West Virginia Healthy Kids *and Families* Coalition
2003 Quarrier Street, Charleston, WV 25311
www.wvhealthykids.org

STATE HEALTH INSURANCE COVERAGE ESTIMATES:

WHY STATE-SURVEY ESTIMATES DIFFER FROM CPS

   The US Census Bureau recently published data on children's uninsurance rates. The Census Bureau's Current Population Survey (CPS) conducted in March of every year, showed that West Virginia has 36,000 children without health insurance. The estimate was based on an average of 3 years of survey data.

The West Virginia University Institute for Health Policy and Research conducted state surveys in 2001 and 2003. The 2001 Survey showed that 28,371 (6.6%) of children were uninsured at a point in time; the 2003 survey showed that 30,884 (7.6%) children were uninsured at a point in time.

Another way to look at health coverage for children is to estimate the number that go without coverage for a full year. In that instance, the West Virginia Survey showed in 2001 that 18,399 (4.3%) of children were without coverage for a full year; the 2003 survey showed that 15,036 (3.7%) children were without coverage for a full year.

Reasons for Difference in Numbers:
The key reasons for the variation between state estimates and CPS estimates of rates of uninsured are differences in:

- Sample selection and size :
- Survey administration
- Definition of the uninsured
- Survey question design

Sample Selection and Size
The sample size for the WVU survey in 2003 was 1,600 (including 460 children); the CPS sample is about 600 or 1,800 for three years.

Survey Administration
The method of survey administration also accounts for significant differences between state-generated estimates and CPS estimates of uninsurance rates. CPS interviews families in person as well as by phone. The WVU survey was exclusively a telephone survey . Therefore, CPS is more likely to include people without phones.

Definitions of Uninsured
The CPS defines a person as uninsured only if he or she lacked insurance for the entire year. The WVU survey defines a person as uninsured (1) at a point in time if he or she is uninsured at the time of the survey, (2) uninsured for the entire year.

Survey Questions

The CPS may tend to underestimate public program coverage. Respondents on Medicaid may not know the name of the program (they may know they have a medical card but not know that it is an insurance card called Medicaid or CHIP); The growth in uniquely labeled Medicaid managed care programs may be an additional source of confusion, causing respondents to fail to report Medicaid coverage. CPS reports of Medicaid coverage have traditionally been much lower than what states report on the reports to the federal government.

The WVU survey estimates of Medicaid coverage is also much lower than numbers reported by the state agency to the federal government. In FFY 2003, for example, Medicaid reported covering 205,331 children in West Virginia (*CMS-21E&64EC)* as compared with the WVU survey which estimated coverage at 112,158 (on any given day).

POLICY IMPLICATIONS

State policy makers and analysts should understand the reasons why the state and CPS estimates differ as well as the appropriate uses of each type of estimate. The CPS estimates are consistent and available on an annual basis. They are more appropriate for examining aggregate data trends over time and for cross-state comparisons.

Estimates from state surveys are more useful for sub-state geographic and population estimates. State surveys can help define more specifically which populations (children) are uninsured within the state to facilitate the design and evaluation of state-specific programs. They can also be used to detect year-to-year changes in the uninsurance rate if the sample size is large enough.

In West Virginia, we believe that the CHIP and Medicaid programs are reaching the target population and that the WVU Survey estimates are a realistic reflection of the rate of insurance among children.

POLICY IMPLICATIONS FOR WEST VIRGINIA

- For state and local planning and analysis, the data in the West Virginia Healthcare Survey is preferred to the CPS. The 2001 WVU survey included 16,493 households including 5,291 children. It provides good data at the sub state and sub population level; the 2003 survey included 1,600 households including 460 children and provides good data at the state level.

- We assume that 30,884 children are uninsured on any given day. More than half or 15,848 children will have access to coverage and become enrolled in CHIP, Medicaid or private insurance sometime during the year.

- Public and private insurance programs at the national and state level experience a lot of "churning." Children move from Medicaid to CHIP to private coverage and vice versa. During these transitions, children may be uninsured for one or more months. Usually, however, they will have access to coverage and become insured when they need medical care. Studies conducted for the WV CHIP show that as many as 45% of children lose coverage at the end of the 12 month enrollment period. Most of them, however, will move to Medicaid, private coverage or re-enroll in CHIP at some later date.

- The problem of "churning" has been described by Pamela Farley Short and others. It drives up the costs of running private and public insurance programs and can undermine efforts to provide effective health care. Repeated gaps in insurance add to health and financial risks and point to the need for changes in public policy to emphasize retention of insurance.

- We assume that 15,036 children do not have access to CHIP or Medicaid because their parents earn too much to qualify for a public program but not enough to buy insurance in the private market. These are the children who could benefit from an expansion of the CHIP program.

NOTES

We have used the information and quoted extensively from the State Health Access Data Assistance Center (SHADAC), Issue Brief, July 2001/Issue 3 to develop this policy brief. The SHADAC Issue Brief is available in its entirety at www.shadac.org

The CHIP and Medicaid data for FFY 2003 comes from the CHIP Report to the federal Centers for Medical Services (CMS) for 9/30/03.

Data from the 2003 West Virginia Healthcare Survey, 2003 was presented by Sally K. Richardson, Power Point Presentation. A Preliminary Assessment of Changes in Healthcare and Health Insurance in WV since 2001. The complete report should be available sometime later in 2004 and will be available on the web site of the WVU Institute for Health Policy Research.

Research on loss of coverage in the CHIP program was done between February and June 2004 by Renate Pore, Sharon Carte, Marla Short and Patty Martin as part of a RWJF Process Improvement Collaborative. More information on loss and changes in CHIP coverage can be made available by contacting Renate E Pore at 304-346-8815 or renateepore.pore@verizon.net

Pamela Farley Short, Deborah R. Graefe and Cathy Schoen, "Churn, Churn, Churn: How Instability of Health Insurance Shapes America's Uninsured Problem," November 2003 is an excellent study of the problem. The Issue Brief is available online at www.cmwf.org