

Yes We Can . . .

Cover More than 4 Million Uninsured Children

The State Children's Health Insurance Program (CHIP), which was created in 1997, covers more than 7 million low-income children.¹ CHIP provides health coverage to children in working families with incomes that are too high to qualify for Medicaid but too low to make private insurance affordable. The program was due to be reauthorized in 2007, and, on two occasions that year, Congress passed legislation (with bipartisan support) to continue the program and to expand its scope to cover more uninsured children. Unfortunately, President Bush vetoed the legislation both times it reached his desk, and the roughly 4 million children the bill would have covered remained uninsured.

In the intervening months, CHIP has continued to operate under a temporary extension. This has provided states with roughly the same level of funding that they received in 2007, plus a small additional amount to cover anticipated enrollment increases in 2008 and the first half of 2009. The extension expires on March 31, 2009. If CHIP is not reauthorized before then, states will not receive any new federal support for it, and they will not be able to obtain any unspent allotments that remain from the temporary extension.² Given the dire condition of most state budgets—cumulative state deficits for fiscal years 2009 through 2011 now total more than \$350 billion³—states will simply be unable to continue their programs if federal support is unavailable.

As of 2007 (the most recent year for which data are available), there were an estimated 8.7 million children without health insurance.⁴ Data are not yet available for how many children were uninsured in 2008, but the demand for Medicaid and CHIP has undoubtedly increased, as these programs provide a much-needed safety net for children in families that have lost their health coverage. The deepening recession has driven up the unemployment rate, and for every 1 percent increase in the unemployment rate, an estimated 600,000 children become eligible for Medicaid or CHIP. The unemployment rate in December 2008 was 2.3 percentage points higher than it was in December 2007—more than 3.5 million people have lost their jobs since the recession began.⁵ Without additional federal support and a renewed commitment, Medicaid and CHIP will not be able to accommodate the resulting increased demand.

The current House bill (H.R. 2) is very similar to the bill that Congress passed in 2007 (H.R. 976). If enacted, it would extend the program through the end of fiscal year 2013 and would cover an additional 4.1 million children who are currently uninsured. The bill would provide states with new tools and incentives to cover these children and would pay for the increased coverage primarily through a 61-cent increase in the federal tobacco tax (as the 2007 bills did).

To demonstrate the state-by-state impact of this legislation, Families USA has apportioned the national estimate of the number of uninsured children who could gain coverage (4.1 million) across all 50 states plus the District of Columbia (see Table 1). This table also shows what proportion of each state's uninsured children would be covered. Nationally, the bill would cover nearly half of the nation's estimated 8.7 million uninsured children. Together with the 7 million children already covered by CHIP (see Table 2), this legislation would cover more than 11 million low-income children.

Our methodology is available upon request.

¹ Chris L. Peterson, *Memorandum: REVISED: Estimates of SCHIP Child Enrollees up to 200% of Poverty, above 200% of Poverty, and of SCHIP Adult Enrollees, FY2007* (Washington: Congressional Research Service, May 30, 2008).

² Chris L. Peterson, *What Happens to SCHIP after March 31, 2009?* (Washington: Congressional Research Service, December 19, 2008).

³ Elizabeth McNichol and Iris J. Lav, *State Budget Troubles Worsen* (Washington: Center on Budget and Policy Priorities, December 2008).

⁴ Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, U.S. Census Bureau, *Current Population Reports, P60-235, Income, Poverty, and Health Insurance Coverage in the United States: 2007* (Washington: U.S. Government Printing Office, August 2008).

⁵ Stan Dorn, Bowen Garrett, John Holahan, and Aimee Williams, *Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses* (Washington: Kaiser Commission on Medicaid and the Uninsured, April 2008), available online at <http://www.kff.org/medicaid/upload/7770.pdf>; Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey* (Washington: U.S. Department of Labor, January 9, 2009), available online at <http://www.bls.gov/news.release/empsit.nr0.htm>.

