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Children's Health Coverage in Arizona: How Are Children Doing Without KidsCare?

by Elisabeth Wright Burak and Joseph Fu

Key Findings

- **Arizona ranked 49th in the United States (U.S.) for its rate of uninsured children for the fifth consecutive year.** In 2014, 10 percent of Arizona children remained uninsured, compared to 6 percent nationally.

- **Arizona is the only state in the country without a functioning Children's Health Insurance Program (CHIP) program, despite the fact that the federal government would pay the full cost of reinstatement.** Reflecting this coverage gap, Arizona has the highest rate of uninsured kids in the U.S. in the income range for the former CHIP program, called KidsCare (which served children living in families up to 200 percent of the federal poverty level (FPL) that did not qualify for Medicaid or the Arizona Health Care Cost Containment System). KidsCare remains closed despite recent changes in federal law where the federal government would pay 100 percent of the cost to reinstate coverage at least through 2017.

- **Arizona saw some progress between 2013 and 2014 in children's coverage thanks to changes under the Affordable Care Act (ACA).** Several ACA provisions protected and helped improve coverage for children, including the expansion of Medicaid to parents and other adults, the transition of many school-aged (also called "stairstep" or "MCHIP" kids) from CHIP to Medicaid, and the availability of new marketplace plans.

- **Arizona's continued decision not to reinstate KidsCare likely prevented more dramatic coverage gains for children,** such as those seen in some neighboring states like Nevada and Colorado—the top two states in the U.S. for most improved rates of uninsured children between 2013 and 2014. Nevada, which was previously ranked last nationally for its rate of uninsured children, outperformed Arizona in 2014 due to substantial children's coverage gains in 2014. The main difference between Arizona and its neighbors with the most dramatic coverage gains for children is that CHIP in Arizona is no longer available while the program has stayed intact in other states.

- **Without KidsCare, some children were left uninsured, while others paid more for less comprehensive coverage.** Due to the "family glitch" some families were locked out of tax credits to help purchase marketplace coverage for their children. Even with financial help, research shows that Arizona marketplace plans cost much more for families than KidsCare in most cases and may not offer benefits that are as comprehensive or child focused. A recent analysis by the federal Department of Health and Human Services found that no marketplace qualified health plans offered in any state can be certified as "comparable" to CHIP due to these cost and benefits gaps.

Introduction

In recent decades, national and state leaders have prioritized health coverage for children, recognizing the important role access to health care plays in children's ability to succeed in school and grow into healthy, productive adults. Recent studies of adults who received public coverage as children through Medicaid provide strong evidence of the importance of public investments in health coverage. Children eligible for Medicaid experienced improved health, educational, and financial outcomes in adulthood compared with their non-eligible peers, which translates to a return on public investments.[1] For working families just above Medicaid eligibility, the Children's Health Insurance Program (CHIP) has been integral to reducing the rate of uninsured children in the U.S. and providing quality, affordable healthcare for children. These public commitments to children's health have translated to national and state gains in health coverage, driving the national rate of uninsured children down to its lowest levels on record in 2014.[2]

While the Affordable Care Act (ACA) provided new opportunities for states to make unprecedented coverage gains for families, Arizona's policy decisions around KidsCare in the years leading up to ACA implementation raised important questions about how children would fare as the ACA went into effect. On the other hand, Arizona's decision to expand Medicaid under the ACA provided a new chance to reach more previously uninsured children.

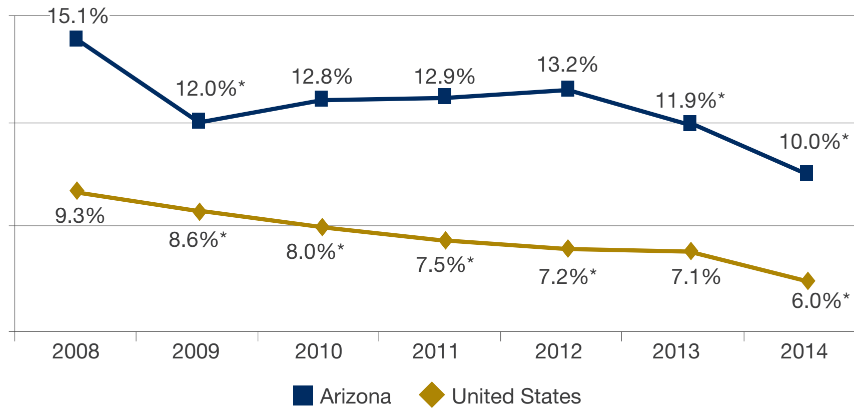
This brief uses American Community Survey data on uninsured children in 2014 and years prior to consider Arizona's progress in children's coverage in the context of state and federal policy changes in recent years.

Children's Health Coverage in Arizona

Arizona continues to perform very poorly with respect to health care coverage for children, remaining one of the worst states in the country. In 2014, the state held steady with the third highest rate of uninsured children (49th) among states and the District of Columbia (D.C.) for the fifth year in a row.[3] Only Alaska (11.4 percent) and Texas (11 percent) had higher rates of uninsured children in 2014. Arizona also had the fifth largest number of uninsured children on a national scale, at approximately 162,000 children—a disproportionately high number since the state ranked 13th in child population.[4]

Between 2013 and 2014, the rate of uninsured Arizona children did significantly decline by nearly 2 percentage points, from 11.9 percent to 10 percent, with about 30,000 fewer children uninsured.[5] These coverage improvements reflect national trends during the first year of full ACA implementation. In particular, gains reflect the experience of many states that, like Arizona, opted to expand Medicaid to low-income adults, including parents. In 2014, states that expanded Medicaid to adults had nearly double the rate of decline in children's uninsurance than states that did not, likely due to a "welcome mat" effect, described below, as parents enrolled their children when they signed up for newly available coverage.[6]

Yet history has shown that Arizona's rate of uninsured children has fluctuated with state policy decisions around children's coverage. This includes the enrollment freeze placed on KidsCare in 2010 and the opening of a limited CHIP program called KidsCare II that expired in 2014.



