

Backsliding on Texas Children's Health: More Uninsured, Fewer Enrolled in Medicaid and CHIP

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All Texans should have access to affordable, high-quality health care. This is especially true for children, who represent the future of our state and rely on today's leaders to enact policies to keep them healthy and safe. Ensuring that children can access health care without gaps in coverage is a modest and practical investment that will pay dividends for our state.

But Texas now has the worst rate of uninsured children in the country, according to the latest Census data available. An alarming 10 percent of Texas kids lack health insurance coverage.

Additionally, state Medicaid data from the Texas Health and Human Services Commission (HHSC) shows a decline in children enrolled in the Texas Medicaid program and the Children's Health Insurance Program (CHIP) during 2018. These numbers suggest that our child health insurance coverage rate will likely continue this troubling downward trend when 2018 data become available.

The 2019 Texas legislative session failed to deliver directives for change, as lawmakers passed no meaningful legislation to address the state's high uninsured rate for children. Notably, legislation advanced in the House of Representatives to remedy problematic children's Medicaid eligibility processes, but died in the state Senate. With that exception, the legislative leadership didn't identify Texas' highest uninsured rate in the country—for children or adults—as a problem.

This should concern us all. Extensive research has found that health coverage improves children's access to preventive checkups and medications, and to a real "medical home" where caregivers can meet health issues and developmental needs. Medicaid, which serves over half of Texas newborns and two out of five Texas kids of all ages—is also linked to better educational outcomes and to better health and economic well-being over the long term.¹

These health coverage losses are especially disappointing because the decline in coverage between 2016 and 2017 was the first statistically significant drop for Texas children after a decade of steady improvement. And while not all uninsured kids have low incomes, CPHP estimates that of the 835,000 uninsured Texas children in 2017, *at least* 350,000 were eligible for Medicaid or CHIP—just not enrolled.

The latest uninsured estimates from the U.S. Census release September 10, 2019, show a nationwide increase in uninsured children in 2018, and an increase in uninsured Texans of all ages. Details on how Texas children's uninsured rates fared in 2018 will be released by the Census on September 26, 2019, and CPHP will then post more analysis of the state of children's coverage and what we can do to improve it.

