

# Crossing the Finish Line

2009

HOW  
ARKANSAS  
CAN COVER  
ALL CHILDREN



## **Acknowledgements**

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The Arkansas Finish Line Coalition is a group of medical professionals, child-serving organizations and advocates working to get health insurance for every Arkansas child. Online at [www.ARFinishLine.org](http://www.ARFinishLine.org).

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# Crossing the Finish Line: How Arkansas Can Cover All Children

2009 STATE OF CHILDREN'S HEALTH INSURANCE IN ARKANSAS

BY ELISABETH WRIGHT BURAK  
Health Policy Director, AACF

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## SUMMARY

Children with health insurance are more likely to receive the health care they need to become healthy, educated and productive citizens. Health insurance not only impacts children's health, it impacts the economic stability of families. More and more, health insurance is out of reach for many working families, threatening their ability to make ends meet.

Arkansas has been a national leader in reducing the rolls of uninsured children. With the creation of ARKids First in 1997, our state cut the rate of uninsured children from 21 percent in 1997 to 9 percent today. This report looks at trends in uninsured children since the creation of ARKids First. Among the more notable findings:

- In 2005, the percentage of low-income, uninsured children in Arkansas began to increase for the first time since 1998, or shortly after ARKids First was created.
- Many eligible children aren't signing up for ARKids First, due to staffing limitations at the Arkansas Department of Human Services (DHS) and a decreased emphasis on outreach for ARKids First enrollment and renewals.
- Increasing numbers of uninsured children live in middle-income families with incomes just above the cusp for ARKids First but too low for private health insurance.

With a modest investment, Arkansas can take several steps that will help us cross the finish line and ensure that all children have health insurance. The Arkansas Finish Line Coalition, a growing group of medical professionals, child-serving organizations and advocates, advances a three-part plan to reach the goal of covering all children in Arkansas.

- Enroll children who already qualify for ARKids First but aren't signed up.
- Extend health insurance to 12,000 more Arkansas children by raising the family income limit from 200 percent of the federal poverty level to 300 percent.
- Expand options for additional families who can't afford private insurance by creating a way to buy coverage through ARKids First.

# ALL CHILDREN NEED HEALTH COVERAGE

When children are healthy, families and communities thrive. Children with health insurance are more likely to receive the health care they need to become healthy, educated and productive citizens. Parents can ensure their children receive quality routine health care, as well as needed help in a medical emergency.<sup>1</sup>

Children without coverage fare differently. Without coverage, many families can't afford treatment for ongoing conditions like asthma or diabetes. Uninsured children don't have equal access to preventive care that ensures children receive immunizations, tracks important developmental milestones and catches developmental delays early when they are most successfully addressed. Uninsured children are often unhealthy children and can grow into unhealthy adults.

## Health coverage helps improve children's school performance

When children are covered, it positively impacts education and future workforce development. Good health is linked with school performance, and children with health insurance are more likely to access health services.<sup>2</sup> Studies in Missouri and California found that when uninsured children received health insurance, school absences decreased and they were more likely to pay attention in class and keep up with school activities.<sup>3</sup>

## Health coverage keeps families economically stable

Health insurance not only impacts children's health, it impacts the economic stability of families. Many families depend on health coverage from their employers – about 4 in 10 Arkansas children receive coverage this way. But more and more, health insurance is out of reach for many working families, threatening their ability to make ends meet. While health care costs continue to rise, the share of the cost that employers pass along to families is soaring. In some cases, employers are discontinuing employee health coverage altogether.

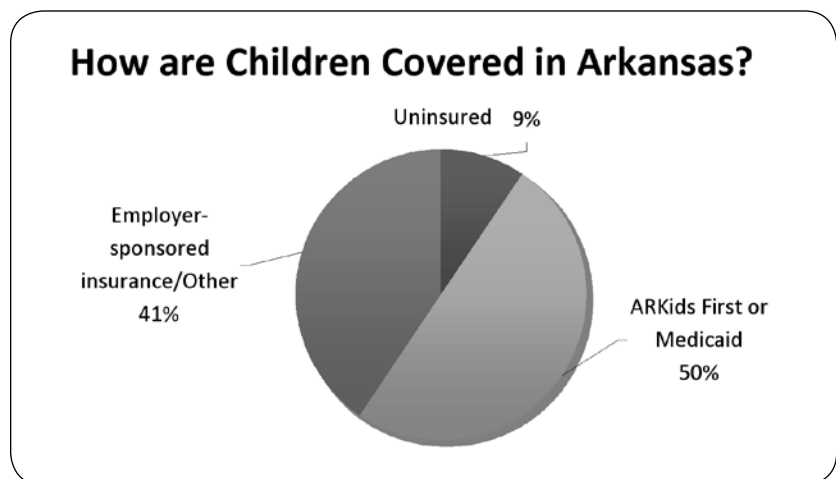


FIGURE 1: Source: 1) DHS Division of County Operations, ACES monthly Report for September 2008. 2) Unpublished reports from the Annie E. Casey Foundation of Current Population Survey data on uninsured, using a three-year rolling average.<sup>10</sup>

- Between 2000 and 2007, average health premiums for family coverage in Arkansas increased over five times the rate of wages.<sup>4</sup>
- Since 2000, employer-sponsored insurance for children in Arkansas decreased by 9.2 percent (over 55,000 children) compared to a 6.5 percent decrease nationally.<sup>5</sup>
- Arkansans with private, employer-sponsored coverage pay 32 percent of family premiums, which is the second-highest employee share in the country. Nationally, employees average 25 percent of premium costs, which range from 19 percent in Wyoming to 33 percent in Florida.<sup>6</sup>

Lack of accessible, affordable health insurance is no longer limited to unemployed, poor families. Middle class families are also economically vulnerable. Twenty-five percent of uninsured children have employer-insured parents who forego coverage for their children because it is too expensive.<sup>7</sup> Yet they do without coverage at great risk: one emergency appendectomy could amount to debts that are out of reach even for middle-income families. Increasing numbers of Americans report difficulties paying medical bills and almost half report delaying or foregoing treatment because of cost.<sup>8</sup> Medical bills are a leading cause of family bankruptcies.<sup>9</sup> ARKids First can help protect the stability of Arkansas families – and the economic stability of our state.