Despite some improvement in 2014, Arizona lags behind other states, including its neighbors (see Table 1). Consistent with national trends, three of Arizona's four neighbors that opted to expand Medicaid to adults also saw significant decreases in their child uninsurance rates. Utah, the only Arizona neighbor that did not expand Medicaid, saw no significant decrease in uninsured children. As discussed in detail below, neighboring states Nevada and Colorado had the most dramatic one-year gains in children's coverage in the country. Nevada's drop of more than 5 percentage points in one year meant that it fell below Arizona's rate of uninsured children in 2014 after many years as the worst-performing state in the U.S. (See Tables 1 and 3, Figure 5).

Table 1. Declines in Rate of Uninsured Children: Arizona vs. Neighboring States, 2013-2014

	2013	2014
U.S.	**7.1**	**6.0***
Arizona	11.9	10.0*
California	7.4	5.4*
Colorado	8.2	5.6*
Nevada	14.9	9.6*
New Mexico	8.5	7.3
Utah	9.5	9.4

Utah is the only state in this list that has not expanded Medicaid.

* Indicates one-year change is statistically significant at the 90 percent confidence level.

A closer look at Arizona data reveals key gaps. Children in the income range for the dismantled KidsCare program—138-199 percent of the FPL—were uninsured at a significantly higher rate (16.5 percent) than their lower- and higher-income peers (see Figure 2), ranking Arizona last among states and D.C. This suggests that the loss of KidsCare had a significant impact on many children.

Data also show gaps in coverage for certain racial and ethnic groups. For every race and ethnicity, Arizona exceeds the national average for the rate of children without health insurance (See Figure 3).

Figure 2. Child Uninsurance Rates in Arizona and the U.S. by Family Income as a Percentage of the Federal Poverty Level (FPL), 2014

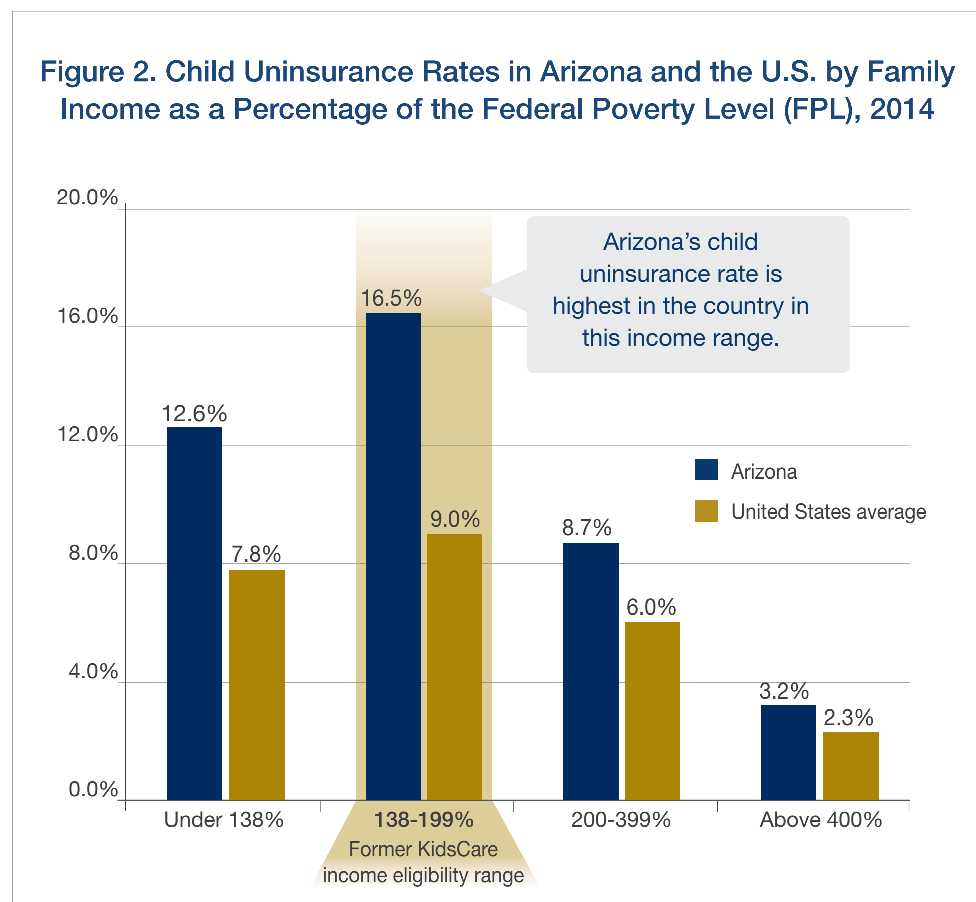
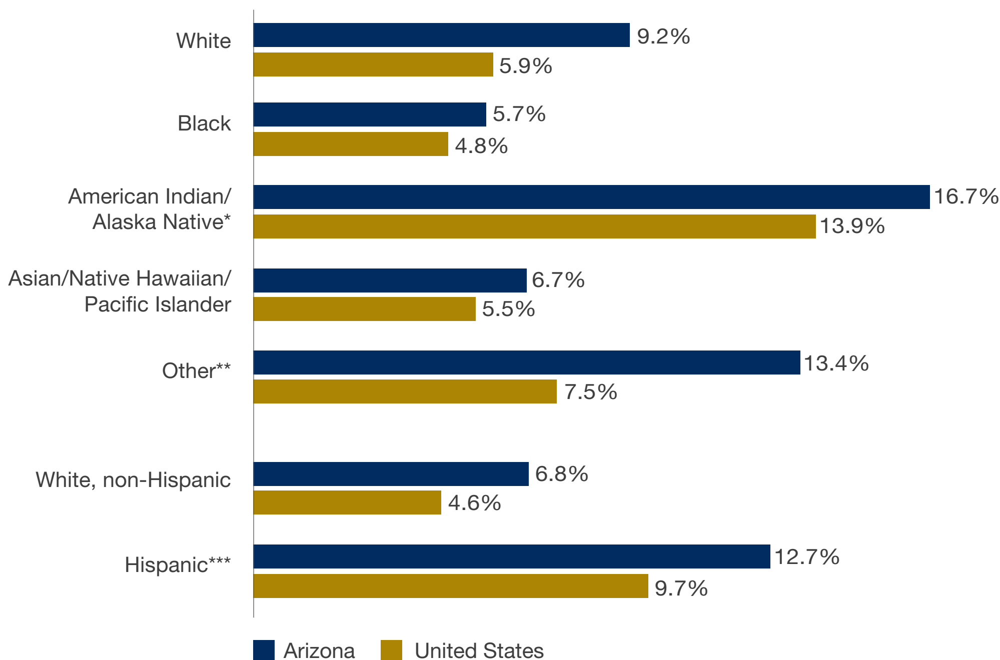


