



# Covering the Uninsured

Arkansas Kids Count Coalition and Arkansas Covering Kids & Families Institute



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## Arkansas' Efforts to Provide Health Care for Uninsured Children: Have We Been Successful?

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### Background

In 1996, the lack of health care coverage was a critical problem for Arkansas children. Nearly one in five Arkansas children lacked health insurance coverage. Children in low-income families were especially vulnerable, with nearly three out of 10 children lacking access to basic health care.

At the time, there appeared to be no end to Arkansas' health care crisis for its children. The idea of expanding Arkansas Medicaid to provide health care for new children just didn't seem possible. Not only was the idea unaffordable given Arkansas' past financial commitment to Medicaid, but it was politically unthinkable. Even then, the parents of low-income children who already were eligible for Medicaid often didn't enroll their children in the program because of the perceived welfare stigma, a common problem in the South.

By late 1996 and early 1997, however, public opinion began to change. Declining health care coverage for working families at all income levels helped raise awareness of the issue and moved it to the top of Arkansas' policy agenda. Under the leadership of Governor Huckabee, Arkansas Advocates for Children & Families (AACF), the Arkansas General Assembly, and the Department of Human Services (DHS), the idea of expanding Medicaid to insure more Arkansas children in working families took root and became a national model for bridging the gap in health care access for children.

During the 1997 legislative session, the Arkansas General Assembly and Governor Huckabee enacted landmark legislation establishing the ARKids First Program for uninsured children. As soon as the landmark legislation was signed into law, state agency leadership at DHS began developing a new program to provide insurance to previously uninsured children. Benefits were established, eligibility criteria were identified, the Medicaid state plan was amended and, in September of 1997, the ARKids First Health Insurance Program for children was rolled out in the state.

For the first time in history a state sponsored service was treated as a prize jewel for the citizens of Arkansas. The governor, the Arkansas General Assembly, and DHS had become the champions for health care and the state's low-income children were the winners. Now, seven years later, the impact of such an innovative approach to health insurance can be seen through the latest data about access to health care for Arkansas' children.

### Changes in Arkansas' Uninsured Rates

It is often difficult to track the exact number of uninsured children in the state at any given point in time because of limitations in existing data surveys. One such source is the annual Current Population Survey (CPS) conducted by the U.S. Census Bureau. This survey is done at the household level in each state and includes questions about health insurance status within the family. Single-year estimates from this survey for Arkansas children are not considered reliable because of the small sample size collected for the state. Researchers, such as those at the Annie E. Casey Foundation, utilize a three-year rolling average of CPS data to smooth out any inconsistencies in the data because of the small annual sample size.

Using this approach, this analysis compares uninsured rates for all children for 1996 (a three year average based on 1995, 1996, and 1997 data) and 2002 (based on 2001, 2002, and 2003 data).

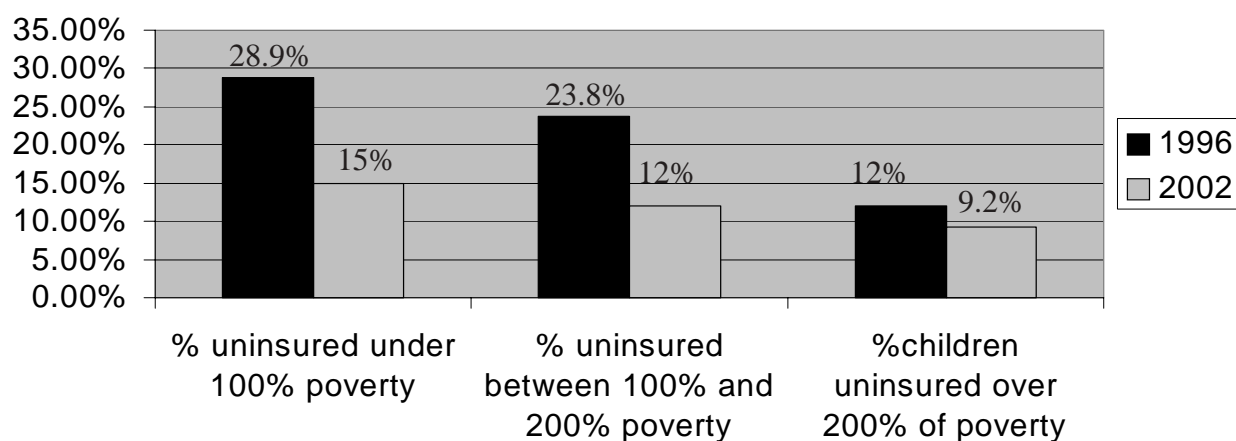
### Uninsured Rates for Arkansas Children 1996 vs 2002

Year	Percent of Uninsured	Percent of Uninsured under 100% Poverty	Percent of Uninsured 100% to 200% Poverty	Percent of Uninsured Over 200% Poverty
1996	19.4%	28.9%	23.8%	12.0%
2002	11.0%	15.0%	12.0%	9.2%
Percent Change	- 43.3%	- 48.1%	- 49.6%	- 22.5%

National uninsured rates: 1996 - 14.5 percent  
2002 - 12 percent

Source: Calculations by the Annie E. Casey Foundation of unpublished data from the Current Population Survey, U.S. Bureau of the Census.

