EXPANDING COVERAGE FOR CHILDREN IN UTAH

Estimating the Costs of Expanding Medicaid and CHIP to Undocumented Children

By Ciriac Alvarez Valle, Policy Analyst &
Jessie Mandle, Sr. Health Policy Analyst



Expanding Utah's Medicaid and Children's Health Insurance Program (CHIP) coverage to children and youth under age 19 who are in the country with ineligible immigration statuses would help all Utah children connect with the health insurance they need to thrive.

The following memo draws on recent cost analysis from Connecticut and Oregon (See Whitener, K. "Expanding HUSKY Coverage for Children in Connecticut." September 2020) [1]. It outlines the key factors that should be considered when estimating the costs of expanding coverage to Utah children who are undocumented, a portion of which would not be eligible for federal matching funds.

Based on the factors outlined below, the total estimated costs to the state would range from $2,850,948- 3,763,251 million in the first year and $3,763,251- 4,903,630 million the second year.

Current Medicaid & Chip Eligibility for Children

Today in Utah, Medicaid and CHIP coverage for non-citizens is limited to certain lawfully present immigrants, such as legal permanent residents, refugees, and asylees [2].

In certain emergency situations, health care costs for individuals who meet all of the eligibility requirements for Medicaid except for those related to immigration status are eligible for federal matching payments only for the treatment of life-threatening emergency conditions (a program known as Emergency Medicaid) [3].

There is no such option for federal matching payments under CHIP. All other costs related to coverage of non-citizens must be paid for with state-only funds.

As of 2020, six states (CA, IL, MA, NY, OR, and WA) and DC cover income-eligible children in Medicaid/CHIP who are otherwise ineligible due to immigration status [4].

These states have children's coverage rates above the national average, ranging from 95.9% to 98% in 2019 [5].

In contrast, Utah's children's coverage rate is well below the national average, at 91.7% [6].

A significant body of research has shown that Medicaid and CHIP improve health from prenatal development to adolescence to adulthood. Medicaid and CHP coverage are linked to improvements in educational outcomes at the elementary, high school, and college levels.

Furthermore, Medicaid and CHIP coverage is also associated with economic benefits in adulthood, including increased higher wages and a decreased likelihood to participate in public assistance [7,8].

Estimating the Costs to Cover All Kids: Key Factors



In order to estimate the costs of covering all Utah children regardless of immigration status, state fiscal analyses rely on three key factors:

- Population estimates of the number of eligible or undocumented children
- The state Medicaid and CHIP participation rate, and
- The cost per child

1 Population Estimates

To understand the fiscal impact of expanding Utah Medicaid and CHIP to cover all children regardless of immigration status, it is important to begin with an estimate of the number of undocumented children living in Utah, rather than the number of uninsured children.

This is an important distinction as the majority of uninsured Utah children are currently already eligible for Medicaid or CHIP [9].

An estimated 82,000 children were uninsured in Utah in 2019 [10].

Nationwide, 56.5% of uninsured children are Medicaid/CHIP eligible, 32.8% have family income that exceeds the eligibility thresholds, and just 10.7% meet the income requirements but are ineligible because of immigration status [11].

Although estimating the exact number of undocumented children living in Utah comes with uncertainty, the Migration Policy Institute (MPI), a nonpartisan research center, is regarded as the nation's leading source of state-level estimates of the undocumented population.

According to MPI's most recent estimates, the number of undocumented children under age 19 in Utah is about 10,667 (See table 1 - MPI does not publish estimates for all children and youth under age 19, but the totals can be derived from the published data). Income estimates from MPI can help identify how many undocumented children would qualify for Utah Medicaid and CHIP based on family income.

TABLE 1
Demographics of Undocumented Children in Utah

Total Population	92, 000	100%
Under 19	10,667	11.6%

Source: https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/UT (See data in footnote 13).

The income limit for children and youth in Utah Medicaid is 138% of the federal poverty level (FPL), while coverage in Utah CHIP is 200% of the FPL.

According to estimates from MPI, approximately 39 percent of the undocumented population in Utah has family income below 150 percent of the FPL and 16 percent have income from 150 to 200 percent of the FPL.