Fortunately, Arkansas has been a national leader in increasing coverage options for children. Thanks to the successful ARKids First program, our state is within reach of ensuring all children have affordable, quality health insurance.

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“Our State is becoming a shining example for attacking the problem of uninsured children. Ten years ago, nearly one in four Arkansas children had no health insurance. Through the ARKids First program, we have provided care to tens of thousands of Arkansas children.”

— **GOV. MIKE BEEBE**, State of the State Address, Jan. 13, 2009

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## ARKIDS FIRST HAS MADE A DIFFERENCE

In 1997, Arkansas lawmakers created ARKids First to give more low-income children access to health insurance. During 1996 hearings to consider ways to control Medicaid costs, Arkansas Advocates for Children and Families (AACF) raised the idea of extending coverage to more children. AACF suggested that giving more low-income children access to health insurance and preventative care could keep them healthier, producing long-term savings in avoided medical costs. In turn, healthier children would be better

equipped to enter school ready to learn and go on to contribute to the state’s future workforce. Arkansas Advocates for Children and Families and other child advocates, former Governor Mike Huckabee, Governor Mike Beebe (then the bill’s lead Senate sponsor) and other legislative champions led the charge to create ARKids First. As a result, Arkansas

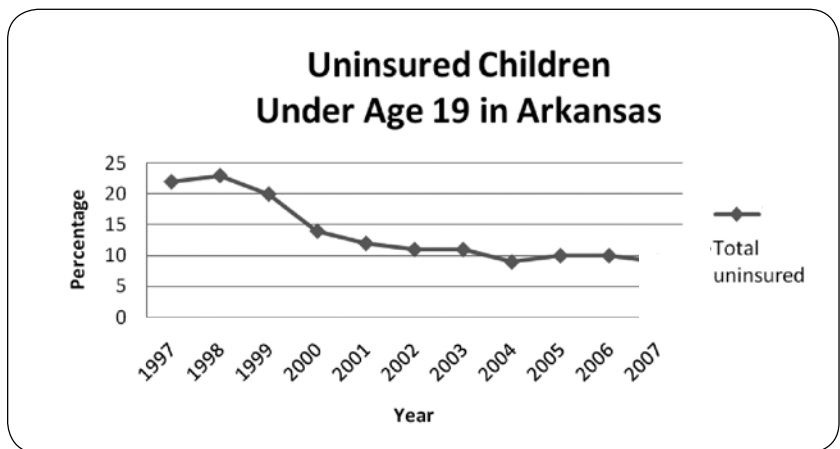


FIGURE 2. Source: Unpublished reports from the Annie E. Casey Foundation of Current Population Survey data on uninsured, using a three-year rolling average.<sup>10</sup>

became one of the first states in the nation to expand access to health insurance for children in families with incomes up to 200 percent of the federal poverty level.

The successful ARKids First program cut the rate of uninsured children from 21 percent in 1997 to 9 percent today (see Figure 2).<sup>11</sup>

The drop in very low-income (under the federal poverty level) uninsured children fell even more dramatically from 34 percent to 15 percent in that time. Those in low-income families (between 100 and 199 percent of the federal poverty level) dropped from 26 percent to 10 percent (see Figure 3).

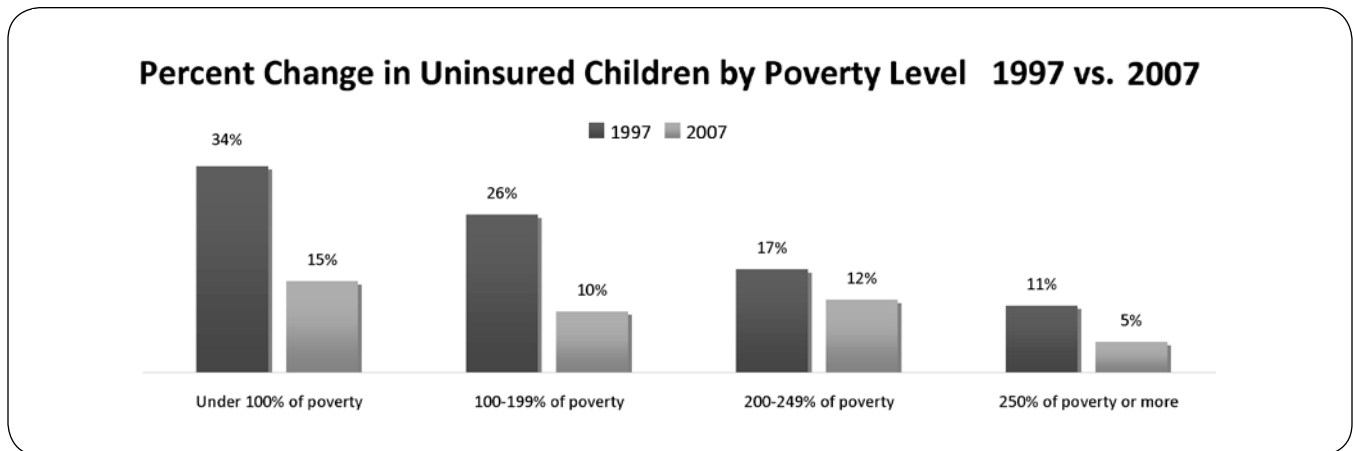


FIGURE 3. Source: Unpublished reports from the Annie E. Casey Foundation of Current Population Survey data on uninsured, using a three-year rolling average.

