



Health Insurance & Adolescents: Protecting Medicaid & SCHIP, Covering Older Adolescents & Young Adults

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Medicaid & SCHIP

- Current status in Congress re FY 2006 budget
- Coverage of older adolescents & young adults
- Case study of youth aging out of foster care

Key Issues for Older Adolescents & Young Adults

- Health insurance status
- Current coverage in public and private insurance
- Options for extending coverage to uninsured
- Obstacles to expanding or maintaining coverage

Health Insurance Status: U.S. Population 2003

- 45 million in U.S. uninsured in 2003
- 15.6% of population
- Increase from 2002
- Numbers are likely higher
- Source: U.S. Census Bureau, 2004

Health Insurance Status: Older Adolescents & Young Adults

- Older vs. younger adolescents
 - 13.7% of ages 15-18 uninsured 2002
 - 11.0% of ages 10-14 uninsured 2002
- Young adults
 - 30.2% ages 18-24 uninsured 2003 (8.4 million young adults)
 - 33.9% ages 21-24 uninsured 2002
- Sources: Newacheck et al, 2004; U.S. Census Bureau, 2004; RWJ Foundation, 2004

Health Insurance Status: Race & Ethnicity

- Adolescents ages 10-18 uninsured in 2002
 - 27.7% Hispanic
 - 12% Black
 - 8.4% White
- All age groups uninsured in 2003
 - 32.7% Hispanic
 - 19.5% Black
 - 18.7% Asian
 - 11.1% White
- Sources: Newacheck et al, 2004; U.S. Census Bureau, 2004

Health Insurance Status: Income

- Adolescents ages 10-18 uninsured in 2002
 - 19.7% family income < 100% FPL
 - 19.2% family income between 100% and 200% FPL
 - 6.3% family income \geq 200% FPL
- Young adults ages 18-24 uninsured in 2003
 - 45.7% income 100% FPL
- Sources: Newacheck et al, 2004; U.S. Census Bureau, 2004

Young Adults: Reasons for Lacking Health Insurance

- Medicaid and SCHIP coverage usually ends at age 19
- Employer-based dependent coverage ends at age 18 or 19
- Employer-based dependent coverage beyond age 18 limited to full time students
- Cost of individual policies prohibitive

Health Insurance Coverage: Older Adolescents & Young Adults

- Between 2002 and 2003 for all ages
 - Employer-based coverage decreased
 - Public coverage increased
- Public coverage in 2003
 - 24.4% adolescents ages 12-17
 - 14.2% young adults ages 18-24
- Source: U.S. Census Bureau

Health Insurance Coverage: Older Adolescents in Medicaid & SCHIP

- 1997 → 2001 number of states providing Medicaid to all poor adolescents doubled
- In 2002 about 40% of states provided Medicaid coverage for very low income adolescents up to age 19, 20, or 21
- In 1999 Congress enacted option for states to provide Medicaid for young adults ages 18, 19, and 20 leaving foster care
- Sources: Morreale & English, 2003; English, Morreale, & Larsen, 2003

Expansion Options for Older Adolescents & Young Adults

- Universal coverage for all ages
- Universal coverage for children, adolescents, & young adults
- Enrolling all who are eligible for Medicaid & SCHIP
- Expanding eligibility for Medicaid & SCHIP
- Raising upper age limit for dependent coverage in employer-based insurance
- Ensuring coverage for college & university students

Expansion Options: MediKids

- MediKids (S. 827/H.R.3192, 2003)
- Coverage for all children, adolescents, & young adults from birth to age 23
- Proposed by AAP
- Introduced in 108th Congress
- Not enacted

Expansion Option: Kids Come First Act

- Federal bill introduced in 2005
- Senator John Kerry
- Coverage for all “children” 0 to 21
- Federal \$/State \$/tax incentives
- Medicaid/SCHIP

