

Research Brief

Implications from Research Results

Presented at the December 2003 OHREC Public Meeting



Public Health Insurance for Oregon's Children

Background: The Family Health Insurance Assistance Program (FHIAP) was created by the 1997 Oregon Legislature to help low-income families afford private health insurance. The program subsidizes a portion of a member's private health insurance premium. The portion paid ranges from 50% to 95% depending on income levels, up to 185 percent Federal Poverty Level¹ (FPL) and does not include assistance with co-pays. There are 2,041² children enrolled in FHIAP and they must reenroll every 12 months.

The State Children's Health Insurance Program (SCHIP) allows states to expand health coverage to uninsured low-income children between 133 and 185 percent FPL who were not previously eligible for Medicaid. Children enrolled in SCHIP receive a richer medical and dental benefit package than FHIAP, do not pay premiums and have limited co-pays but members must re-enroll every 6 months. There are approximately 19,493³ children enrolled in SCHIP.

RTI International, a non-profit institute, conducted a survey to better understand why parents choose one program over the other considering the differences in benefits offered and cost sharing requirements. The following outlines their findings:

Characteristics of parents who choose FHIAP

- ◆ At least one parent employed at the time of application
- ◆ Parent is high school graduate or better
- ◆ Family has experience with paying premiums
- ◆ Parent believes insurance is most needed to pay for future accident or illness

Differences in the usual sources of care

- ◆ SCHIP children were more likely to use a hospital clinic or community health center as their usual source of care
- ◆ FHIAP children were more likely to use a doctor's office or Health Maintenance Organization (HMO) as their usual source of care

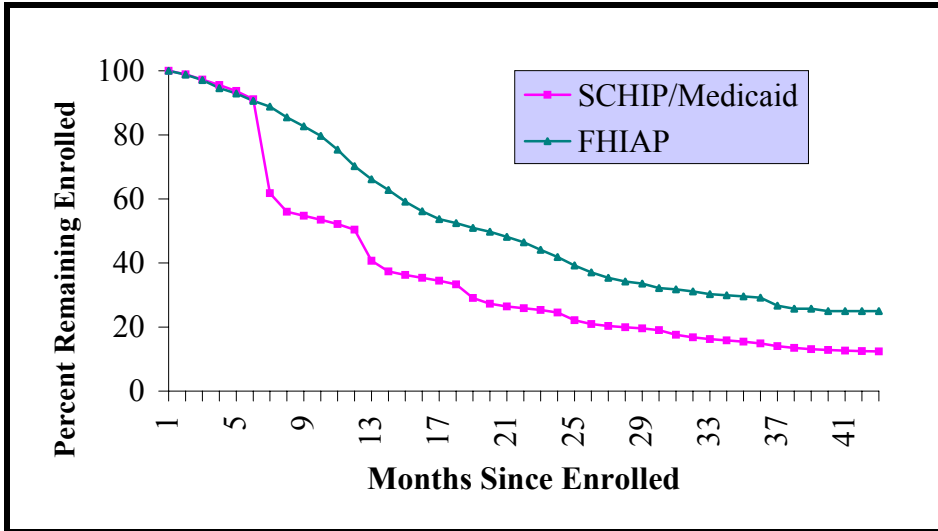
OHREC is a unique collaborative of Oregon health services researchers, state agencies, stakeholders and advocates sharing and studying the impact of changes to the Oregon Health Plan. OHREC is designed to facilitate communication of research findings to policymakers, both statewide and nationally. Initial funding for the formation of the collaborative has been through Oregon's Robert Wood Johnson State Coverage Initiatives Grant through the Office of Oregon Health Policy and Research.

¹ 2003 Federal Poverty Level for a family of four is \$1533/month

² As of January 5, 2004.

³ As of November 2003.

Children Remaining Covered Since Enrolled



How many children leave the programs, how many remain?

- ◆ After 6 months, approximately 60% of SCHIP children remain enrolled in SCHIP or Medicaid compared to about 90% of the FHIAP children

Why do children leave the programs and not reapply?

- ◆ One-quarter qualified for traditional Medicaid (income <133% FPL)
- ◆ One-third of SCHIP parents (36%) did not think their child was eligible
- ◆ One-third of the FHIAP parents (37%) reported no longer needing assistance with premiums

What happens to children when they leave publicly funded programs?

- ◆ Most go uninsured. Only one-half of FHIAP children and one-third of the SCHIP children obtained private insurance
- ◆ About three-quarters of the FHIAP children had seen a doctor since leaving the program compared to slightly less than one-half of the SCHIP children
- ◆ Children are likely to remain insured if parents are employed

Policy Considerations:

- ◆ Consider simplification of reenrollment of SCHIP children to promote continuity of coverage
- ◆ Align SCHIP reenrollment period with FHIAP (every 12 months as opposed to every 6 months)
- ◆ FHIAP appears to promote continuity of coverage, which leads to better health outcomes. Oregon may want to consider options to increase the number of families enrolled

Methodology used?

A telephone survey of 1,545 (1,206 SCHIP / 339 FHIAP) parents of SCHIP and FHIAP clients.

Graph based on Oregon Health Plan and FHIAP administrative data.

Who supported the study?

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