## HOW DO ARKIDS FIRST AND MEDICAID WORK?

ARKids First offers health insurance coverage to children in families with incomes up to 200 percent of the federal poverty level (See Table 1). Income is not the only factor in a child’s eligibility for ARKids First, but it is the most predictive.<sup>12</sup>

TABLE 1: ARKIDS FIRST ELIGIBILITY 2008 FEDERAL INCOME THRESHOLDS

% of 2008 Federal Poverty Rate	Program	Age	Family Size						
			1 person	2 person	3 people	4 people	5 people	6 people	Each add'l person add:
Up to 133%	ARKids First A/ Medicaid	Under 6 years	\$13,832	\$18,620	\$23,408	\$28,196	\$32,984	\$37,772	\$4,788
Up to 100 %		6 to 19 years	\$10,400	\$14,000	\$17,600	\$21,200	\$24,800	\$28,400	\$3,600
133 to 200%	ARKids First B	Under 6 years	\$20,800	\$28,000	\$35,200	\$42,400	\$49,600	\$56,800	\$7,200
100 to 200%		6 to 19 years	\$20,800	\$28,000	\$35,200	\$42,400	\$49,600	\$56,800	\$7,200

ARKids First includes two plans. ARKids First A provides free care for a range of health screenings and treatment services. ARKids First B, for families with slightly higher incomes (between 100 and 199 percent of the federal poverty line), provides most of the same benefits but requires a co-payment for some services, including \$10 for routine visits and \$5 for prescriptions.<sup>13</sup> For a child to be eligible for ARKids First B coverage, families must demonstrate that their child has either not had comprehensive health coverage within the past six months, or has lost health coverage involuntarily. The six-month waiting period aims to ensure the program reaches children in families who would otherwise not have access to coverage for children or cannot afford available coverage.

Roughly half of the state's 732,000 children receive ARKids First or Medicaid coverage (See Table 2 below). Most of these children are covered by ARKids First, but about 50,000 others are covered with their families or in other coverage categories (see enrollment numbers below).<sup>14</sup>

**TABLE 2: Children Under 19 Enrolled in ARKids First or Medicaid (Sept 2008)**

Medicaid/ARKids Category	No. Enrolled
ARKids First A	246,804
ARKids First B	69,313
Other Medicaid Categories <sup>15</sup>	49,758
<b>Total Children ARKids First or Medicaid</b>	<b>365,875</b>

Source: Arkansas Department of Human Services, Division of County Operations, Monthly ACES report IM-1242

**COVERING CHILDREN IS LESS COSTLY TO THE STATE THAN OTHER GROUPS.**

In State Fiscal Year 2007, children made up 72 percent of enrollees in ARKids First or Medicaid, yet comprised less than half (44 percent) of the state's Medicaid spending (Figure 4). Adults with disabilities and adults over 65 account for 27 percent of enrollees and 57 percent of Medicaid expenditures.

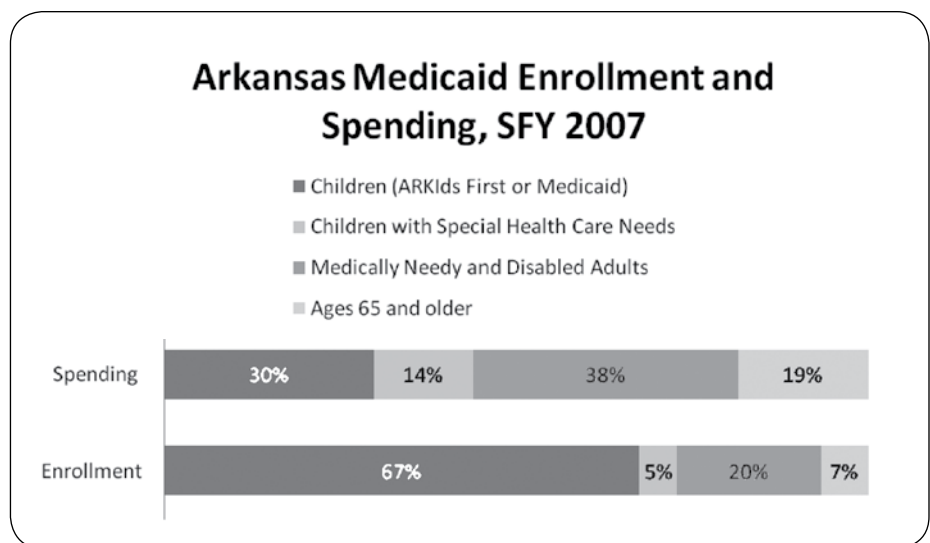


FIGURE 4. Source: DHS Division of Medical Services, Claims and Expenditure Data, Unduplicated Recipient Count, State Fiscal Year 2007. Figures do not add to 100 percent due to rounding.

## The role of the federal government: Medicaid and SCHIP

Arkansas does not bear the cost of ARKids First alone. The federal Medicaid program was established in 1965 to provide health insurance to vulnerable children and families in poverty. As a partnership with the federal government, states are guaranteed federal funds for every eligible child who enrolls. These federal funds are determined by a state-by-state match rate. In Arkansas, for every \$1 the state spends in the Medicaid program (which includes ARKids First A), the federal government provides nearly \$3.

In 1997, Congress created the State Children's Health Insurance Program (SCHIP) to support states expanding coverage to more low- and moderate-income children. SCHIP provides a higher match rate – for every \$1 invested by the state, SCHIP provides more than \$4. However, unlike traditional Medicaid, SCHIP funds are not guaranteed for every eligible child. Once a state reaches its annual allotment, it cannot receive additional federal funds for that year. Arkansas has not yet reached its full SCHIP cap, but could run the risk of doing so if the SCHIP program is not reauthorized with new funds in early 2009 (see below). For the most part, children who receive ARKids First B are funded through a combination of state and federal SCHIP funds.

With both Medicaid and SCHIP, states have flexibility in how they determine eligibility. While Arkansas has set ARKids B eligibility to serve children in families up to 200 percent of the federal poverty line, 20 states have extended their SCHIP eligibility to children in families with incomes at 250 percent or above (see expansion options for Arkansas on page 12).