Figure 3. Children's Uninsurance Rates in Arizona and the U.S. by Race and Ethnicity, 2014



* Indian Health Service is not considered comprehensive coverage. See the methodology section for more information.

** "Other" includes responses of "some other race alone" and "two or more races."

*** For simplicity, racial and ethnic data are displayed in this chart, but Hispanic refers to a person's ethnicity and these individuals may be of any race. See the methodology section for more information.

The Impact of Federal and State Policy Decisions on Children's Coverage

Arizona's experience with children's health coverage illustrates that federal and state policy changes must be considered together. The combination of federal requirements and state policy choices in Medicaid, CHIP, and the ACA determine ultimate progress. While the ACA created unprecedented opportunities to connect many more children and their families to health care coverage, Arizona's decisions on KidsCare and CHIP since 2010 suggest that state leadership is necessary to move forward on children's health.

January 2014 marked an important turning point in the U.S. health care system. The ACA went into full effect nationwide, offering new coverage options for many uninsured Americans. The new law was geared largely toward uninsured adults who experience much higher rates of uninsurance than children. The uninsured rate for children has greatly improved in recent years due to the success of Medicaid and CHIP nationwide. The ACA provided states with the opportunity to make further gains for children. While state

policymakers already had broad discretion over how to design Medicaid and CHIP to best serve their states, the ACA offered additional pathways to coverage through health care marketplaces and expanded Medicaid for more low-income adults.

Arizona stood to experience coverage gains at an even higher rate than other states because of a relatively high rate of uninsurance among children and adults alike before the new law went into effect. But state decisions in the years between the ACA passage in 2010 and its full implementation in 2014, described below, prevented Arizona's children from receiving all the potential benefits offered by the new law.

Despite a history of public and bipartisan support for its CHIP program, Arizona froze KidsCare in late 2009, with subsequent stops and starts that were confusing to families.

Arizona designed its CHIP program, called KidsCare, to cover eligible children in families up to 200 percent of the FPL, or about $40,000 for a family of three in 2014.[8] Citing difficulties meeting the state's matching requirement, Arizona froze new enrollment in KidsCare in late 2009.

Starting in 2012, Arizona reopened an alternative, time-limited CHIP program, KidsCare II, for some children. Yet the existing freeze had a chilling effect on coverage. Frequent KidsCare policy changes—six between December 2009 and January 2014—likely resulted in the fluctuating rate of uninsured children during the same time period (see Table 2).[9] KidsCare II ended in January 2014.

Focus group research conducted with families losing KidsCare coverage in 2013 or 2014 indicate that the multiple KidsCare eligibility changes and unclear communication about what they meant created confusion for families that likely led to disruptions in coverage and care.[10] Similar to the challenges voiced by families who could no longer qualify for KidsCare after the freeze went into effect years earlier, families that lost CHIP in 2014 experienced frustration and confusion about their children's coverage options. In some cases they had no affordable coverage option available.[11]

23,000 children moved from KidsCare II to Medicaid under the ACA's "stairstep" provision.

A lesser-known provision of the ACA created a uniform minimum eligibility threshold for children of all ages in Medicaid at 138 percent of the FPL, requiring some states, including Arizona, to move many school-aged children from CHIP to Medicaid. Some in Arizona refer to them as "MCHIP" children. Before the ACA, the federal income eligibility threshold for children under age six was higher than for school-aged children, creating a "stairstep" in eligibility levels. In Arizona, this means 23,000 of the 37,000 children losing KidsCare II in January 2014 moved to Medicaid, or the Arizona Health Care Cost Containment System (AHCCCS). These "MCHIP" children were able to keep affordable, high-quality coverage through AHCCCS despite KidsCare's freeze, which mitigated coverage losses.