## Percent of Uninsured Children in Arkansas By Poverty Level Comparison



The data clearly shows there has been a significant reduction in the percent of uninsured children from 1996 to 2002. The percent of all children who are uninsured has decreased from 19.4 percent in 1996 to 11 percent in 2002, a reduction of 43.3 percent. Perhaps the most telling statistic is the huge decrease in the number of uninsured low-income children.

The children living in households with incomes under 100 percent of poverty are typically the hardest to reach and the children with the most need. Arkansas has reduced its percent of uninsured children living in households below 100 percent of poverty by 48.1 percent, or from 29 percent to 15 percent. Children living in households with incomes between 100 percent and 200 percent of the federal poverty line have also seen a great decline in uninsured rates, with a decrease of 49.6 percent, from nearly 24 percent uninsured to 12 percent. Roughly 50,000 more children have health insurance today than had health insurance in 1996.

When children have health insurance they have better access to both sick and well child services. Two of the most utilized services besides doctor visits and prescription drugs are vision and dental care. Vision and dental problems are often easily preventable, but if left untreated, can have long-term effects on a child's ability to learn and develop. The number of low income children who now have access to these services under ARKids First is a direct benefit of reducing the number of uninsured.

### Closing the Gap

For many years the children least likely to have health insurance coverage have been those living in low-

income households. Even prior to the expansion of Medicaid to higher-income families, children living in households under 100 percent of poverty had the ability to apply for Medicaid but often didn't for a variety of reasons. In 1996, the children in families below 100 percent of poverty had the highest percentage of uninsured children (29 percent) compared to children living in families with higher incomes over 200 percent of poverty (12 percent). Since 1996, Arkansas has closed the gap on the number of lower income children who are uninsured. The data shows that in 2002, 15 percent of children under 100 percent of poverty were uninsured, compared to uninsured rates of nine percent for upper-income children over 200 percent of poverty.

### What Made the Difference?

ARKids First became a reality due to increased awareness of the need to provide health insurance to children who could not readily afford it. As a preventive measure, covering children is inexpensive compared to covering adults with chronic and debilitating illness. This viewpoint has driven much of the activity since September 1997 to make health insurance more available to children. DHS, which has embraced the concept of insuring children as good public policy, has made several landmark policy changes that have changed the face of children's health care.

Since the implementation of ARKids First in the fall of 1997, there has been a strong partnership between

AACF, DHS and other key state and local partners to increase public awareness of the program.

When the program was rolled out, DHS began a public service campaign that portrayed ARKids First as a health insurance program rather than a welfare program. Access to the program was made available through a simplified and streamlined mail-in application process. This strategy worked as nearly 10,000 children were enrolled in the new program within four months.

AACF assisted with the roll out by designing a direct outreach campaign to identify, train, and support local organizations and individuals to enroll children in the new program. This direct outreach component has grown from a single Little Rock based effort in 1997 to a multi-site effort that includes six project sites strategically placed around the state.

In 1999, there was a lot of discussion and debate over making the new ARKids First program more accessible than the existing traditional Medicaid program for children. As a result of this debate, in August 2000, ARKids First became the umbrella program for both the new expansion program (ARKids B for families with incomes between 100 percent and 200 percent of the federal poverty line) and traditional medicaid (ARKids A for families with incomes below 100 percent of poverty.) For the first time,

children's medicaid was accessible to families without a visit to the local DHS county office.