Medicaid and SCHIP remain at the center of all debates on national health care reform. SCHIP is scheduled for reauthorization in early 2009, and numerous health reform proposals—including the widely anticipated economic stimulus package— address some aspect of the Medicaid program.

One important area under consideration with SCHIP reauthorization is coverage for immigrant children. Under current federal law, only U.S. citizens and some undocumented immigrants (e.g. pregnant women) may be supported under Medicaid or SCHIP. Legal immigrant children may only access federal Medicaid or SCHIP once they have lived in the U.S. for five years. Some states have chosen to provide health insurance to legal immigrant children during this five-year window as well as to undocumented children—all at state expense. Several proposals for SCHIP reauthorization would allow states to eliminate this five-year waiting period and use federal funds to cover legal immigrant children. This would be an important first step to meeting the needs of the increasing numbers of children in Arkansas' immigrant families.

As federal health reform plans are debated, Arkansas and other states must be assured that they provide sufficient funds to cover children who are currently eligible as well as any newly eligible children that result from a state expansion. Child advocates across the country will be working to ensure that SCHIP or Medicaid program changes maintain or increase coverage for children. For more information on the federal Medicaid and SCHIP programs, visit the Georgetown University Health Policy Institute's Center for Children and Families at <http://ccf.georgetown.edu>.

# MANY CHILDREN STILL LACK HEALTH INSURANCE

Even with our significant progress, Arkansas is still home to 69,000 uninsured children. That's enough children to fill 1,150 school buses.

**THOUSANDS OF ELIGIBLE CHILDREN AREN'T ENROLLED IN ARKIDS FIRST.** Two out of three uninsured children (46,000) likely qualify for the ARKids First program, but are not enrolled. Many of these children get lost in the re-enrollment process. Ongoing coverage depends on families responding to a mailed letter rather than allowing them to re-enroll through medical providers or other community partners, a follow-up phone call from caseworkers, or use of Internet technology. As children get lost in the re-enrollment process, they “churn” in and out of coverage, which leads to coverage gaps that cost the state more in administrative costs to start the entire enrollment process again and get children re-connected with services. Since the creation of ARKids First, Arkansas has taken many steps to streamline the application process and make it more user-friendly for families.<sup>16</sup> Among others, these changes include:

- *Minimized informational requirements.* To ease the application process, parents applying for ARKids First for their children 17 are no longer required to provide a parent social security number, absent parent contact information, or a copy of the birth certificate for children in Arkansas. The state also shares eligibility information among Food Stamps and Medicaid.
- *Removal of requirement for face-to-face interview.* Families can apply for ARKids First through a mail-in application process and never enter a DHS office.
- *Administrative verification of income.* Since 2000, a family does not have to save monthly and weekly pay check stubs to send in with their application. DHS now uses alternative methods to verify income if necessary.
- *Removal of an assets test for families.* Asset tests, or inclusion of a families' valued assets beyond income, takes items such as vehicles or savings accounts into account when determining program eligibility. The original ARKids First Program (now ARKids First B) did not require an assets test. After 2001 legislation, families applying for the ARKids First A program for their children were also no longer required to provide asset information.
- *Reduction of the ARKids First B waiting period from 12 months to six months.* ARKids First B requires applicants to demonstrate that their child has not had health insurance for a specified period of time, also referred to as a waiting period. The waiting period for insured children to access ARKids First B was reduced to six months and the definition of insurance was clarified to allow individual policy holders to have immediate access to ARKids First B. This aimed to create smaller gaps in coverage for children and ensure that ARKids First B would be available to children in families who involuntarily lost coverage.

These, and other changes enacted between 2000 and 2005, increased the number of eligible children who signed up for ARKids First. In recent years, however, outreach efforts have stagnated. In 2004, Arkansas Advocates for Children and Families finished an eight-year effort with partners across the state to get children enrolled. At the same time, DHS faced rising demands with increasing applications, stagnant support for eligibility workers, and high staff turnover. In addition, risk of losing federal support for Food Stamps reduced emphasis on ARKids First outreach.<sup>18</sup> For many years, Arkansas has received bonus payments from the federal government for maintaining accuracy and timeliness in food assistance applications. Increased applications threatened continued support, so food assistance became a higher priority across DHS county offices. As a result, outreach efforts for ARKids First and Medicaid enrollment and renewals have taken a back seat.

The shift in focus away from ARKids First also led to setbacks in promising policy changes that would keep eligible children enrolled. In 2005, DHS piloted a program in Northwest Arkansas to allow ARKids First renewals to be completed over the telephone, minimizing re-enrollment paperwork for families. The pilot led to a 30 percent increase

in renewals that would have otherwise been rejected due to failure to submit paperwork. Given the program's success, DHS enacted a policy in August 2005 to take telephone renewals statewide.<sup>19</sup> In December 2007, due to limited staff capacity and questions about how best to use local staff resources, the telephone renewal policy was suspended until further notice.

Lack of concentrated outreach in recent years appears to have slowed enrollment. Figure 5 shows ARKids First enrollment trends for the past 10 years (top line) versus the number of uninsured children under 200 percent of poverty, or those who would likely qualify for ARKids First or Medicaid (bottom line). Arkansas saw significant enrollment increases after creation of the ARKids First program in 1997, but these began to level off or decrease during the past two years. This occurred while the uninsured rate among children in families under 200 percent of poverty increased from 10 to 12 percent between 2004 and 2007, translating to 9,000 more uninsured children below the ARKids First income threshold.<sup>20</sup>