Table 2: Timeline of Arizona KidsCare Policy Changes, 2010-2014

Date	State Policy Change
January 2010	**KidsCare/CHIP enrollment freeze.** No new enrollment allowed for KidsCare; existing beneficiaries able to stay on if 1) child remains eligible, 2) parents renew annually as required, and 3) parents maintain monthly premium payments. Nearly 46,000 children are enrolled in KidsCare when the freeze goes into effect. KidsCare waiting list swells to more than 100,000 by July 2011.[6]
May 2012	**Enrollment opens for Kids Care II,** a time-limited alternative CHIP program for children up to 175% FPL (unlike original KidsCare eligibility limit of 200% FPL). KidsCare II was the result of an agreement with federal officials to re-open CHIP coverage for some children, with the idea that the program would sunset in January 2014 to correspond with the ACA's new marketplace coverage options.[7] KidsCare II was initially capped at a maximum of 25,000, which was reached by September 2012.
November 2012	**Kids Care II enrollment reopens for additional children.**
May 2013	**Kids Care II returns income eligibility limit to 200% FPL.**
January 1, 2014	**Transfer of school-aged "stairstep" children from KidsCare to Medicaid.**[8] More than 26,000 children ages six through 18 enrolled in KidsCare and KidsCare II (the state CHIP program) with family incomes up to 138% FPL transferred to the Arizona Health Care Cost Containment System (AHCCCS, or Medicaid).All children with incomes up to 138% FPL now eligible for Medicaid.
January 31, 2014	**Kids Care II ends, KidsCare enrollment freeze remains in effect.** 14,000 children lose KidsCare II, receive notices referring them to the ACA's new federal health insurance marketplace where some of them could potentially purchase health insurance

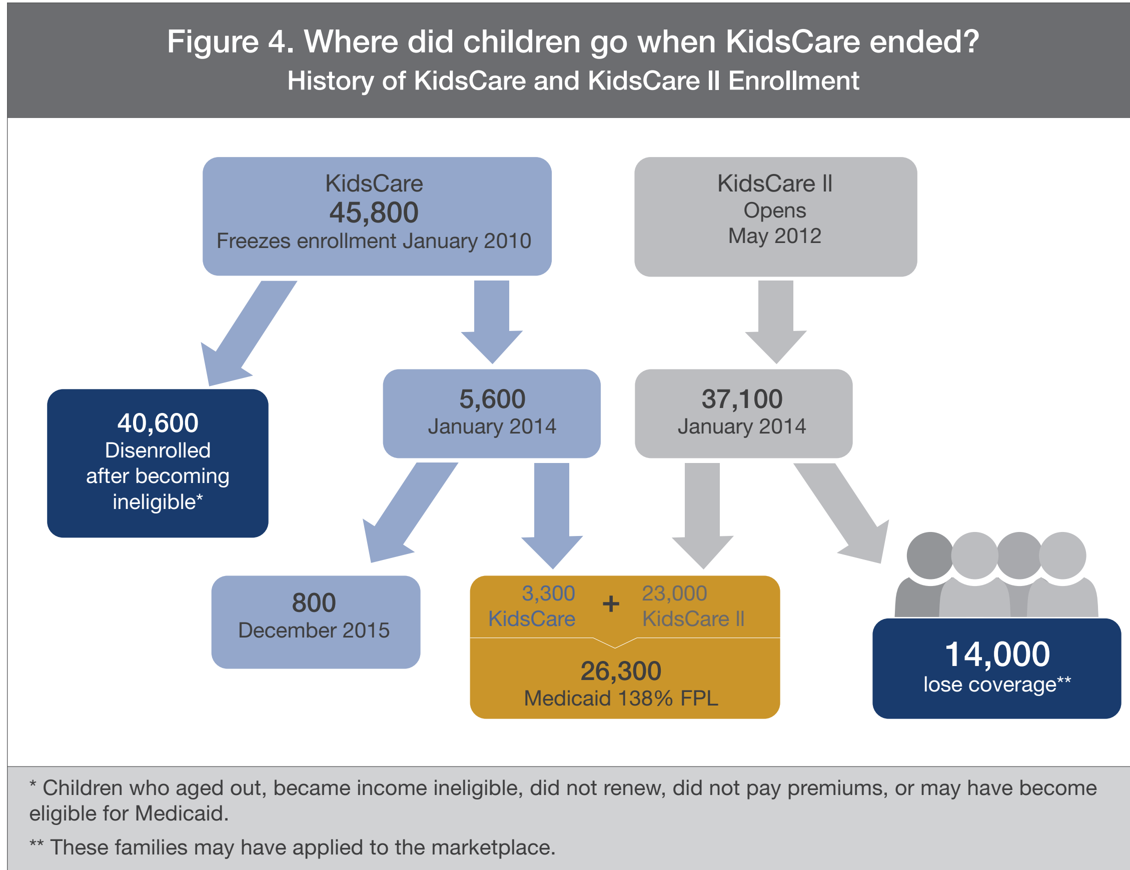


Figure 2 Notes

Enrollment figures rounded to the nearest hundredth.

Figure adapted from "Children's Health Coverage in Arizona: A Cautionary Tale for the Future of CHIP," Georgetown University Center for Children and Families (January 2015), p. 5.

Sources:

"KidsCare & KidsCare II—Arizona's Temporary Children's Health Insurance Program (CHIP) Ends January 31, 2014; Regular KidsCare Enrollment Update," Arizona Health Care Cost Containment System, http://www.azahcccs.gov/applicants/KidsCareII.aspx.