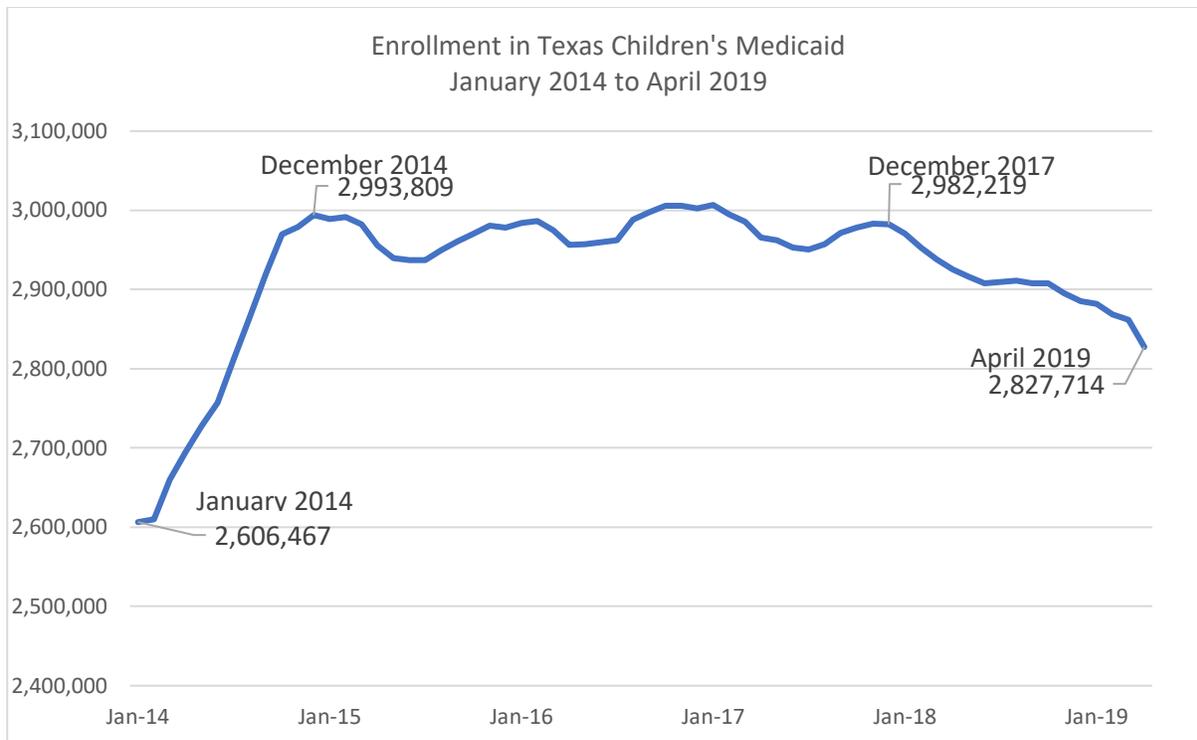


Figure 1: [Medicaid and CHIP Monthly Enrollment by Risk Group](#): CPPP analysis of Texas HHSC data accessed August 5, 2019.

In 2017, for the first time since the Affordable Care Act was implemented, there was a significant increase in uninsured children.

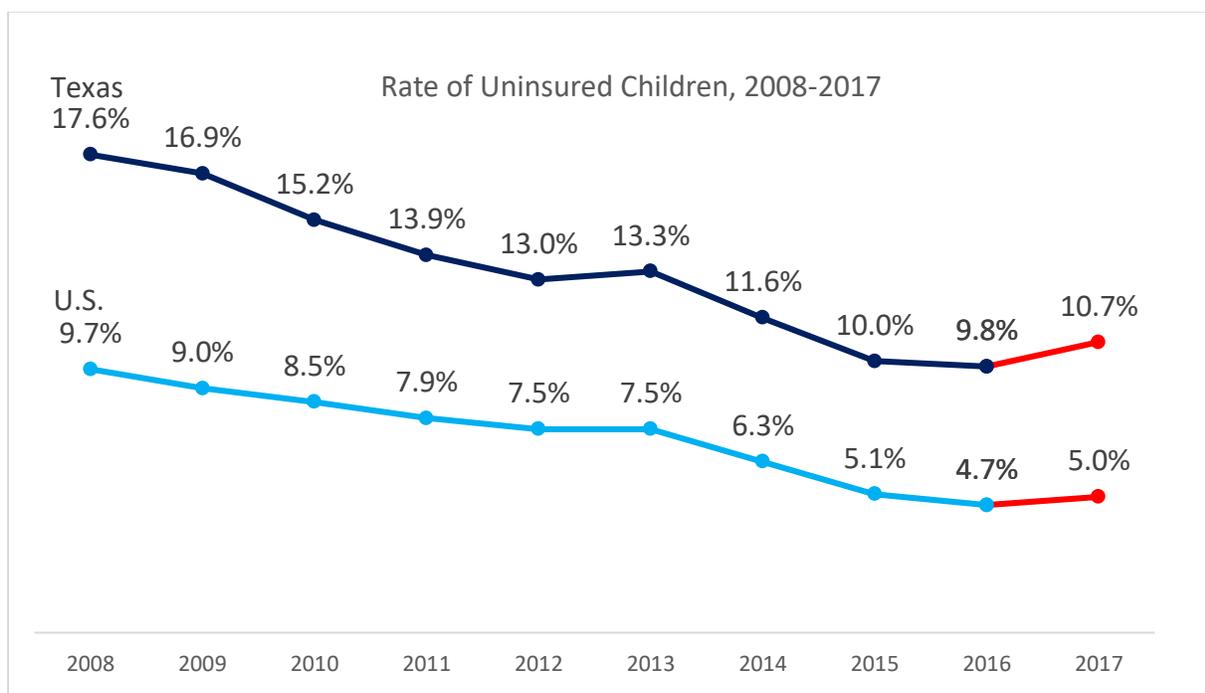


Figure 2, Source: Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2017, [Health Insurance Historical Tables](#), U.S. Census Bureau American Community Survey (ACS).