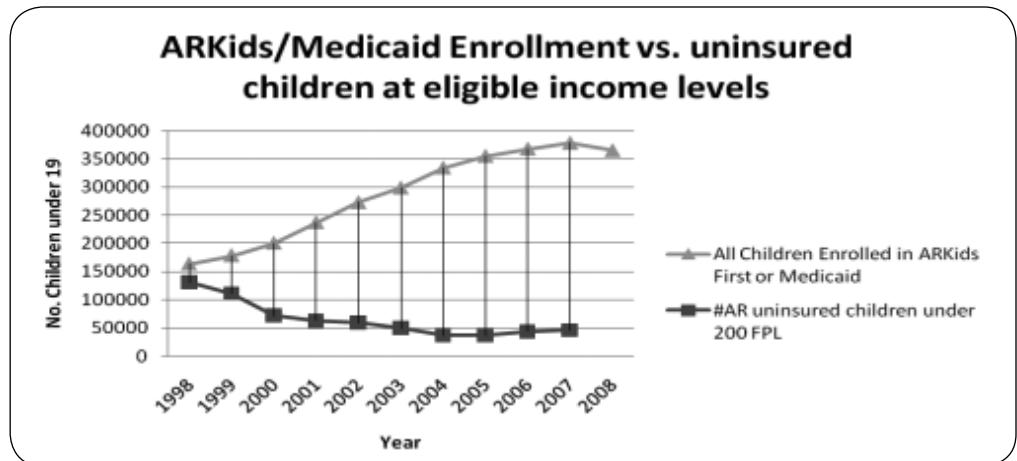


FIGURE 5: Source: 1) DHS Division of County Operations, ACES monthly Report IM 1242 Sept 2008. 2) Unpublished reports from the Annie E. Casey Foundation of Current Population Survey data on uninsured, using a three-year rolling average.

To reverse this trend, DHS and community partners must re-prioritize ARKids First and Medicaid for children and find the staff and administrative

support necessary to enroll children and keep them enrolled. Recently, several promising initiatives have set the stage for improved outreach. DHS made efforts to improve ARKids First enrollment and renewals by processing applications in county offices with lighter caseloads. While this allowed the agency to catch up and process applications and renewals more quickly, it remains unclear how the approach will be carried out over the long term. DHS is also creating an online-enrollment system for many of its programs, including ARKids First, and will pilot the new system in 2009. In 2007, the Interfaith Alliance, in partnership with DHS, the Department of Workforce Services, and Governor Beebe's office, created the Benefit Bank of Arkansas, a facilitated enrollment process using trained faith- and community-based partners.<sup>21</sup> In July 2008, Arkansas Advocates for Children and Families, through the Arkansas Finish Line Coalition, began partnering with community-based organizations across the state to reach more eligible children.<sup>22</sup> For more information on local Finish Line outreach partners, visit [www.arfinishline.org](http://www.arfinishline.org).

**UNINSURED CHILDREN LIVE WITH PARENTS WHO WORK FOR A LIVING.** Nine in 10 uninsured children in Arkansas come from families where at least one parent is working.<sup>23</sup> These families are working hard and still have no affordable health insurance options for their children.

**CHILDREN IN MODERATE-INCOME FAMILIES ARE BEING SQUEEZED OUT.** Arkansas has uninsured children at all income levels. One-third of uninsured children – 23,000 – nearly qualify but their families earn slightly too much. But they also often make too little to buy private insurance or they work for employers who don't offer coverage, leaving them with few

health care options. Many of these families are forced to choose between health care for their children and other necessities such as housing, child care and groceries.

The rising costs of health care and reduction of employer-sponsored insurance have hit moderate income families. Children in families living between 200 and 250 percent of the poverty level – just above the income threshold for ARKids First – have experienced the slowest declines in uninsurance since 1997. At the same time, the number of uninsured children in this income bracket is now increasing, even as the overall rate of uninsured children is decreasing (see Figure 6).

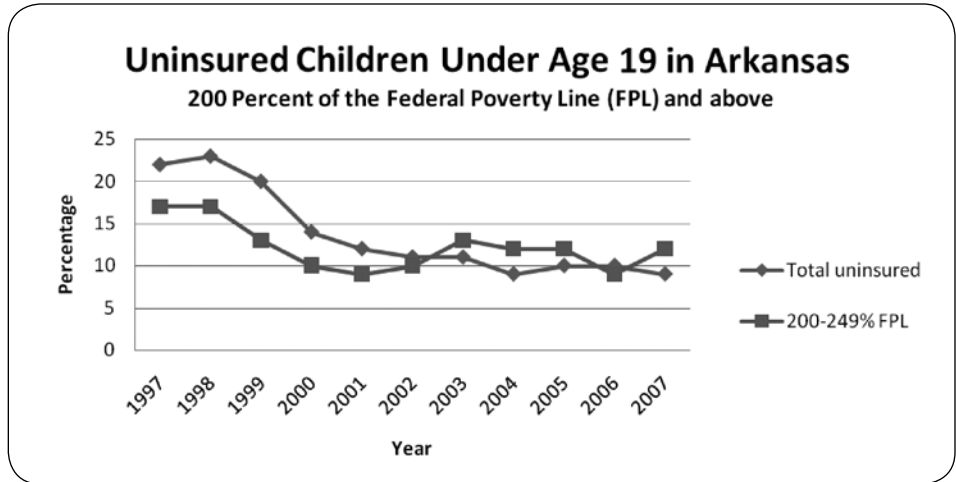


FIGURE 6. Source: Unpublished reports from the Annie E. Casey Foundation of Current Population Survey data on uninsured, using a three-year rolling average.

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**CHILDREN IN IMMIGRANT FAMILIES FACE FEWER, IF ANY, COVERAGE OPTIONS.** Arkansas is home to a growing number of children in immigrant families. Federal restrictions on the use of Medicaid and SCHIP funds (see Page 6) make it more difficult for Arkansas to provide coverage options. Legal and undocumented immigrant children often live in families with

## Jasmine’s Story

Jasmine sees only two options left. She needs health insurance for her 3-year-old son, who has chronic ear infections and may soon need another surgery.

She can either get a lower-paying job that would allow her son to qualify for ARKids First, or she can use her master’s degree in education and find a better-paying job. With the current struggling economy, she doesn’t see the latter being the answer in Arkansas.

“This is my home and I love it here,” she said, “but it’s a possibility that I may have to go to another state.”