"Population by Category," Arizona Health Care cost Containment System, available at http://www.azahcccs.gov/reporting/Downloads/PopulationStatistics/2015/Dec/AHCCCS_Population_by_Category.pdf.

Instead of maintaining KidsCare, Arizona relied on new, untested federal marketplace coverage for children in families with incomes too high to qualify for Medicaid.

The ACA required states to maintain their children's coverage eligibility levels in effect as of the March 2010 passage of the law. Since Arizona's KidsCare freeze was already in place, it is the only state not subject to this requirement in CHIP.[12] As a result, Arizona chose to temporarily freeze CHIP and instead rely exclusively on new federal marketplace coverage starting in 2014 for children previously covered in KidsCare that did not qualify for Medicaid. National and state-level studies have raised questions and identified key gaps on the affordability and quality of many marketplace plans for children.[13] While an important coverage source for uninsured Arizonians, marketplace plans, unlike CHIP, were not designed with children in mind and include additional cost barriers and benefits gaps compared to CHIP. A Congressionally-mandated analysis by the federal department of Health and Human Services recently found that no qualified health plans available could be deemed "comparable" to CHIP in any state based on affordability and benefits.[14]

Like most other states, Arizona based KidsCare benefits on those available for children in Medicaid, which sets a strong standard for pediatric benefits.[15] A 2014 comparison of KidsCare versus a sampling of Arizona's marketplace plans substantiated concerns that many could be locked out of marketplace coverage entirely or pay much more for less robust services.[16] In nearly every scenario examined, families would pay more for marketplace qualified health plans for their children.

Federal enrollment data show that in 2014 Arizona children enrolled in marketplace coverage at a much higher rate than other states—19 percent are children, compared to 6 percent nationally.[17] This indicates a strong demand for coverage among former KidsCare children—leaving their families to pay more out of pocket for fewer services available.

The ACA's "family glitch" may have locked many children out of subsidized marketplace coverage altogether.

A parent's offer of employer-sponsored insurance may result in ineligibility for tax credits to help purchase marketplace plans even if family coverage is not affordable.[18] This "family glitch" means children and other dependents in these families risk becoming uninsured because they don't have financial help to purchase marketplace plans. Data is not currently available to assess how many children are affected by the glitch in Arizona. Nationally, estimates suggest that without CHIP available more than one million children would end up uninsured, many of them because of the family glitch.[19] While Arizona-specific data is unavailable, a number of focus group participants expressed challenges in finding affordable, continuous, comprehensive coverage after they lost KidsCare, suggesting some fell into the coverage gap left by the family glitch.[20]

Expanding Medicaid to low-income adults, including many parents, likely led to a "welcome mat" effect for children.

Twenty-seven states, including Arizona, opted to extend Medicaid coverage to more low-income adults starting some time in 2014 an ACA provision made optional for states by a June 2012 Supreme Court decision.[21] The ACA's opportunity to cover newly-eligible adults came at minimal cost to states, with 100 percent of the matching cost paid by the federal government through 2016, declining to a floor of 90 percent by 2020.[22] Covering parents improves outcomes for children in many ways—enhancing financial security for families and leading to healthier parents who are better equipped to care for their children.[23] Research also shows that increased eligibility for parents extends to children through a "welcome mat" effect—children already eligible for coverage often become enrolled when their parents become newly eligible.[24]

Despite positive ACA effects in Arizona, it remains among the worst states in children's coverage, likely reflecting the lack of KidsCare.

One in ten children in Arizona remain uninsured, leaving 162,000 without health care coverage.

One in ten children in Arizona remain uninsured, leaving 162,000 without health care coverage. Coverage gains in 2014 suggest that the wave of federal changes helped boost coverage for children. The ACA's Medicaid expansion, "stairstep" provision, new marketplace plans, and overall culture of coverage likely had a positive and protective effect on children's coverage. Yet Arizona remains among the bottom three states for children's coverage, suggesting that the improvement in coverage could have been much greater if KidsCare had remained a viable option. The relatively high rate of uninsured children in the KidsCare income range reflects a coverage gap in affordable and comprehensive coverage for children.

The experience of Arizona's neighboring states shows the potential for greater improvements (See Table 1 above). In particular, Nevada and Colorado were the top two performers nationally in their change in the rate of uninsured children between 2013 and 2014.[25] Like Arizona, Nevada expanded Medicaid, but also maintained its CHIP program (200 percent of the FPL when active in Arizona, 205 percent of the FPL in Nevada due to ACA income counting changes that began in 2014).[26] In turn, between 2013 and 2014, Nevada's rate of uninsured children dropped more than 5 percentage points from 14.9 to 9.6 percent, moving the state from 51st in its rate of uninsured children to 48th in just one year, surpassing Arizona in both rate and national rank (see Figure 5 and Table 3 below). Colorado, which also expanded Medicaid and maintained CHIP, decreased its rate by more than 2.5 percentage points (8.2 percent to 5.6 percent) between 2013 and 2014, moving the state below the national average and improving in rank from 39th to 32nd nationally (see Figure 5 and Table 3).[27]