Expansion Options: Medicaid & SCHIP for Young Adults

- Optional Coverage for Young Adults Act of 2003
 - State option to offer Medicaid & SCHIP coverage to low-income youth up to age 23
 - Introduced in 108th Congress
 - Not enacted
- Recent estimates suggest that doing so could cover 2.7 million uninsured adults ages 19-23 with incomes < 100% FPL

Expansion Options: Extending Dependent Coverage

- Federal Employee Health Benefit Program
 - Dependent coverage available
 - All unmarried dependents under age 22
- Utah mandated benefits law
 - Employer-based insurance with dependent coverage
 - Must offer coverage for all unmarried dependents under age 26
- Extending dependent coverage to age 23
 - Could cover 800,000 unmarried dependent young adults

Expansion Options: Individual Private Coverage

- California Blue Cross
- TONIK plans
- “Thrill-seeker,” “Part-time Daredevil,” and “Calculated Risk-Taker”
- Premiums from \$64 to \$123 per month

Expansion Options: SF Pilot Program

- San Francisco Health Plan
- Healthy Kids & Young Adults
- City & County funded pilot program
- Ages 19-24
 - Low-income
 - Aging out of Medicaid or SCHIP or parent of a child in Medicaid, SCHIP, or SF Healthy Kids
 - No employer-based coverage
- Coverage for U.S. citizens, legal & undocumented immigrants

Obstacles to Expanding Coverage

- Federal deficit and debt
- State budget problems
- Increased health costs for employers
- Cuts & restructuring in Medicaid & SCHIP

State Medicaid & SCHIP Cuts

- State cuts in Medicaid & SCHIP
 - Eligibility limits
 - Benefit cuts
 - Provider reimbursement rate reductions
 - Increased cost sharing
 - Enrollment caps
- HIFA Waivers in Medicaid
 - State option to expand coverage for some new groups, e.g., very low income childless adults
 - State flexibility to restrict eligibility & benefits for others

President's Proposed FY 2006 Budget

- Few expansions & numerous cuts in health programs
- Additional spending will not help uninsured older adolescents & young adults
 - Increased \$ for enrolling eligible children & adolescents
 - Tax credits
 - Health savings accounts
- \$45 - \$60 billion in Medicaid cuts

Medicaid Block Grant

- Past proposals that were not enacted
 - 1981 by Ronald Reagan
 - 1995 by Newt Gingrich
 - 2003 by President Bush
- FY 2006 budget refers to modernizing Medicaid on the model of SCHIP
- Block grant implications
 - End of entitlement
 - Possibility of enrollment caps
 - Possibility of elimination of benefit guarantees, e.g., EPSDT

Congressional Budget Resolution

- House version included more cuts than requested by the President
- Senate version included no cuts with \$ for a Medicaid Commission
- Final version included some cuts and a Medicaid Commission
- NGA will not nominate members to Commission

NGA Medicaid Reform Policy

- New policy as of June 1, 2005
- Importance of Medicaid for reducing number of uninsured
- Increased flexibility
 - Cost sharing
 - Benefit package
 - Waivers
 - Judicial reforms
- Use SCHIP as a model

Youth Leaving Foster Care: A Case Study

- Multiple health problems
- Significant health care needs
- Medicaid coverage while in care
- High risk of uninsurance after leaving state custody

FCIA Medicaid Expansion Option

- Foster Care Independence Act of 1999
- Option to expand Medicaid
 - Youth in foster care on 18th birthday
 - Until age 21
- 8 states have elected to implement the option
- Others cited cost as major barrier
- Non-Medicaid options not realistic for these youth

Conclusion

- Older adolescents & young adults very vulnerable to lacking health insurance
- Poor, low-income, and members of racial & ethnic minority groups are most vulnerable
- Progress has been made in increasing health insurance for older adolescents in Medicaid & SCHIP
- Policy options exist for increasing health insurance for young adults
- Advocacy & political will required to protect existing coverage & expand coverage for these vulnerable young people