



IMPACT OF MEDICAID EXPANSION ON POTENTIAL CHILD ENROLLMENT IN MEDICAID

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Ohio’s 2014 Affordable Care Act (ACA) Medicaid expansion raised eligibility for all adults to a common 138% of the federal poverty level (FPL). At the same time, income eligibility for children was unchanged at a higher 200% FPL. Although income eligibility for children did not change, past adult expansions have increased child enrollment as newly eligible parents enroll their previously eligible children.¹ This research brief examines the impact of the Medicaid expansion on Ohio’s child enrollment in Medicaid.

METHODS

The 2015 Ohio Medicaid Assessment Survey (OMAS) is a telephone survey that samples both landline and cell phones in Ohio. The survey examines access to the health system, health status, and other characteristics of Ohio’s Medicaid, Medicaid eligible, and non-Medicaid populations. In 2015, researchers completed 42,876 interviews with adults and 10,122 proxy interviews of children. The 2015 OMAS is the sixth iteration of the survey. For details, please see the OMAS Methodology Report.²

For this analysis the Medicaid eligible poverty level is defined as a 2014 annual household income of $\leq 138\%$ FPL (\$19,790 for a family of three) – missing responses to income questions were imputed. The rationale for using the 138% FPL is to examine the impact new enrollment for adults is having upon child uninsurance prevalence. For questions involving health insurance, analyses were limited to: 1) children 0 through 17 years of age to enable comparisons to the 2004, 2008, 2010, and 2012 prior iterations of the OMAS, and 2) to adults 19 to 65 years of age to account for the Affordable Care Act Medicaid expansion target of impoverished working-aged adults and factoring for the fact that almost all children live in non-senior headed households. All analyses incorporated the OMAS’ complex survey design and sampling weights. Unless otherwise noted, all findings presented are statistically significant at $p < 0.05$ for their corresponding tests – confidence intervals and standard errors are not reported.

The measuring of Medicaid’s success at enrolling uninsured children is challenging due to the small sample size of uninsured children. Only 2.2% (56,890) of children 0 through 17 years are uninsured in 2015. Given this low uninsured rate, the 2015 OMAS’s 9,480 proxy child interviews within the age grouping equates to 278 uninsured child proxy responses. Accordingly, direct estimate sub-group analyses of uninsured children are not feasible due to small sample size. For example, considering race and ethnicity, the 2015 OMAS includes 48 Hispanic, 45 African American, and 8 Asian uninsured children. Due to these sample limitations, this brief will only report descriptive analyses aggregating the child population of 0 through 17 years, and examines only statewide estimates.

**Chart 1: Comparison of Insured and Uninsured Children in Ohio
Ages 0 through 17 years, Trend Intervals from 2004 to 2015
Sources are Ohio Medicaid Assessment Survey Series**

	2004	2008	2010	2012	2015
Uninsured	5.4%	4.0%	4.7%	4.6%	2.2%
Medicaid*	26.9%	32.7%	36.8%	41.3%	45.5%
Medicare*	0.8%	0.6%	0.5%	0.4%	0.5%
Employer Sponsored	59.7%	53.8%	46.9%	47.0%	45.7%
Directly Purchased	2.6%	2.6%	3.0%	2.9%	2.5%
Other	4.6%	6.3%	8.2%	3.8%	2.8%
Exchange	0.0%	0.0%	0.0%	0.0%	0.7%

* Medicaid indicates any Medicaid program coverage including dual-eligibles; Medicare indicates only Medicare coverage.

RESULTS

Focusing on the surveys immediately before and after the Medicaid expansion, the 2012 and 2015 OMAS iterations, we found that expansion coincided with over a 50% decline in Ohio's uninsured rate for children between 2012 and 2015. Though Medicaid eligibility for children did not change from 2012 to 2015, the uninsured rate for Ohio children declined from 4.6% to 2.2%, and Medicaid enrollment increased from 41.3% to 45.5%. The new insurance exchanges also launched in late 2013, enrolling approximately 1% of Ohio children. In addition to the decline in uninsured children, the residual "Other" category declined from 3.8% to 2.8%.