To understand Texas enrollment trends in children’s Medicaid and CHIP, we must look back at least as far as 2014, when lawmakers fully implemented the Affordable Care Act (ACA).

In 2014, there was a dramatic increase in Medicaid enrollment because many children were moved at renewal from CHIP to Medicaid. This happened because the ACA mandated that the income limit for Medicaid could be no lower than 138 percent of the federal poverty income (FPL). In Texas, this meant that children between 6 and 18 with income between 100 and 138 percent of the FPL moved from CHIP to Medicaid.

- Under federal law, states cannot require Medicaid and CHIP enrollees to actively renew coverage more often than every 12 months.
- Today, Texas only offers 12 months continuous coverage for higher-income children who are in CHIP.
- Children in Medicaid get one 6-month segment of continuous coverage per year. After that, their coverage can be lost on a month-to-month basis as HHSC checks family income sources.
- During the second six months of a child’s Medicaid coverage, a change in family circumstance can impact a child’s eligibility.
- Some families get multiple messages from HHSC, and confusion over multiple income checks also results in some **eligible** children losing coverage: “procedural denials.”

Texas Children’s Medicaid and CHIP Coverage Timelines

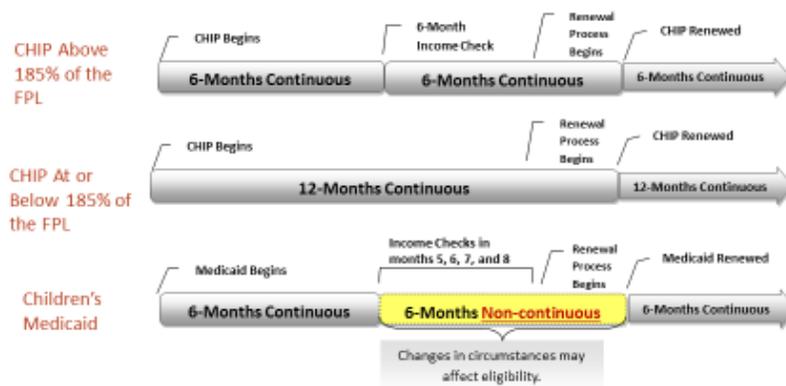


Figure 3: CPPP analysis of Texas HHSC policy

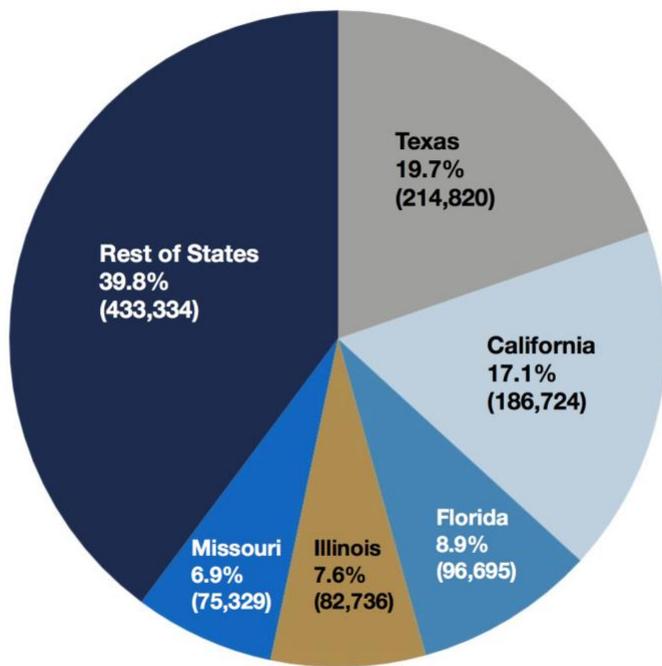
After 2014, enrollment in Medicaid remained flat, which is unusual given steady child population increases in our state. This means there were more kids in Texas eligible for Medicaid but not enrolling. CHIP enrollment increased moderately during this time period, which is the more expected trend. [Two policy decisions HHSC made likely led to the flat enrollment.](#) The first was to end “continuous eligibility” in the Medicaid program during the second sixth months of each child’s coverage. This meant that kids now could lose coverage in any month during the second six months of the year. The second policy decision was the implementation of up to four monthly income checks for children during those six months.