While this does not align precisely with the Medicaid and CHIP eligibility levels and income counting rules, it is reasonable to assume that of the approximately 10,667 undocumented children living in Utah, roughly 39 percent would be income-eligible for Medicaid and roughly 16 percent would be income-eligible for CHIP.

It is therefore reasonable to assume that of the approximately 10,667 undocumented children living in Utah, roughly 5,866 children would be income-eligible for Utah Medicaid and CHIP (see Table 2).

TABLE 2
Estimated Distribution of Undocumented Children At/Below 200% of the FPL

Up to 149% of poverty level	4,160	39%
150% to 200% of the poverty level	1,707	16%
At or above 200% of poverty level	4,799	45%





2 Participation

Not everyone who is eligible enrolls in Medicaid and CHIP, and enrollment rates are influenced by multiple factors.

Nationally, participation rates in Medicaid/CHIP (the share of eligible people enrolled) were 93.1% in 2017.

In Utah, the participation rate is among the lowest in the nation, at 89.1% in 2017 [15].

Historically, factors that impact participation rates include the availability of information and transaction costs associated with enrollment, the ability to navigate the enrollment system and stigma associated with enrolling [16,17].

In recent years, heightened fear of negative immigration enforcement has further affected enrollment and participation rates [18].

Successful strategies to counter low participation rates include sustained, cooperative outreach efforts by states, the federal government, and a range of stakeholders. Robust outreach efforts can maximize enrollment and counter fears and misinformation that has deterred many currently eligible groups from participating [19, 20].

For new programs, it typically takes a few years to achieve substantial enrollment. Of the approximately 5,866 eligible undocumented children in Utah, some share would be expected to enroll in a Coverage for All Children Medicaid and CHIP program right away, while others may never enroll.

For example, in Oregon (the most recent state to expand Medicaid/CHIP coverage to undocumented children), only about one-third of eligible children enrolled in the first year [21]. Of the approximately 5,200 children who enrolled in year one in Oregon, 3,600 were enrolled automatically from Oregon's emergency Medicaid program.

The remaining children were reached through a robust and comprehensive, community-based outreach program netting about 100 new enrollees per month [22].

By the end of year one, 35% of the total eligible population enrolled [23]. After 18 months, program enrollment reached 5,865, and if the same enrollment trend continued, about 43% of the total eligible population would have enrolled by the end of year two.

When estimating program enrollment and participation in Utah, it is reasonable to assume that Utah would experience a slightly lower enrollment trend as Oregon, given Utah's lower insured rate and lower Medicaid/CHIP participation rates.

Oregon's already higher insured rate and participation rate would suggest that Utah may not meet the same enrollment marks.

Furthermore, a sizable share of eligible children will never enroll. Though enrollment data as a share of the eligible population is not uniformly available, in the states that have expanded Medicaid/CHIP to cover undocumented children, estimates show enrollment levels ranging from 33 percent to 63 percent over time [24].

Outlined in Table 4 are estimated participation rates based on the Oregon model for the first two years of program implementation.

TABLE 3
Estimated Enrollment and Cost: Year 1 & 2

Estimated Enrollment & Cost: Year 1

Scenario	Medicaid Enrollment	Medicaid Cost	CHIP Enrollment	CHIP Cost	Total Enrollment	Total Cost
Base Scenario Estimate	1,040	1,963,478	427	887,469	1,467	2,850,948
High Scenario Estimate	1,456	2,748,870	597	1,242,457	2,053	3,991,327

Estimated Enrollment & Cost: Year 2

Scenario	Medicaid Enrollment	Medicaid Cost	CHIP Enrollment	CHIP Cost	Total Enrollment	Total Cost
Base Scenario Estimate	1,373	2,591,791	563	1,171,459	1,936	3,763,251
High Scenario Estimate	1,789	3,377,183	734	1,526,447	2,523	4,903,630

Note: Base scenario estimates are ten percentage points lower than Oregon participation rates. High enrollment is based on Oregon participation rates.

Base scenario assumes 25% enrollment in year one and 33% enrollment in year two. High scenario assumes 35% enrollment in year one and 43% enrollment in year two. Enrollment assumes 12-months of coverage.





3 Cost

According to recent state Medicaid forecasting estimates, the state general fund cost for children enrolled in Medicaid is approximately $52 per month.