The single mother earned her advanced degree while her son was an infant, not realizing that it would come with consequences. Her new job and annual salary of \$31,800 puts her \$3,800 over the limit for ARKids First. Her employer’s health insurance plan requires that she pay \$300 a month to also cover her child. She already works a second job making phone calls just to pay for basic needs, including child care.

She worries each day about her son’s lack of health insurance.

“I just don’t understand how that’s even a possibility in the society that we live in, that we have to actually worry about children not getting the care that they need,” she said. “As a loving parent — and my son is my world — not being able to provide that for him is very hard. You never know what’s going to happen.”

siblings who were born in the U.S. – eligible, citizen children – making health care accessible to some family members and not others. The state is home to over 100,000 immigrants, with one of the fastest growing populations of children in immigrant families, which increased by 276 percent between 1990 and 2000.<sup>24</sup>

Arkansas cannot ignore an entire group of children who have no option for health insurance.

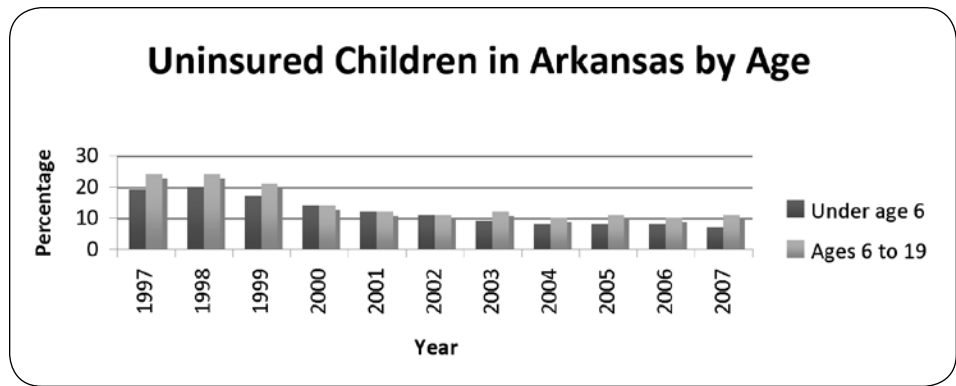


FIGURE 7. Source: Unpublished reports from the Annie E. Casey Foundation of Current Population Survey data on uninsured, using a three-year rolling average.

**ARKANSANS STILL SEE CHILDREN’S HEALTH INSURANCE AS A CHALLENGE FOR OUR STATE.** Recent surveys and focus groups suggest that despite our progress in covering kids, Arkansans believe we haven’t finished the job. Thanks to support from the Natural Wonders Partnership Council and Arkansas Children’s Hospital, AACF and partners conducted a telephone survey and focus groups in 2007 and early 2008 to gauge public attitudes about child health.<sup>25</sup> When asked about the biggest child health problems in Arkansas, survey respondents listed health insurance more often than any other issue (35 percent). In 2008, participants in focus groups held in five regions the state felt that all children need health insurance.

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“If there is such a thing as universal health care for kids, we’re one of the first states who could get there.”

**DR. JOE THOMPSON, ARKANSAS SURGEON GENERAL**

Arkansas Democrat-Gazette, Nov. 14, 2008

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## ARKANSAS IS WITHIN REACH OF COVERING ALL CHILDREN

With a modest investment, Arkansas can take several steps that will help us cross the finish line and provide all children with health insurance. The Arkansas Finish Line Coalition, a growing group of medical professionals, child-serving organizations, and advocates, advances the three goals below to cover all children in Arkansas.

**1: ENROLL ELIGIBLE CHILDREN.** Two thirds of the state’s uninsured children are likely already eligible for ARKids First. Arkansas made a commitment in 1997 to provide health insurance to all eligible children under 200 percent of the federal poverty level. With an increasingly depressed economy, it is even more important that we reach eligible families. The steps outlined below could make a difference in reaching these 46,000 children and giving them much-needed health care.

**DEDICATE DHS STAFF TO MONITOR ENROLLMENT AND ADVANCE OUTREACH TO ELIGIBLE CHILDREN.** In recent years, enrollment has leveled and even decreased despite growing numbers of eligible children. DHS needs additional support in local offices to process eligibility, but also needs staff to support the following policy and system changes:

- Regularly review and analyze enrollment and re-enrollment trends statewide and for each county.
- Work with outside partners, like the Finish Line Coalition, to develop new outreach strategies.
- Identify and test, with outside partners, policy and system changes to streamline ARKids First enrollment and re-enrollment (see below).
- Monitor effectiveness of enrollment and retention policies.
- Lead efforts within DHS to improve outreach efforts and make policy and practice changes. Any changes should be based on enrollment trends and partner input.

**CREATE ELECTRONIC ENROLLMENT AND RE-ENROLLMENT.** DHS recently developed an online enrollment tool for ARKids First called Access Arkansas ([www.arkansas.gov/dhs](http://www.arkansas.gov/dhs)), which will roll out during 2009 starting with ARKids First. The system should be an easy-to-use application process, allowing for online renewals each year. DHS should also consider providing incentives for qualified facilitators, such as health clinic staff or health-outreach workers, to re-enroll families during office visits through this electronic system.

**BEGIN ADMINISTRATIVE RE-ENROLLMENT.** The re-enrollment process should include sending a pre-completed form to families before their renewal month. Families would be asked to return the form only if their information changed. Since Arkansas already verifies income from other sources, DHS would still be able to identify family income changes if the form was not returned.

**OFFER 12-MONTH CONTINUOUS COVERAGE FOR ARKIDS FIRST A.** Currently children are covered for a full year under ARKids First B, regardless of income changes during the 12 months. This helps to ensure income fluctuations do not disrupt continuous coverage. This same benefit should be extended to children covered under ARKids First A and other categories of Medicaid to avoid the cost of children moving in and out of coverage. Seventeen states, including Louisiana, offer 12-month continuous coverage for both Medicaid and SCHIP programs.<sup>26</sup>

**ACCELERATE ENROLLMENT THROUGH IMMEDIATE ELIGIBILITY FOR LIKELY-QUALIFIED CHILDREN.** Using trained screeners located in schools or other community-based organizations, the state should screen applicants and provide immediate coverage to children whose families clearly qualify. If families meet a pre-determined threshold – where it is clear they are eligible – the screener would provide an ARKids First card and then provide the completed application to DHS for verification. This process, also referred to as “presumptive eligibility,” allows children to receive coverage immediately and decreases the chance that a family’s application will fall through the cracks.