Table 1

Children Who Could Gain Coverage under the House CHIP Reauthorization Bill (H.R. 2)

State	Number of Uninsured Children	Number of Children Who Could Be Covered	Percent Reduction in Children Who Are Uninsured
U.S. Total	8,738,000	4,100,000	47%
Alabama	76,000	49,900	66%
Alaska	19,000	8,400	44%
Arizona	278,000	99,900	36%
Arkansas	66,000	45,800	69%
California	1,253,000	694,000	55%
Colorado	170,000	62,900	37%
Connecticut	58,000	24,700	43%
Delaware	22,000	8,720	40%
District of Columbia	8,000	5,510	69%
Florida	797,000	290,000	36%
Georgia	307,000	181,000	59%
Hawaii	18,000	12,300	68%
Idaho	50,000	21,100	42%
Illinois	294,000	159,000	54%
Indiana	131,000	66,200	51%
Iowa	38,000	23,700	62%
Kansas	51,000	27,200	53%
Kentucky	89,000	47,100	53%
Louisiana	143,000	82,100	57%
Maine	19,000	11,600	61%
Maryland	137,000	73,800	54%
Massachusetts	71,000	56,400	79%
Michigan	142,000	71,400	50%
Minnesota	90,000	31,400	35%
Mississippi	119,000	55,100	46%
Missouri	135,000	64,100	47%
Montana	31,000	12,800	41%

Table 1 (continued)

Children Who Could Gain Coverage under the House CHIP Reauthorization Bill (H.R. 2)

State	Number of Uninsured Children	Number of Children Who Could Be Covered	Percent Reduction in Children Who Are Uninsured
Nebraska	39,000	20,000	51%
Nevada	107,000	37,400	35%
New Hampshire	21,000	9,300	44%
New Jersey	267,000	116,000	43%
New Mexico	93,000	32,100	35%
New York	402,000	267,000	66%
North Carolina	296,000	136,000	46%
North Dakota	14,000	5,460	39%
Ohio	214,000	119,000	56%
Oklahoma	112,000	57,100	51%
Oregon	107,000	42,700	40%
Pennsylvania	220,000	129,000	59%
Rhode Island	18,000	10,300	57%
South Carolina	132,000	53,300	40%
South Dakota	17,000	9,060	53%
Tennessee	125,000	45,900	37%
Texas	1,400,000	490,000	35%
Utah	107,000	35,900	34%
Vermont	11,000	4,990	45%
Virginia	184,000	79,500	43%
Washington	120,000	49,800	42%
West Virginia	29,000	19,400	67%
Wisconsin	79,000	38,500	49%
Wyoming	12,000	5,700	48%

Note: Columns may not add due to rounding.

Source: Uninsured estimates from a three-year merge (2005-2007) of the Census Bureau's Current Population Survey. See *Left Behind: America's Uninsured Children* (Washington: Families USA, November 2008). Remaining estimates by Families USA. Methodology available upon request.

Table 2
Children Enrolled in CHIP in Fiscal Year 2007

State	2007 CHIP Enrollment	State	2007 CHIP Enrollment
U.S. Total	7,126,798	Missouri	81,764
Alabama	106,691	Montana	20,115
Alaska	17,558	Nebraska	46,199
Arizona	104,209	Nevada	41,862
Arkansas	89,642	New Hampshire	12,088
California	1,538,416	New Jersey	150,277
Colorado	84,649	New Mexico	16,525
Connecticut	23,632	New York	651,853
Delaware	11,143	North Carolina	240,152
District of Columbia	6,566	North Dakota	5,469
Florida	323,529	Ohio	231,538
Georgia	338,289	Oklahoma	117,084
Hawaii	23,958	Oregon	63,090
Idaho	33,060	Pennsylvania	227,367
Illinois	345,576	Rhode Island	26,067
Indiana	130,368	South Carolina	59,920
Iowa	50,238	South Dakota	14,982
Kansas	49,536	Tennessee	41,363
Kentucky	68,776	Texas	710,690
Louisiana	153,663	Utah	44,785
Maine	31,037	Vermont	6,132
Maryland	132,887	Virginia	144,163
Massachusetts	184,483	Washington	14,734
Michigan	114,025	West Virginia	38,582
Minnesota	5,408	Wisconsin	62,523
Mississippi	81,565	Wyoming	8,570

Source: Chris L. Peterson, Congressional Research Service, May 30, 2008.

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**SPECIAL
REPORT**

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