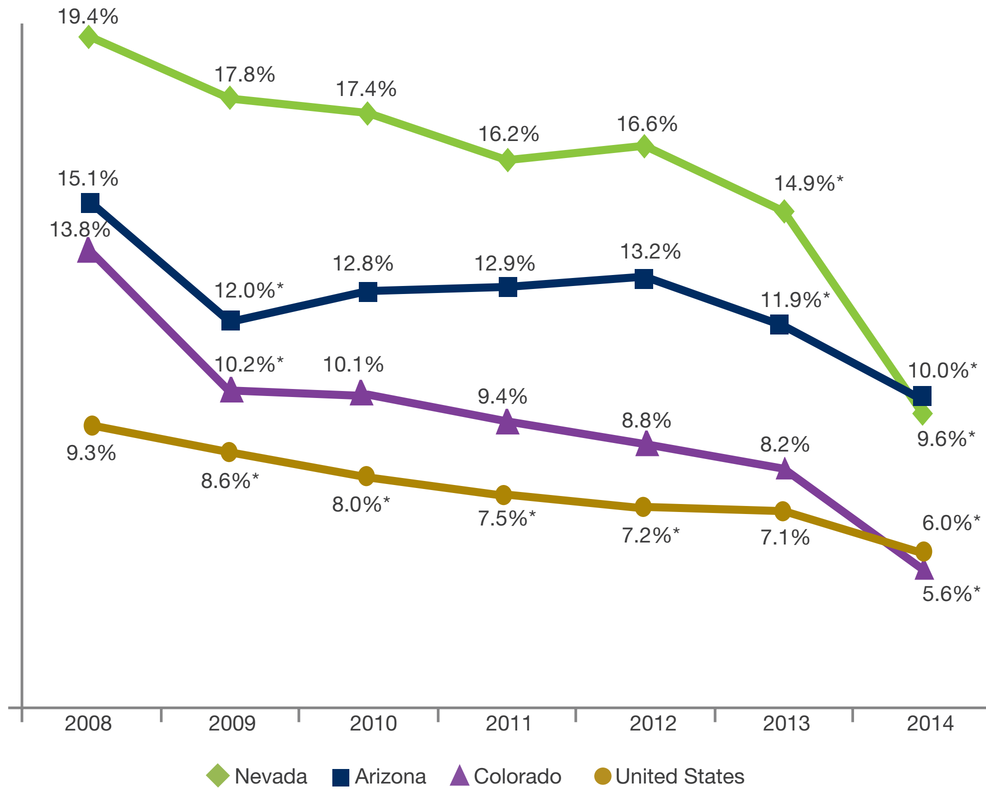


Table 3: National Rankings in Children's Uninsurance Rates in Arizona, Colorado, and Nevada (2013 and 2014)

State	2013 Rate of Uninsured Children	2013 Ranking	2014 Rate of Uninsured Children	2014 Ranking
Arizona	11.9	49	10	49
Colorado	8.2	39	5.6	32
Nevada	14.9	51	9.6	48

What Arizona Can Do to Ensure All Children Have Health Coverage that Meets Their Needs

Arizona has policy options and resources at its disposal to ensure more children have access to affordable, high-quality health coverage. Taken together, the following steps could help the state accelerate coverage gains for children and provide financial stability for more families.

1. **Reinstate KidsCare.**

   When it froze KidsCare, Arizona gave up a program with a generous federal contribution that filled an important coverage void for families. In April, Congress extended CHIP funding through 2017 under the Medicare Access and CHIP Reauthorization Act (MACRA) and increased each state's matching rate up to a maximum of 100 percent starting October 1, 2015.[28] If Arizona leaders moved to reinstate KidsCare, the federal government would pay the full cost of coverage—100 percent—at least through 2017. Taking full advantage of the newly increased match for CHIP under MACRA will allow the state to make more dramatic gains for children.

   Federal CHIP funding is based on prior years of enrollment, raising some questions about whether Arizona could get the full funding necessary if KidsCare were reinstated. Fortunately, federal CHIP law creates multiple pathways to ensure states have sufficient funding to cover coverage expansions or higher-than-anticipated enrollment among eligible children: 1) the child health contingency fund provides additional resources to states that meet certain enrollment thresholds; 2) a redistribution mechanism sends unused CHIP funds to other states at risk of funding shortfalls; and 3) the opportunity for a state to increase its federal funds allotment through a statement of expanded coverage.[29] Some combination of these pathways would ensure Arizona has sufficient federal funds available to reinstate KidsCare under the increased federal match.

2. **Ensure that marketplace Qualified Health Plans (QHPs) include comprehensive, pediatric benefits at an affordable cost to families.**

   Federal marketplace states like Arizona have some ability to shape benefits that plans sell to consumers. Arizona can improve future marketplace plans to ensure they are child-focused and meet the full range of pediatric needs in accordance with the American Academy of Pediatrics Bright Futures standards.[30] Some important considerations include a closer look at benefit limits or exclusions that could impede pediatric development, paying special attention to necessary services for children with special health care needs, ensuring full dental coverage at no additional cost to families, and special attention to other critical services where gaps have been identified, including, but not limited to, vision and habilitation services.

   With an eye toward benefit and cost gaps, Arizona could strengthen state agency oversight and monitoring to ensure marketplace plans are meeting children's health needs and remain affordable. With its relatively high proportion of children in the marketplace compared to other

states, Arizona's Department of Insurance or a newly established advisory body could collect and report data about children served; improve transparency of the required coverage to ensure that all covered benefits are clearly identified, described, and available; and ensure full accountability for consumers through transparent grievance and complaint processes.

3. **Protect Medicaid coverage for adults, including parents.**

   A proposal is currently pending with the federal government to limit coverage for adults, including parents, by imposing time limits and work requirements.[31] This request reflects changes approved by the legislature in 2015. Legal challenges contest the expansion altogether. Protecting a robust Medicaid expansion is critical to ensuring children maintain coverage and get the care they need. Rollbacks or harmful policy changes that have an effect of coverage losses to parents would have a spillover effect on their children.