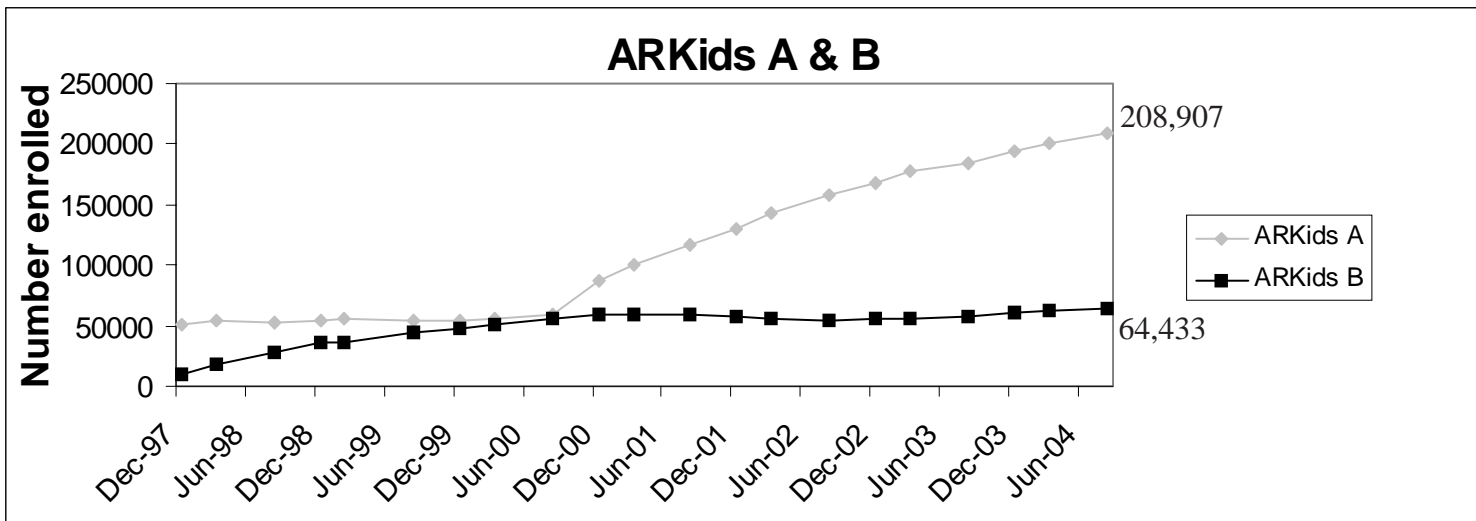
Recognizing the benefits of covering children for health care services, the state also implemented policies that reduced the amount of paper work required to apply for ARKids First. The state implemented several new methods of verifying income that have proven successful during the past four years. The results of these two strategic policy changes resulted in more families enrolling their children in ARKids First.

A final significant policy change came about in August 2001 when the Arkansas General Assembly passed legislation removing the assets test requirement for families applying for ARKids A for their children. This placed access to traditional Medicaid (ARKids A) on equal terms with the ARKids First expansion program (ARKids B), which never had the assets test requirement.

These efforts provide valuable lessons for Arkansas and other states. They clearly show that a strong partnership between the governor, state legislature, state agencies, and child advocacy groups can be a driving force in efforts to improve access to Medicaid and children's health insurance. These efforts also provide a model that can be used to improve the provision of services in many areas.

## THE GROWTH IN ARKIDS COVERAGE FOR CHILDREN

Positive policy changes and communication strategies, in conjunction with an outreach model that incorporates continuous policy improvement, statewide public awareness, and local enrollment initiatives (conducted as part of Arkansas' Covering Kids Initiative), has allowed thousands of children to receive health insurance coverage.



Source: Data provided by Arkansas Department of Human Services as part of the monthly ACES report.

## What's Next?

Nationally and in Arkansas, the face of health insurance for children has changed dramatically in the past six years. While Arkansas has made great strides in insuring children through the ARKids First expansion, national and industry trends have had counter-balancing effects. For example, families that once had health insurance through employer-based plans have had to opt out due to the increasing cost of premiums. The job market has also changed due to the state and national economic downturn that began in 2001. As a result, many individuals lost or changed jobs and no longer had access to health insurance for their children.

According to the 2003 census data, Arkansas still has 11% of its children lacking health insurance. In raw numbers, this equates to approximately 82,000 children across the state with 50,000 falling under 200% of poverty. Reaching these children will take continued effort to provide parents an opportunity to enroll at schools, physician's offices and worksites. A far more critical issue; however, is rallying support to provide adequate funding for insuring these additional children as well as the ones currently on the program. Based on 2002 DHS data on the average cost per child, it would take an estimated \$23 million dollars in state revenues to cover the 50,000 children who are uninsured. It's unlikely that all 50,000 children would be added to the Medicaid rolls at a single point in time (or even over time). Nevertheless, it's imperative that policy makers plan for the future and budget the resources to further cut our uninsured rates. Providing health insurance to children has been one of the most important (arguably the most important) policy initiatives Arkansas has done for families with children during the last decade. The huge strides Arkansas has made to reduce the number of uninsured children could be quickly reversed in the future if children's health care is not adequately funded.

Reaching the state's remaining uninsured children must continue to be a top priority for state policymakers. However, Arkansas must now move forward and educate families concerning basic preventive activities. Healthy life-styles and proper use of the health care system can reduce the cost of acute and chronic health care needs. Healthy environments, health education and health literacy must be at the forefront of future health policy efforts in Arkansas.



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