Recent state data shows that on average, more than 4,100 children lose Medicaid coverage each month because of red tape created by these policies. CHIP, in contrast, continues to give children 12 months of continuous eligibility and saw the expected moderate increases, further supporting the theory that the flat enrollment from 2014-2017 was a result of eligible children “churning” off the Medicaid program, losing coverage for a period of months, reapplying, and returning to coverage.

Beginning in December 2017, child enrollment in both Medicaid and CHIP began to decline and has been declining ever since. As Figure 1 shows, approximately 154,500 fewer children were enrolled in Medicaid in April 2019 compared to December 2017. During this period, CHIP enrollment also declined by 47,200 children. **Combined, Texas children enrolled in Medicaid or CHIP dropped by more than 201,700 children (about six percent) between December 2017 and April 2019.**

Recent reports from the Georgetown University [Center for Children and Families \(CCF\)](#) and [Families USA](#) indicate that in 2018, CHIP and Medicaid enrollment declined in a majority of states. Since December 2017, child Medicaid and CHIP rolls have decreased by 2.3 percent nationwide, with 950,000 fewer children enrolled by April 2019. According to CCF’s analysis, Texas had the largest number of children lose coverage down by almost 215,000 kids or six percent,^{ii iii} with Texas children losing coverage accounting for almost one-fifth of the nationwide decline.

States with Largest Decline in Child Enrollment in Medicaid and CHIP (December 2017 – April 2019)



CMS Medicaid and CHIP enrollment data found at <https://data.medicaid.gov/Enrollment/State-Medicaid-and-CHIP-Applications-Eligibility-D/n5ce-ixme>
 Percentages were calculated by looking at the 37 states that saw a 16-month decline and dividing each state’s 16 month decline by the total decline for those 37 states.

Figure 4: [Georgetown University Center for Children and Families](#)

Why Is Enrollment Declining?

Some Texas Health and Human Service Commission representatives suggest that the child Medicaid-CHIP enrollment decline may be due to improvements in the economy overall. However, there is little evidence that the large enrollment declines in 2018 in Texas and other states can be fully explained by improvements in wages and job growth. According to CCF, “historically, enrollment accelerates during economic downturns and slows, rather than declines, during periods of economic growth.”

Increased employment and family income can occur at the same time that uninsured rates rise: more income is not always linked to better access to coverage. Many moderate-income households with earnings above the Texas CHIP income limit don’t have an affordable choice of coverage for their children through their employer. A [glitch in how the ACA defines the term “affordable”](#) leaves many spouses and kids ineligible for subsidies in the ACA Health Insurance Marketplace, and full-price insurance for the kids is unaffordable for low- and moderate-income families. Therefore, the seriousness

of the decline in enrollment cannot be discounted based on the false assumption that children who leave Medicaid or CHIP due to an increase in their parent's income are moving to private insurance.

The experience of Texas organizations engaged in helping families enroll in health coverage, combined with national research, suggest that children are dropping off Medicaid and CHIP coverage for a combination of reasons:

- First, in recent years the state of Texas has done very little outreach to market the availability of Medicaid and CHIP. Federal outreach and enrollment support worsened after the Trump Administration cut funding for ACA marketing by 90 percent and [decimated the grants for ACA Navigators](#).^{iv}
- Second, anti-immigrant rhetoric and proposed policies of the current federal administration have created a chilling effect among mixed-status families (i.e. families that include both U.S. citizens and non-citizens). Reports of immigrants dropping their coverage and the coverage of their children (who are often U.S. citizens) for fear that participation in government programs will lead to deportation or have negative consequences on their ability to change their immigration status have surged in Texas and across the country. Among the most concerning of these policies is the [proposed rule changing the definition of “public charge.”](#)
- Finally, as described above, Texas HHSC adopted particularly unforgiving policies for children enrolled in Medicaid that result in thousands of children being disenrolled from Medicaid every month due to red tape—without ever determining whether they remain eligible. While there are multiple and newer factors that are also discouraging enrollment, Texas' eligibility policies create a compounding effect on the enrollment declines.