**PROVIDE ALL APPLICATIONS, RENEWAL MATERIALS AND INSTRUCTIONS IN MULTIPLE LANGUAGES.** Arkansas is a diverse state, with many children living with parents whose primary language is not English. Many of the state’s eligible children are citizens living in immigrant families. While some forms are available in Spanish, DHS needs to ensure all outreach, enrollment and re-enrollment materials, both printed and online, are translated into

Spanish, Hmong, Marshallese, Vietnamese, and other languages spoken in communities across the state.

**EXPAND INCOME ELIGIBILITY AND PUT OUT A “WELCOME MAT.”** Other states, including Illinois and Pennsylvania, have found that when more children become eligible for coverage, the majority of new applicants were already eligible for the program before it was expanded.<sup>27</sup> Increased awareness and decreased stigma associated with increased eligibility for moderate-income children help reach these new enrollees.

Arkansas leaders need to make sure the state is doing everything possible to reach eligible children. Renewed state leadership and staff investment are critical to getting the job done. Without dedicated state involvement – with support from advocates and community partners – no enrollment and outreach effort will be successful or sustainable.

**2: EXTEND HEALTH INSURANCE TO 12,000 MORE ARKANSAS CHILDREN.** By raising the family income limit from 200 percent of the federal poverty level to 300 percent, or up to \$52,800 for a three-person family, this goal can be reached.

ARKids First and Medicaid currently cover more than 360,000 children. A modest state investment of up to \$8.5 million<sup>28</sup> annually could help cover an additional 12,000 uninsured children between 200 and 300 percent of the federal poverty level and keep their families economically stable. The bulk of funding would cover the expected enrollment increase among children already eligible for ARKids First – children Arkansas has already committed to support. The state cost for newly-eligible children would comprise only \$2.3 million of the total cost.

Other states have already recognized the need to support more moderate-income families. Twenty states cover children in families at 250 percent of the federal poverty level or higher (see table).<sup>29</sup> Among Arkansas’s neighbors, Missouri covers children in families up to 300 percent; Louisiana and Tennessee cover children in families up to 250 percent.

**2008 HHS Poverty Thresholds**

Persons in Family or Household	Federal poverty line (100%)	250%	300%
1	\$10,400	\$26,000	\$31,200
2	\$14,000	\$35,000	\$42,000
3	\$17,600	\$44,000	\$52,800
4	\$21,200	\$53,000	\$63,600
For each additional person, add	\$3,600	\$9,000	\$10,800

**ARKANSAS SHOULD ALSO CONSIDER EXPANDING COVERAGE TO CHILDREN IN IMMIGRANT FAMILIES.** Several states have chosen to provide health insurance access to children in immigrant families – no matter when they entered the country or what their legal status – at the state’s expense. During 2009, Arkansas Advocates for Children and Families will gather more information about ways the state could cover immigrant children. At a minimum, state leaders should consider providing coverage to legal immigrants within the five year coverage ban.

**HEALTHY KIDS, HEALTHY ECONOMY.** Covering more kids brings long-term benefits to the state, since healthy children have the opportunity to grow into educated, productive citizens. But there is a more immediate return on the state's investment, as well: for every \$1 Arkansas spends on children's health insurance, the federal government provides \$3 or more. An annual \$8.5 million state investment would bring up to \$28 million in federal dollars to Arkansas. According to estimates by Families USA, a national health care advocacy group, a state investment of \$8.5 million in ARKids First would return to Arkansas<sup>30</sup>:

- \$43.9 million in business activities.
- \$16.2 million in salaries and wages.
- 436 new jobs.

With rising health costs and a struggling economy, we can't afford not to invest in our most vulnerable families.

**3: EXPAND AFFORDABLE OPTIONS FOR FAMILIES.** Arkansas should expand health care options for families by creating a way to buy coverage through ARKids First. No matter what their income or eligibility status, Arkansas families need affordable health insurance options for their children. While the state works to expand income eligibility, a buy-in program for middle-class families should also be developed. Families would pay an estimated \$100 per child per month to purchase the ARKids First benefit package. At this level, families could pay the full cost of ARKids First coverage without a subsidy from the state.

## CONCLUSION

While national lawmakers, provider groups, and advocates debate the path to large-scale health reform, we cannot ignore the children who remain uninsured today. Arkansas can act now to cover all children while the new administration and national leaders develop a more comprehensive strategy to cover all families. We need additional changes including improved access to services and coverage for uninsured parents and other adults. Covering all Arkansas children is a first, achievable step toward larger reforms. We've come this far, now it's time to cross the finish line and cover all kids.

# FOOTNOTES

1 2007 National Health Interview Survey, as cited in State Health Access Data Assistance Center (2008). *A Needed Lifeline: Chronically Ill Children and Public Health Insurance Coverage*. Princeton, NJ: Robert Wood Johnson Foundation. Children with public or private health insurance were more likely to have seen a doctor within the prior year compared to their uninsured counterparts (90 percent versus 69 percent). Insured children were also more likely to have seen a doctor for a well-child visit in the past year (76 percent versus 44 percent).

2 Ibid and Schwarz, C. and Lui, E. (2000). *The Link Between School Performance and Health Insurance: Current Research*. San Francisco, CA: Consumers Union.