Conclusion

Arizona, with its large number of uninsured residents, was primed to make major progress in 2014 with the full implementation of the Affordable Care Act. With the adoption of the Medicaid expansion, the state did see coverage improvements that mirrored national trends. Yet the state's decision to dismantle KidsCare meant some Arizona children likely fell through the cracks and prevented more significant gains in children's coverage enjoyed by neighboring states. Arizona stands at a critical crossroads as the only state without an active CHIP program. The state now has an important opportunity to accept full federal funding available to ensure more children receive affordable, high-quality health coverage.

Arizona stands at a critical crossroads as the only state without an active CHIP program.

Endnotes

[1] A. Chester and J. Alker, "Medicaid at 50: A Look at the Long-Term Benefits of Childhood Medicaid" Georgetown Center for Children and Families (July 2015), available at http://ccf.georgetown.edu/ccf-resources/medicaid-50-look-long-term-benefits-childhood-medicaid.

[2] Ibid.

[3] Georgetown Center for Children and Families analysis, U.S. Census American Community Survey data.

[4] Ibid.

[5] J. Alker and A. Chester, "Children's Health Insurance Rates in 2014: ACA Results in Significant Improvements," Georgetown University Center for Children and Families (October 2015), available at http://ccf.georgetown.edu/wp-content/uploads/2015/11/ACS-report-2015.pdf.

[6] Ibid.

[7] E. Burak, "Children's Health Coverage in Arizona: A Cautionary Tale for the Future of CHIP"Georgetown Center for Children and Families (January 2015), available at http://ccf.georgetown.edu/wp-content/uploads/2015/01/Childrens-Coverage-in-Arizona-A-Cautionary-Tale-for-the-Future-of-Childrens-Health-Insurance-Program.pdf.

[8] "Annual Update of the HHS Poverty Guidelines," *Federal Register*, 79: 3593-3594 (January 22, 2014), available at https://www.federalregister.gov/articles/2014/01/22/2014-01303/annual-update-of-the-hhs-poverty-guidelines.

[9] Op. cit. (7).

[10] Perry Undem Research and Communications, "Living Without KidsCare,"(January 2015), available at http://ccf.georgetown.edu/wp-content/uploads/2015/01/Living-Without-KidsCare.pdf.

[11] Ibid.; Op. cit. (7); M. Heberlein, et al, "The Arizona KidsCare CHIP Enrollment Freeze: How Has it Impacted Enrollment and Families?" Kaiser Commission on Medicaid and the Uninsured and Georgetown University Center for Children and Families (September 2011), available at http://ccf.georgetown.edu/wp-content/uploads/2012/03/State-specific_az-enrollment-freeze.pdf.

[12] Arizona is unique as the only state with the ability to cut back children's coverage in CHIP. The Affordable Care Act's maintenance of effort (MOE) required states to maintain eligibility and enrollment processes for children that were in place as of March 2010 through 2019 to prevent disruptions in children's coverage as new coverage was created for adults. Arizona is the only state that is not subject to the CHIP MOE requirement since its KidsCare freeze was already in place.

[13] Wakely Consulting Group, "Comparison of Benefits and Cost Sharing in Children's Health Insurance Programs to Qualified Health Plans," (July 2014), available at http://www.wakely.com/wp-content/uploads/2014/07/FINAL-CHIP-vs-QHP-Cost-Sharing-and-Benefits-Comparison-First-Focus-July-2014-.pdf; M. McManus & H. Fox, "Lack of Comparability Between CHIP and ACA Qualified Health Plans," The National Alliance to Advance Adolescent Health (July 2014), available at http://www.thenationalalliance.org/pdfs/FS11%20-%20Lack%20of%20Comparability%20between%20CHIP%20and%20ACA%20Qualified%20Health%20Plans%20-FINAL.pdf; A. Grace, et al, "The ACA's Pediatric Essential Health Benefit Has Resulted In A State-By-State Patchwork of Coverage With Exclusions," *Health Affairs*, 33: 2136-2142 (December 2014), available at http://content.healthaffairs.org/content/33/12/2136.full?ijkey=qfv3DXr2BRcJE&keytype=ref&siteid=healthaff.

[14] Center for Medicaid & CHIP Services, "Certification of Comparability of Pediatric Coverage Offered by Qualified Health Plans," (November 25, 2015), available at http://www.medicaid.gov/chip/downloads/certification-of-comparability-of-pediatric-coverage-offered-by-qualified-health-plans.pdf.

[15] Georgetown University Center for Children and Families and National Academy for State Health Policy, "Benefits and Cost Sharing in Separate CHIP Programs,"(May 2014), available at http://ccf.georgetown.edu/ccf-resources/benefits-and-cost-sharing-in-separate-chip-programs/.

[16] T. Brooks, et al, "Dismantling CHIP in Arizona: How Losing KidsCare Impacts a Child's Health Care Costs" Georgetown Center for Children and Families and Children's Action Alliance (May 2014), available at http://ccf.georgetown.edu/.

[17] Office of the Assistant Secretary for Planning and Evaluation, "Addendum to the Health Insurance Marketplace: March Enrollment Report," (March2014), available at https://aspe.hhs.gov/sites/default/files/pdf/76811/ib_2014Mar_enrollAddendum.pdf.

[18] An offer of employer-sponsored insurance is deemed affordable based solely on an offer of individual, not family, coverage.