The Georgetown University CCF report identifies additional reasons why children's enrollment in these programs is declining, but an overall theme emerges. Our Texas and national commitment to ensuring children's access to health insurance has faded. Texas has taken this a step further and adopted policies that not only decrease the number of children who enroll, but also increase the number of children churning off the program mid-year.

HHSC data has shown that the number of applications the agency processes for Medicaid each month has only reduced slightly since 2014. Meanwhile, the number of renewals the agency processed each month decreased much more rapidly (See Figures 5 & 6). Furthermore, data published by the Centers for Medicaid and Medicare Services (CMS) using HHSC data shows that the number of people determined eligible for Medicaid each month remained steady through 2018. This suggests that the recent decline in enrollment is driven by a reduction in the number of enrolled children renewing coverage as opposed to a decrease in new applications.

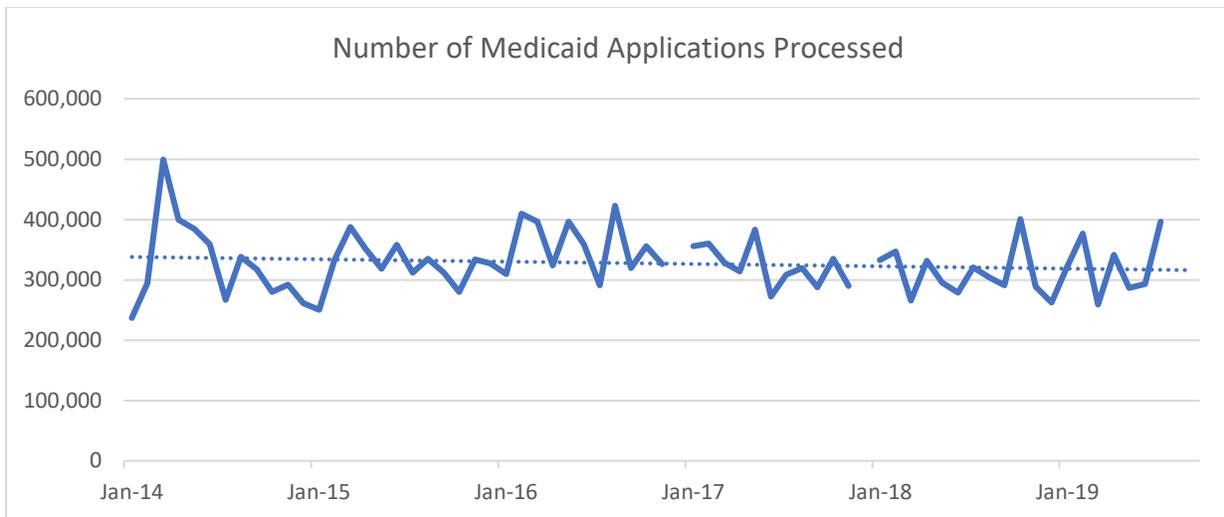


Figure 5, Medicaid Timeliness reports 2014-2019: CPPP analysis of Texas HHSC data last accessed August 5, 2019.

