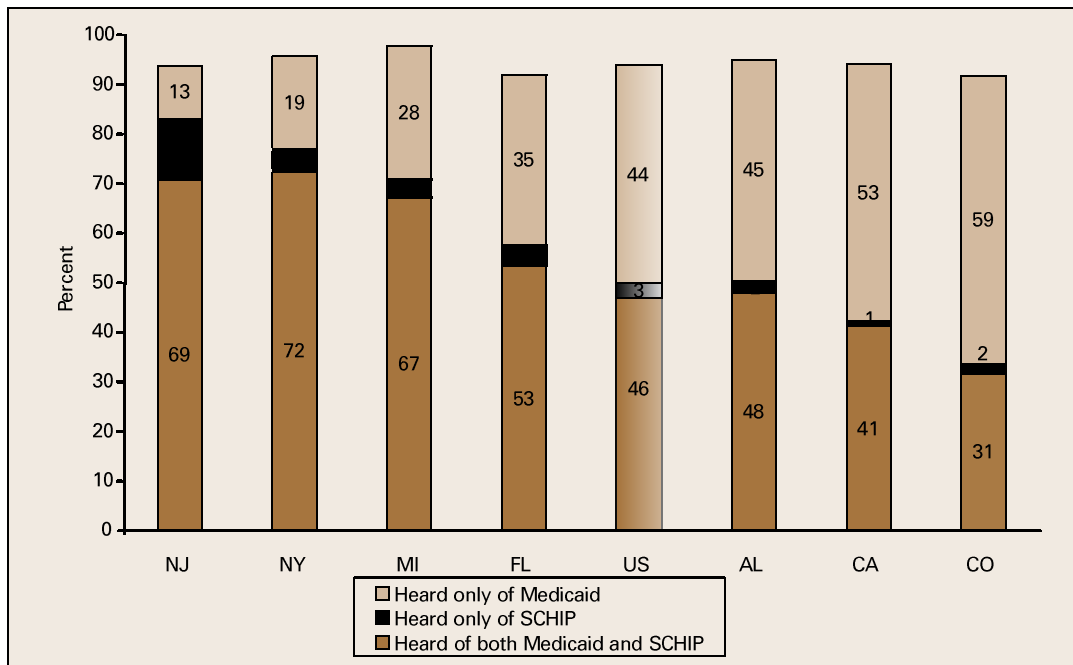
heard of the separate SCHIP programs in those states. At the other end of the spectrum, only 34 percent in Colorado and 42 percent in California had heard of the separate SCHIP programs. The New York program dates back to the early 1990s, before the federal legislation that created SCHIP, which could partially explain the high levels of awareness. In contrast, the New Jersey program was created in 1998, just one year before the survey, but it did receive high-profile support from the governor's office (Hill and Westpfahl Lutzky forthcoming), which could have been key to raising its profile in the state. Like New York's, the Colorado program predates the enactment of SCHIP, so the low levels of awareness of the Colorado program cannot be attributed simply to the program being new. However, the pre-SCHIP program in Colorado was small in scale and scope, and public coverage for low-income children in Colorado was far below the national average in 1999 (Kenney, Dubay, and Haley 2000).

Policy Implications

It is encouraging that the vast majority of low-income parents have heard of at least one public health insurance program in their state. Although one might expect

Ninety percent of all low-income children have parents who have heard of Medicaid, while only 49 percent have parents who have heard of the separate SCHIP program in their state.

FIGURE 3. Awareness of Medicaid and Separate SCHIP Programs among Low-Income Families, by State, 1999



Source: 1999 National Survey of America's Families (NSAF).

Note: Awareness of separate SCHIP programs is significantly higher than the average of the states with separate SCHIP programs in New Jersey, New York, Michigan, and Florida, and significantly lower in California and Colorado, at the 0.01 level.

most parents to have heard of the long-established Medicaid program, the fact that half of all low-income children had parents who had also heard of these newer separate SCHIP programs by 1999 is perhaps surprising. This is promising evidence that, only two years after the SCHIP legislation was passed, these new programs were already becoming an established part of the landscape.

However, many low-income parents were not aware of the existence of the non-Medicaid SCHIP programs in their state in 1999 or were confused about whether participation in welfare programs was a prerequisite for enrolling in Medicaid or SCHIP. Confusion was not limited just to families whose children do not participate in Medicaid or SCHIP; almost a third of all children enrolled in Medicaid or SCHIP had parents who were unsure whether receipt of welfare was necessary for participation. Moreover, there may be greater confusion about whether welfare participation is necessary for participation in Medicaid than for separate SCHIP programs. Reducing barriers to Medicaid par-

ticipation is critical to increasing coverage, given that 60 percent of all uninsured children are eligible for Medicaid under Title XIX (Dubay and Haley forthcoming). To remove the obstacles posed by these knowledge gaps, states likely will need to continue to invest in outreach—more so in states where awareness and understanding of Medicaid and SCHIP programs are low.