[19] L. Dubay, et al, “Estimates of Coverage Changes for Children Enrolled in Separate Children’s Health Insurance Programs in the Absence of Additional Federal CHIP Funding—Key Findings and Methodology,” Urban Institute (March 2015), available at http://www.urban.org/research/publication/estimates-coverage-changes-children-enrolled-separate-childrens-health.

[20] Op. cit. (11).

[21] Op. cit. (5).

[22] R. Rudowitz, “Understanding How States Access the ACA Enhanced Medicaid Match Rates,” The Kaiser Commission on Medicaid and the Uninsured (September 2014), available at http://kff.org/medicaid/issue-brief/understanding-how-states-access-the-aca-enhanced-medicaid-match-rates/.

[23] Georgetown Center for Children and Families, “Medicaid Expansion: Good for Parents and Kids,” (January 2014), available at http://ccf.georgetown.edu/wp-content/uploads/2013/12/Expanding-Coverage-for-Parents-Helps-Children-2013.pdf.

[24] Ibid.

[25] Op. cit. (5).

[26] T. Brooks, et al, “Modern Era Medicaid: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP as of January 2015,” The Kaiser Commission on Medicaid and the Uninsured (January 2015), available at http://ccf.georgetown.edu/wp-content/uploads/2015/01/Modern-Era-Medicaid-January-2015.pdf.

[27] Op. cit. (5).

[28] Georgetown University Center for Children and Families, “Medicare Access and CHIP Reauthorization Act of 2015: Summary of Key Provisions Impacting Children,” (May 2015), available at http://ccf.georgetown.edu/wp-content/uploads/2015/11/MACRA-Kids-Brief-October-update.pdf; and “Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Medicaid, the Children’s Health Insurance Program, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 2016 Through September 30, 2017,” *Federal Register* 80: 73779-73782 (November 25,2015), available at https://federalregister.gov/a/2015-30050.

[29] 42 U.S.C. § 1397dd (2015).

[30] American Academy of Pediatrics,“Bright Futures Guidelines and Pocket Guide,” available at https://brightfutures.aap.org/materials-and-tools/guidelines-and-pocket-guide/Pages/default.aspx (accessed December 2015).

[31] Arizona Health Care Cost Containment System, “Arizona’s Application for a New Section 1115 Demonstration,” (October 10, 2015), available at http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/az/az-hccc-pa2.pdf.

Methodology

Data Source

This brief analyzes single year estimates of summary data from the American Community Survey (ACS). The U.S. Census Bureau publishes ACS summary data on American Fact Finder. Where only number estimates are available, percent estimates and their standard errors were computed based on formulas provided in the 2014 ACS's "Instructions for Applying Statistical Testing to ACS 1-Year Data." All tests for statistical significance (*) use 90 percent confidence intervals.

Margin of Error and State Rank

The Census provides the 90 percent margin of error (potential error bounds for any given data point). CCF does not take margin of error into account when ranking states by the number and percent of uninsured children by state.

Poverty Status

Data on poverty levels include only those individuals for whom the poverty status can be determined for the last year. Therefore, this population is slightly smaller than the total non-institutionalized population of the U.S. (the universe used to calculate all other data in the brief). The Census determines an individual's poverty status by comparing their income in the last 12 months to poverty thresholds that account for family size and composition, as well as various types of income.

Health Coverage

Data on sources of health insurance coverage are point-in-time estimates that convey whether a person has coverage at the time of the survey. Individuals can report more than one source of coverage, as such totals may add to more than 100 percent. Additionally, the estimates are not adjusted to address the Medicaid undercount often found in surveys, which may be accentuated by the absence of state-specific health insurance program names in the ACS.

Demographic Characteristics

"Children" are defined as those under the age of 18.

In the brief we report data for all seven race categories and two ethnicity categories for which the ACS provides one-year health insurance coverage estimates. The U.S. Census Bureau recognizes and reports race and Hispanic origin (i.e., ethnicity) as separate and distinct concepts.

To report on an individual's race, we merge the data for "Asian alone" and "Native Hawaiian or other Pacific Islander alone." In addition, we report the ACS category "some other race alone" and "two or more races" as "Other." Except for "Other," all other racial categories refer to respondents who indicated belonging to only one race.

We report "Hispanic or Latino," as "Hispanic." As this refers to a person's ethnicity, Hispanic and non-Hispanic individuals may be of any race. We report data for both "white" children and "white non-Hispanic children." The former refers to all children whose race is reported as white, without regard to their ethnicity; the latter category refers to children who reported their race as white and do not report their ethnicity as Hispanic. For more detail on how the ACS defines racial and ethnic groups see "American Community Survey and Puerto Rico Community Survey 2014 Subject Definitions."

Elisabeth Wright Burak is the Senior Program Director at the Georgetown University Center for Children and Families (CCF). Joseph Fu is the Director of Health Policy at the Children's Action Alliance (CAA) in Arizona. The authors would like to thank Alisa Chester, Joan Alker, Sean Miskell and Cathy Hope of CCF and Dana Naimark of CAA for research assistance and helpful reviews. Kelly Whitener (CCF), Eva Marie Stahl (Community Catalyst) and Colin Reusch (Children's Dental Health Project) provided guidance on opportunities to improve marketplace plans. Eric Encarnacion (CCF) conceptualized some of the report figures. Design and layout provided by Nancy Magill.

Center for Children and Families
Health Policy Institute
Georgetown University
Box 571444
3300 Whitehaven Street, NW, Suite 5000
Washington, DC 20057-1485
Phone (202) 687-0880
Email childhealth@georgetown.edu

ccf.georgetown.edu/blog/

facebook.com/georgetownccf

twitter.com/georgetownccf

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