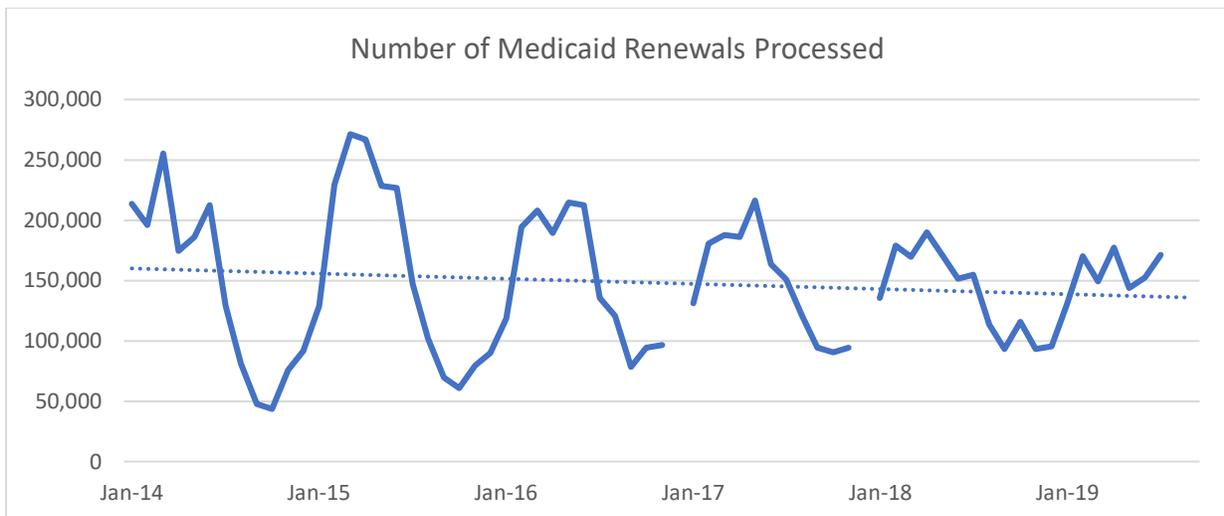


Figure 6, Medicaid Timeliness reports 2014-2019: CPPP analysis of Texas HHSC data last accessed August 5, 2019^v

Next Steps: How to Cover More Texas Kids

If Texas is serious about improving our child uninsured rate, we must prioritize outreach and implement the policies that encourage enrollment and retention in Medicaid and CHIP.

1. The biggest first step would be to return children’s Medicaid to the pre-2014 policy of providing continuous coverage, so that children don’t get kicked off mid-year. If the agency determines that a child is eligible for health coverage, then the agency should not make families jump through bureaucratic hurdles every month to keep that coverage.
2. In addition, Texas HHSC and other health care stakeholders must take an active role in monitoring the chilling effect caused by anti-immigrant rhetoric and proposed policies, and then take steps to counter that trend. The impact of the proposed changes is especially pronounced in Texas where more than one out of four children has a least one parent who is not a U.S. citizen. If we are to protect the health of the next generation of Texans, we must measure the impact and speak out against these harmful proposals.

3. Re-investment in marketing, outreach, and enrollment assistance—especially in underserved rural Texas—is a high priority, but to be effective we have to address the current barriers to getting children enrolled and helping them to stay covered.

The data on the enrollment decline in children’s Medicaid and CHIP in Texas should be a cause for great concern. But there is good news: we know how to fix it. Texas lawmakers have, in the past, banded together and identified children’s coverage as a top priority. We can do that again. We know how to get health coverage to more kids, and it’s our responsibility to the next generation that we take these steps.

Get Involved

The Children’s Health Coverage Coalition (CHCC) was formed in 1998 (as the Texas CHIP Coalition) to work for the establishment of a strong Children’s Health Insurance Program in Texas. Today, this broad-based coalition continues to work to improve access to health care for all Texas children, whether through Medicaid, CHIP, or private insurance. The CHCC advocates for reducing red tape and improving outreach to parents: [learn more here](#).

ⁱ Brooks, T., Park, E. & and Roygardner, L. (2019 May) Medicaid and CHIP Enrollment Decline Suggests the Child Uninsured Rate May Rise Again. Retrieved from: <https://ccf.georgetown.edu/2019/05/28/medicaid-and-chip-enrollment-decline/>

ⁱⁱ The reports from CCF and Families USA use data published by the Centers for Medicaid and Medicare Services (CMS) which are reported by HHSC to CMS and are similar to, but not exactly the same as the data posted by HHSC on their website.

ⁱⁱⁱ Data on enrollment from CMS is based on actual enrollment numbers provided by HHSC. These numbers are given in a “preliminary report” and an “updated report.” The “updated report” includes retroactive enrollment and enrollment of individuals who applied during the reporting period but whose applications were not fully processed before the end of the month. HHSC attempts to avoid this possibly complex issue by adding a completion factor to the current monthly enrollment, that attempts to estimate the final enrollment once retroactive Medicaid is included.

^{iv} While this funding was identified as support for ACA Marketplace enrollment, children of Marketplace-eligible adults often end up enrolling in Medicaid or CHIP. Plus, organizations receiving Navigator grants provide enrollment assistance for all programs.

^v Missing data points are a result of the fact that Medicaid Timeliness reports are not available on HHSC’s website for December 2017 and December 2016.

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