SECTION IIB: ENROLLMENT AND UNINSURED DATA

Question#: 2

B. Please note any comments here concerning CPS data limitations that may affect the reliability or precision of these estimates.

In November 2004, The Rutgers Center for State Health Policy (CSHP) calculated an estimate of the number of uninsured children in New Jersey who are both eligible for NJ FamilyCare and whose parents are likely to be willing to enroll them in the program.

CSHP drew from two sources of date for this analysis: (1) the 2004 Current Population Survey (CPS), March Annual Social and Economic Supplement, and (2) the 2001-02 New Jersey Family Health Survey (NJFHS). The CPS is conducted by the US Census Bureau and Department of Labor and the NJFHS was designed and conducted by CSHP. Their estimates reflect calendar year 2003.

CSHP estimates that there are 101,400 children who are uninsured and eligible for NJ FamilyCare and whose parents are likely to enroll them in the program given the opportunity. The estimates and assumptions underlying the numbers in each category are provided below.

POPULATION (UNDER AGE 19)	ESTIMATED NUMBER	SOURCE/NOTES
1. All uninsured children in NJ, 2003	**264,000**	**CPS**
2. Ineligible for NJ FamilyCare		
2a. Family income over 350% FPL	**59,000**	**CPS**
2b. Private coverage within 6 mo.	**5,400**	**NJFHS proportion with recent private coverage applied to CPS.**
3. Total Eligible, 2003	**199,600**	**Line 1 less lines 2a and 2b**
4. Less likely to enroll		
4a. Non-citizen adult in household	**70,700**	**CPS**
4b. Reluctant to enroll in coverage	**27,500**	**NJFHS proportion with attitude reflecting reluctance to enroll (see below) applied to CPS number of eligible children with citizen parents.**
5. Total eligible, less likely to enroll	**98,200**	**Sum of lines 4a and 4b.**
6. Total eligible, most likely to enroll	**101,400**	**Line 3 less line 5.**

Explanation of Estimates and Assumptions

Line 1: The CPS Annual Social and Economic Supplement is an annual survey that asks about each source of coverage in the prior calendar year. The number of uninsured theoretically includes only those who were without any source of coverage for the full year. However, most analysts believe that for methodological reasons, the CPS more closely reflects the number of

uninsured at a point in time. We have thus assumed that the CPS estimate counts the number of children uninsured at a point in time.

Line 2a: The CPS has an accurate measure of family income. However, in some instances the family unit whose income is used to determine eligibility for NJ FamilyCare is different from the CPS family unit. The former includes extended families living in the same household, while the latter includes parent (or guardian) and children only. In addition, the CPS income data do not permit us to adjust for income disregards that are permitted in the NJ FamilyCare eligibility determination. The use of CPS families will tend to lead to income estimates that are slightly higher, on average, than the program income definition; as will the lack of adjustment for income disregards. Thus, the number of income-eligible uninsured children on Line 2a is likely to be slightly higher than the true number.

Line 2b: Children who had private insurance within six months were not eligible to enroll in NJ FamilyCare during that reporting period. The CPS does not provide data on insurance history. Thus, we use CSHP's NJ Family Health Survey to calculate the proportion of children below 350% of the Federal Poverty Level and multiply this proportion by the CPS-based estimate of the number of income-eligible children.

Line 4a: New Jersey has a higher proportion of immigrant families than most other states. Some immigrant children are not eligible to enroll in NJ FamilyCare, and research has clearly documented that eligible non-citizens are reluctant to enroll in public programs. Thus, we believe that approximately 70,700 children with non-citizen adults in the household are less likely than others to enroll in coverage.

Line 4b: Studies by the US Congressional Budget Office (CBO) and the Urban Institute have estimated the number of S-CHIP-eligible children in the nation who are unlikely to enroll, even absent enrollment barriers. The CBO estimated that 10% of US citizens would not enroll and the Urban Institute estimated that approximately 22% of parents of uninsured children reported that they did not need or want health insurance coverage. While we believe that it is reasonable to exclude a share of eligible children from those most likely to enroll, it is difficult to directly apply these studies in the New Jersey context.

Rather, we use responses to two attitudinal questions from the NJFHS to estimate the size of the eligible-but-reluctant population. Specifically, NJFHS respondents were asked whether they 'strongly agreed', 'somewhat agreed', 'somewhat disagreed', or 'strongly disagreed' with these statements:

"If you are healthy, having health insurance is still a necessity"

"I am a lot more likely to take risks than the average person"

Any respondent who responded that they disagreed (somewhat or strongly) with the first statement or who agreed (somewhat or strongly) with the second statement was considered less likely to be willing to enroll their children. By this definition, we estimate that 13% (27,500) of uninsured children without non-citizen household members who are eligible for NJ FamilyCare are unlikely to be enrolled. This percentage is similar to the national share of citizens who would not enroll published by the CBO.

Line 5: We estimate that a total of 98,200 children (sum of lines 4a and 4b) are less likely to enroll, just under half of all eligible children. Our estimate of unlikely enrollees represents a higher share of the potentially eligible population than has been advanced for the US by the Urban Institute. This difference is accounted for, in part, by New Jersey's high proportion of immigrant families.

Line 6 (Bottom Line): We estimate that 101,400 New Jersey children are uninsured, eligible for NJ FamilyCare and likely to enroll. We do not have a solid research base on which to predict NJ FamilyCare take-up among both the "more likely" or "less likely" groups, and clearly some in the "more likely" group would not enroll while others in "less likely" group would enroll.