Table 1: Comparison of Medicaid Covered and Uninsured Children in Ohio

Ages 0 through 17 years, Trend Intervals from 2004 to 2015

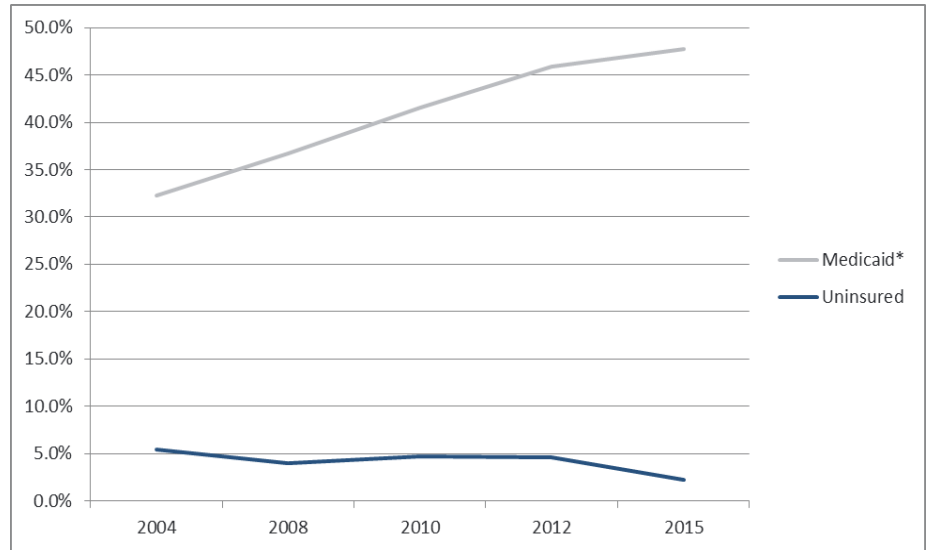
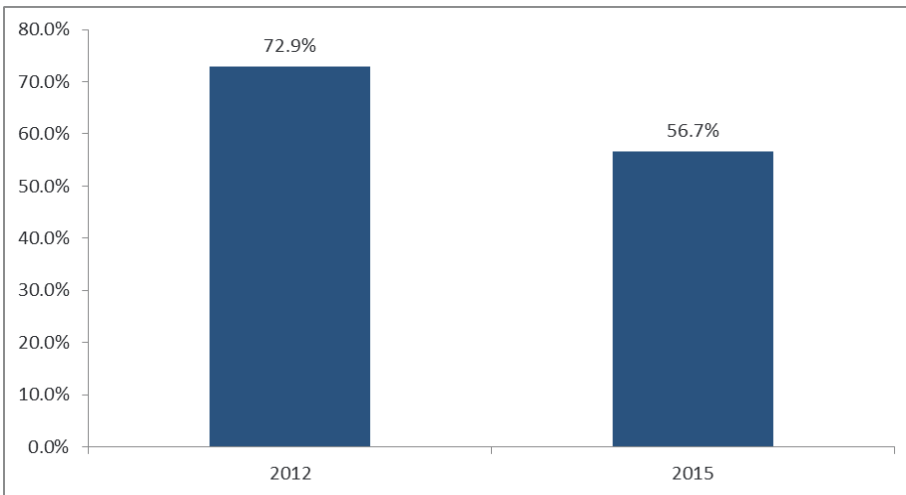


Chart 2 shows that more previously eligible children enrolled after the 2014 expansion. With simultaneous changes in Ohio's insurance markets, we have to disentangle the effect of the ACA Medicaid expansion on child Medicaid

Chart 2: Percent of Uninsured Children in Ohio who are Eligible for Medicaid



enrollment. Previous work has shown that adult eligibility expansions raise child enrollment as newly eligible parents enroll their previously eligible children – referred to as the “woodwork effect”. In health policy terms, the “woodwork effect” is a phenomenon that occurs when an expansion of public program eligibility takes place (whether through federal action or a state-level initiative), and individuals who were already eligible for coverage but who had previously not enrolled choose to sign up—thereby “coming out of the woodwork.” In 2012, 72.9% of uninsured children in Ohio were eligible for Medicaid. With many of

those eligible children enrolling with their newly eligible parents, 56.7% of uninsured Ohio children in 2015 were eligible for Medicaid.

Chart 3 shows the largest enrollment gains among children whose parents gained Medicaid eligibility during the expansion. Children's Medicaid enrolment increased across all parental income groups, continuing the trend over the last ten years (see Chart 1). However, enrollment among newly eligible parents increased 11.1 percentage points from 2012 to 2015 compared to 3.0 percentage points among children with oldly eligible parents.

DISCUSSION AND POLICY CONSIDERATIONS

After the 2014 Medicaid expansion, the uninsured rate for children is down to 2.2%, and over half (57%) of the remaining uninsured children are Medicaid eligible. Further reductions will be increasingly difficult as each uninsured

child becomes a more unique case. Further gains will be modest, but ongoing adult Medicaid enrollment and the increasing tax penalties for not having insurance can produce limited gains.

The 2015 OMAS captures only

the first 12-18 months of the Medicaid expansion. A separate OMAS brief projects adult Medicaid enrollment to SFY 2017. That brief finds that 60% of newly eligible adults enrolled in the first 18 months of the expansion, and a further 28% will enroll by the beginning of SFY 2017. The ongoing enrollment of newly eligible adults should lead to a further reduction in uninsured Medicaid eligible children.

The new tax penalties for remaining uninsured also will produce additional reductions in the child uninsured rate. During the 2015 OMAS data collection, the tax penalty was \$162.50 per child. The penalty is scheduled to increase to \$347.50 per child for calendar year 2016.^V This penalty will encourage enrollment, but the magnitude remains unknown.

After further parental Medicaid enrollment and the increased tax penalty, the remaining circumstances of the uninsured children will be increasingly unique. Some of these children may be uninsured for short periods as their parents change employers or because a parent mistakenly let their insurance payments lapse. Considering the above, we would expect that the child uninsurance will continue to decline slightly, but gains below 2% uninsured are unlikely short of an auto-enrollment approach.

REFERENCES

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FOR MORE INFORMATION

To view more information about OMAS and the findings in this policy brief, please visit the OMAS website at the Ohio Colleges of Medicine Government Resource Center grc.osu.edu/OMAS.

Chart 3: Percent of Children Enrolled in Medicaid, by Parent's Income Grouping Ages 0 through 17 years, 2012 to 2015

Sources are Ohio Medicaid Assessment Survey Series

Parent's Income	2012	2015	Change
Under 91% FPL	81.4%	84.3%	3.0%
91% FPL - 138% FPL	64.1%	75.2%	11.1%
Over 138% FPL	16.9%	23.6%	6.7%