The total FY2022 per child per month cost would be $157.33 for Medicaid and $173.33 for CHIP [25].

It is important to note that previous research shows immigrants have 14 to 20 percent lower health care utilization, even after adjusting for health status, race/ethnicity, gender, health insurance coverage, and other factors [26].

Providing health coverage to currently uninsured children would likely increase their use of health care services but utilization will likely remain lower than that of citizens [27].

This research was borne out in Oregon's expansion of coverage to cover undocumented children; the newly covered immigrants had lower emergency department utilization rates and only 60% of the overall ambulatory care utilization rate compared to their citizen peers, even in the first year when policymakers may have anticipated higher utilization based on pent up demand [28].

Finally, to estimate the annual cost of enrollment, this memo assumes 12-month coverage and does not factor in the likelihood of disruptions or lapses in coverage over the course of the year. While Utah CHIP has a policy of 12-month continuous coverage Utah Medicaid does not currently have a policy of 12-month continuous eligibility [29].

Additional Factors Not Included

This policy brief outlines key factors and data to consider when estimating the cost of insuring all Utah children. However, this memo focuses exclusively on the factors outlined in previous memos (see Whitener, K, "Expanding HUSKY Coverage for Children in Connecticut).

The factors included in this analysis do not consider additional program structuring, costs or cost offsets, including:

1) funding for program outreach and enrollment support and

2) cost offsets if the program aligns with Utah's Emergency Medicaid program.

If Utah is able to automatically enroll children currently using emergency Medicaid services, it would allow the state to reduce costs as emergency services are eligible for federal funding. Other states have automatically enrolled children currently using emergency Medicaid services.

Alignment with emergency Medicaid is an important strategy to reduce costs and reach children and families.

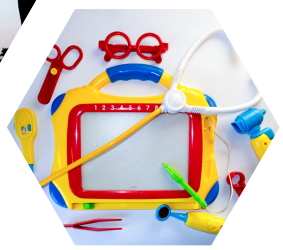
Outreach funding is also an important component of program success. Oregon funded a comprehensive community outreach effort to accompany its initiative to cover all children. This outreach effort is attributed to the program's growth in participation rates and overall success.

It is recommended that Utah also include funding for community outreach to support the success of the program.



Conclusion





Based on the analysis, expanding Utah Medicaid and CHIP to undocumented children in Utah is estimated to cost $2,850,948- 3,763,251 million for year one and $3,763,251 - 4,903,630 for year two.

These estimates are based on a total population of undocumented children in Utah of approximately 10,667, 55 percent of whom would qualify based on income eligibility. Enrollment or participation is expected to be relatively low in the first few years, With about 1,467 children enrolled in year one and 1,936 enrolled in year two (Refer to Table 3).

Per-child costs are based on current per-child estimates, and do not reflect lower anticipated health care services utilization. In addition, the costs for emergency medical services for children in Utah Medicaid would continue to qualify for federal matching funds, which would lower the total amount of state general revenue needed to pay for the expanded coverage, below the levels estimated here.

Over the last three years, Utah has seen a dramatic increase in the number of children going without health insurance. Much of this coverage loss is attributed to the anti-immigrant policies and rhetoric from the federal administration.

These hostilities have deterred currently eligible families from participating in Medicaid or CHIP insurance. While it will take some time to reverse the "chilling effect" of federal anti-immigrant hostilities, a program that promotes coverage for all Utah children will have a significant, reverberating impact throughout Utah immigrant communities.

Other states that have enacted a Coverage for All Kids program have seen an enrollment increase for those children who were already eligible for Medicaid and CHIP with the federal match. Such efforts help to bring in additional federal funding; for every $1 of state Medicaid funds Utah receives $3.81 in federal funding [31].

A state initiative to cover all children, regardless of immigration status, is a powerful antidote to the chilling effect, fear and misinformation many Utah immigrant families are facing, and have faced for too long. Covering all Utah children, regardless of their background, immigration status or geographic location, is a smart investment in the success of all Utah children and families.