Another challenge facing states is to make more low-income families aware of Medicaid and SCHIP programs. For SCHIP expansions to reduce uninsurance among children, it is critical that families know about the coverage available through separate non-Medicaid SCHIP programs, as an estimated four of five children eligible for coverage under Title XXI are eligible for these separate programs (Dubay and Haley forthcoming). In addition, while early enthusiasm for the new SCHIP program translated into large amounts of creative energy and funds going to outreach and awareness, the prospects of an economic downturn and growing pressures on state budgets could lead to decreased investment in outreach, leaving new gener-

States likely will need to continue to invest in outreach—more so in states where awareness and understanding of Medicaid and SCHIP programs are low.

ations of eligible families lacking information about these programs.

Although states are somewhat limited in the extent to which they can draw on federal funds to publicize their separate SCHIP programs, it is not clear how much of a constraint states actually face with regard to the federal funds on which they can draw to finance outreach. Several states have indicated that the cap on administrative expenses constrained their investments in outreach (Rosenbach et al. 2001). However, states can also use Medicaid Title XIX funds to finance general purpose outreach efforts, which could be aimed at publicizing both Medicaid and separate programs and reducing confusion about eligibility. In addition, states are not constrained by federal law in the amount of state dollars they use for outreach.

Finally, nearly 40 percent of low-income uninsured children have parents who have heard of Medicaid or SCHIP and understand that nonwelfare families are eligible but still did not enroll their children. Awareness of the availability of publicly subsidized coverage does not automatically lead to participation; while hearing of the program and understanding the basic rules are important first steps, parents also must value the public health insurance coverage that is available and understand how to apply. Thus, enrolling more uninsured children may require improvements in Medicaid and SCHIP enrollment, redetermination, and service-delivery systems in addition to expanded outreach efforts.

Endnotes

1. Additional information on Medicaid/SCHIP enrollment barriers that was collected in the 1999 NSAF is analyzed in another brief (Kenney and Haley 2001).
2. Detailed 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 all these respondents were the child's parent.
3. Responses to this question were analyzed for children who lived in 25 states that had separate SCHIP programs in 1999 with names that were different from the Medicaid program in their state.

An estimated 60 percent of all children live in these 25 states. The weights used to analyze this question reflect a reallocation of a small fraction of the sample in the balance of the nation to permit state-specific estimates for all states. As a result, 31 cases were excluded from figures 2 and 3 because they were not asked about separate SCHIP programs and thus could not be classified by whether they had heard of the program.

4. There is a possibility that some respondents may report having heard of Medicaid because of reasons endogenous to the survey itself: A small proportion of respondents in the 1999 NSAF had been interviewed in the 1997 round of the survey and may have heard of the program only because of the earlier interview. Although the re-interviewed group did report higher levels of awareness of Medicaid than did the newly contacted group, the difference was small (less than 3 percentage points) and might be explained by demographic differences between the groups of the sample. Furthermore, the overlap group is less than a quarter of the total NSAF sample (Wang, Cantor, and Safir forthcoming).

5. We recoded answers given to these questions in 13 states resulting from possible ambiguities introduced because SCHIP programs were Medicaid expansions or because the separate SCHIP programs had the same program name as Medicaid. Minnesota was excluded from the state-specific analyses because we did not refer to the Medicaid program directly as MinnesotaCare at this point in the interview, which is likely to have led to lower name recognition.

6. Sixty-seven percent of the sample were reporting whether they understood the eligibility rules for the Medicaid program in their state, 31 percent were reporting whether they understood the eligibility rules for Medicaid in the separate SCHIP program, and 2 percent were reporting whether they understood the eligibility rules for the separate SCHIP program.

7. This analysis excludes 33 of the 13,497 total low-income children who were either emancipated minors (who were not asked about their Medicaid/SCHIP knowledge) or whose parents did not indicate whether they had heard of Medicaid or SCHIP. An additional 17 low-income children were excluded from analyses presented in table 1 and figure 1 because their parents refused to answer the question regarding whether children have to participate in welfare to be eligible for Medicaid or SCHIP.

8. Includes coverage through Medicaid, separate SCHIP programs, or other state-financed health insurance programs and is called Medicaid/SCHIP in the remainder of the brief.

9. Includes coverage from a current or former employer or union, coverage under the CHAMPUS or other military programs, and privately purchased coverage.

10. Awareness of separate SCHIP programs was almost universal among parents whose children were reported to be enrolled in the separate programs in 1999, whereas 47 percent of low-income children reported to be enrolled in Medicaid programs had parents who had not heard of the separate SCHIP program (data not shown).

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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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