3 Center for Family Policy and Research (2003). *Children's Health Insurance*. Columbia, MO: Center for Family Policy and Research and Child Health Assessment Project (2002). *Data Insights Report No 10*. Available <http://www.mrmib.ca.gov/MRMIB/HFP/PedsQLYr2CHHS.pdf>

4 Families USA (2008). *Premiums versus Paychecks: A Growing Burden for Arkansas's Workers*. Families USA: Washington, DC. Available [www.familiesusa.org](http://www.familiesusa.org)

5 Gould, E. (2008). *The Erosion of Employer-Sponsored Health Insurance: Declines continue for the seventh year running*. Economic Policy Institute: Washington, DC. Available <http://www.epi.org/briefingpapers/223/bp223.pdf>

6 Henry J. Kaiser Family Foundation State Health Facts (2008). *Average Family Premium per Enrolled Employee For Employer-Based Health Insurance, 2006, from Medical Expenditure Panel Survey (MEPS)*, accessed October 19, 2008. [www.statehealthfacts.org](http://www.statehealthfacts.org)

7 DeVoe, J.E., Tillotson, C. and Wallace, L.S. (2008). "Uninsured Children and Adolescents with Insured Parents" *Journal of American Medical Association*, 2008 (16): 1904-1913.

8 Kaiser Family Foundation (2008). *Kaiser Health Tracking Poll: Election 2008, Issue 11*. Washington, DC: Kaiser Family Foundation. Available <http://www.kff.org/kaiserpolls/upload/7832.pdf>

9 Himmelstein, D.U. et al (2005). *Illness and Injury as Contributors to Bankruptcy*, Health Affairs Web Exclusive. Available <http://content.healthaffairs.org/cgi/reprint/hlthaff.w5.63v1.pdf>

10 Note: Percentages are approximate, based on current ARKids/Medicaid enrollment data the number of uninsured children in Arkansas. Kaiser Commission on Medicaid and the Uninsured estimates as many as 47 percent of Arkansas children receive other/employer health coverage, and 44% receive Medicaid based on the Census Bureau's March 2007 and 2008 Current Population Survey.

11 Note: Uninsured data in this report from Kids Count rely on a three-year rolling average. Kaiser Family Foundation, however, uses a two-year average and for 2007 claims a 8.4% rate of uninsured children. To remain consistent with earlier years, this report uses unpublished reports of Annie E. Casey Kids Count data, noting that estimates may vary.

12 Eligibility also takes into account costs of child care, medical necessity, mounting medical debts, and other factors. For more information on Medicaid eligibility visit <https://access.arkansas.gov/Intro.aspx> or <http://www.arkansas.gov/dhs/dco/OPPD/>

13 More information about ARKids First and covered services can be accessed at <http://www.arkidsfirst.com/bene.htm>

14 Other categories that may cover children include TEA Medicaid, Transitional Medicaid, Spend Down, Pregnant Women, TEFRA, Disabled child (SSI), and others. See <http://www.arkansas.gov/dhs/dco/> for quick reference eligibility.

15 Other categories that may cover children include TEA Medicaid, Transitional Medicaid, Spend Down, Pregnant Women, TEFRA, Disabled child (SSI), and others. See <http://www.arkansas.gov/dhs/dco/> for quick reference eligibility.

16 Arkansas Advocates for Children & Families (2006). *Health Insurance for Children: the Arkansas Success Story, 1997 – 2005*. Available at [http://www.aradvocates.org/\\_images/pdfs/Outreach.pdf](http://www.aradvocates.org/_images/pdfs/Outreach.pdf)

17 Note that this and many other changes only apply to ARKids First and not other categories of Medicaid.

18 Staff, DHS Division of County Operations, personal communication 11/26/2008

19 [http://www.state.ar.us/dhs/webpolicy/Medical%20Services/Man%20Trans%20MS%2005-05\\_PD.htm](http://www.state.ar.us/dhs/webpolicy/Medical%20Services/Man%20Trans%20MS%2005-05_PD.htm)

20 Unpublished reports from the Annie E. Casey Foundation of Current Population Survey (2007) data on uninsured, using a three-year rolling average

- 21 See <http://www.thebenefitbank.com/TBBAR>
- 22 For more information and a listing of outreach sites, visit [www.arfinishline.org](http://www.arfinishline.org)
- 23 Sullivan, J (2008). *Left Behind: Arkansas's Uninsured Children*. Washington, DC: Families USA. Available <http://www.familiesusa.org>
- 24 Capps, R., Henderson, E., Kasarda, J.D., Johnson, J.H, et al (2007). *A Profile of Immigrants in Arkansas*. Little Rock, AR: Winthrop Rockefeller Foundation, pp. 2 -3. Available [http://www.urban.org/UploadedPDF/411441\\_Arkansas\\_complete.pdf](http://www.urban.org/UploadedPDF/411441_Arkansas_complete.pdf)
- 25 See Appendices B and C in Rossi, A (2008). *Natural Wonders: The State of Children's Health in Arkansas, 2008 Report*. Little Rock: Arkansas Children's Hospital. Available at <http://www.archildrens.org>
- 26 Georgetown Health Policy Institute Center for Children and Families (2008). *Renewal Procedures in Medicaid & SCHIP for Children, as of October 2008*. Washington, DC: Center for Children and Families. Available <http://ccf.georgetown.edu/index/medicaid-and-schip-programs>
- 27 Georgetown Health Policy Institute Center for Children and Families (2008). *Putting Out the Welcome Mat: Implications of Coverage for Already-Eligible Children*. Washington, DC: Center for Children and Families. Available <http://ccf.georgetown.edu>
- 28 Estimates by Arkansas Advocates for Children & Families based on DHS ARKids First per child cost and unpublished reports from the Annie E. Casey Foundation of Current Population Survey (2007) data on uninsured, using a three-year rolling average.
- 29 Georgetown Health Policy Institute Center for Children and Families (2008). *Eligibility Levels in Medicaid & SCHIP for Children, Pregnant Women, and Parents, as of October 2008*. Washington, DC: Center for Children and Families. Available <http://ccf.georgetown.edu/index/medicaid-and-schip-programs>
- 30 Families USA state income calculator available at <http://www.familiesusa.org/issues/medicaid/other/medicaid-calculator/medicaid-calculator.html?state=Arkansas>