#InvestInUtahKids
VOICES FOR UTAH Children

747 E South Temple Suite 100
Salt Lake City, UT 84102
801.364.1182
utahchildren.org
@utahchildren
@utchildren

References

[1] Whitener, K. (Connecticut Health Foundation and Georgetown University). Expanding HUSKY Coverage for Children in Connecticut. September 2020. https://www.cthealth.org/wp-content/uploads/2020/09/Expanding-HUSKY-Coverage-for-Children-Sept-2020.pdf

[2] Utah Medicaid and CHIP Eligibility Criteria available at: https://medicaid.utah.gov/medical-programs/

[3] Utah Medicaid Emergency Program: https://medicaid.utah.gov/emergency-medicaid/

[4] Brooks T, Roygardner L (Georgetown University Center for Children and Families) and Artiga S, Pham O, Dolan R (Kaiser Family Foundation). Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey. Appendix Table 2. March 2020

[5] Georgetown University Center for Children and Families analysis of the Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2019, U.S. Census Bureau American Community Survey (ACS).https://kidshealthcarereport.ccf.georgetown.edu/

[6] Alker, J and Corcoran, A. (Georgetown University). Children's Uninsured Rate Rises by Largest Annual Jump in More Than a Decade: https://ccf.georgetown.edu/2020/10/08/childrens-uninsured-rate-rises-by-largest-annual-jump-in-more-than-a-decade-2/

[7] Park E, Alker J and Corcoran, A. Commonwealth Fund and Georgetown University Center for Children and Families). Jeopardizing a Sound Investment: Why Short-Term Cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long-Term Harm. March 2020 https://www.commonwealthfund.org/publications/issue-briefs/2020/dec/short-term-cuts-medicaid-long-term-harm

[8] Wagnerman K, Chester A, Alker J (Georgetown University Center for Children and Families). Medicaid Is a Smart Investment in Children. March 2017 https://ccf.georgetown.edu/wp-content/uploads/2017/03/MedicaidSmartInvestment.pdf

[9] Kenney, G, et al. The Urban Institute. Medicaid/CHIP Participation Rates Rose among Both Children and Parents in 2015. May 2017

[10] Georgetown University Center for Children and Families analysis of the Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2019, U.S. Census Bureau American Community Survey (ACS)

[11] Haley, J, et al. (The Urban Institute). Progress in Children's Coverage Continued to Stall Out in 2018: Trends in Children's Uninsurance and Medicaid/CHIP Participation. October 2020

[12] Migration Policy Institute. Unauthorized Immigrant Population Profiles. https://www.migrationpolicy.org/programs/us-immigration-policy-program-data-hub/unauthorized-immigrant-population-profiles

[13] Data estimate: Migration Policy Institute, Profile of the Unauthorized Population: Connecticut. Sum the 5,000 children under age 16 and one-third of the 17,000 individuals ages 16 to 24, to derive an estimate of 10,5667 undocumented children and youth in Utah under age 19

[14] Migration Policy Institute. Unauthorized Immigrant Population Profiles, Utah.

[15] Haley, J, et al. The Urban Institute. Progress in Children's Coverage Continued to Stall Out in 2018: Trends in Children's Uninsurance and Medicaid/CHIP Participation. October 2020; and Kenney, G, et al. The Urban Institute. Medicaid/CHIP Participation Rates Rose among Both Children and Parents in 2015. May 2017

[16] Currie, J. The Take-Up of Social Benefits. Revised June 2004. https://urbanpolicy.berkeley.edu/pdf/Ch3Currie0604.pdf

[17] Broaddus M (The Center on Budget and Policy Priorities). CHIP Experience Shows that Health Reform Enrollment Will Take Time to Ramp Up. November 2013.

[18] Bernstein H, et al. Urban Institute. Amid Confusion over the Public Charge Rule, Immigrant Families Continued Avoiding Public Benefits in 2019. May 2020. https://www.urban.org/research/publication/amid-confusion-over-public-charge-rule-immigrant-families-continued-avoiding-public-benefits-2019

[19] Voices for Utah Children. State of Children's Coverage Report. 2019

[20] Hudson JL, Moriya AS (Agency for Healthcare Research and Quality). Medicaid Expansion for Adults Had Measurable 'Welcome Mat' Effects on Their Children. Health Affairs. Volume 36, number 9, September 2017

[21] Oregon Department of Human Services and Oregon Health Authority. Senate Bill (SB) 558 ("Cover All Kids") 12-Month Implementation Update. January 2019

[22] Oregon's outreach program focused on three key strategies: (1) an external stakeholder workgroup to advise and design the outreach campaign, (2) a targeted outreach, enrollment and system navigation program that provided $2.4 million in grants to a network of 16 community-based organizations reaching 30 counties, and (3) a partnership with Kaiser Permanente NW to automatically transfer children from emergency Medicaid only to comprehensive coverage. Oregon Health Plan, OHP Now Covers Me! Senate Bill 558 – Cover All Kids Implementation Report. February 2020

[23] Oregon Health Plan, OHP Now Covers Me! Senate Bill 558 – Cover All Kids Implementation Report. Page 17. February 2020

[24] See footnote 24 in Whitener, K. (Connecticut Health Foundation and Georgetown University). Expanding HUSKY Coverage for Children in Connecticut. September 2020. https://www.cthealth.org/wp-content/uploads/2020/09/Expanding-HUSKY-Coverage-for-Children-Sept-2020.pdf

[25] Utah Utah Medicaid Consensus Forecasting 2020 Interim: https://le.utah.gov/interim/2020/pdf/00004449.pdf with additional data from the Bureau of Financial Services, Utah Division of Medicaid and Health Financing.

[26] Ku L. Health Insurance Coverage and Medical Expenditures of Immigrants and Native-Born Citizens in the United States. American Journal of Public Health. Volume 99, Number 7, pages 1322-1328, July 2009

[27] Pourat N, Wallace SP, Hadler MW, Ponce N (UCLA). Assessing Health Care Services Used By California's Undocumented Immigration Population in 2010. May 2014

[28] Oregon Health Plan, OHP Now Covers Me! Senate Bill 558 – Cover All Kids Implementation Report. Pages 19-20. February 2020

[29] Kaiser Family Foundation. State adoption of 12-Month Continuous Eligibility for Children's Medicaid and CHIP: https://www.kff.org/health-reform/state-indicator/state-adoption-of-12-month-continuous-eligibility-for-childrens-medicaid-and-chip/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

[30] Alvarez, M et al. The Children's Partnership. A Golden Opportunity: Lessons from California on Advancing Coverage for All Children. January 2018. https://health4allkids.org/wp-content/uploads/2018/01/Golden-Opportunity-Lessons-From-Californias-Journey-to-Advancing-Coverage-for-All-Children-Report.pdf

[31] Park E, Alker J and Corcoran, A. Commonwealth Fund and Georgetown University Center for Children and Families). Jeopardizing a Sound Investment: Why Short-Term Cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long-Term Harm. March 2020 https://www.commonwealthfund.org/publications/issue-briefs/2020/dec/short-term-cuts-medicaid-long-term-harm

Tables

TABLE 1
Demographics of Undocumented Children in Utah

Total Population	92, 000	100%
Under 19	10,667	11.6%

TABLE 2
Estimated Distribution of Undocumented Children At/Below 200% of the FPL

Up to 149% of poverty level	4,160	39%
150% to 200% of the poverty level	1,707	16%
At or above 200% of poverty level	4,799	45%

TABLE 3
Estimated Enrollment and Cost: Year 1 & 2

Estimated Enrollment & Cost: Year 1

Scenario	Medicaid Enrollment	Medicaid Cost	CHIP Enrollment	CHIP Cost	Total Enrollment	Total Cost
Base Scenario Estimate	1,040	1,963,478	427	887,469	1,467	2,850,948
High Scenario Estimate	1,456	2,748,870	597	1,242,457	2,053	3,991,327

Estimated Enrollment & Cost: Year 2

Scenario	Medicaid Enrollment	Medicaid Cost	CHIP Enrollment	CHIP Cost	Total Enrollment	Total Cost
Base Scenario Estimate	1,373	2,591,791	563	1,171,459	1,936	3,763,251
High Scenario Estimate	1,789	3,377,183	734	1,526,447	2,523	4,903,630



Contributors

Authors:
Ciriac Alvarez Valle, Policy Analyst, ciriac@utahchildren.org
Jessie Mandle, Sr. Health Policy Analyst, jessie@utahchildren.org

Document Design:
Laneta Fitisemanu, Policy & Communication Fellow, laneta@utahchildren.org