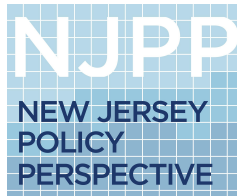


# HEALTH CARE FOR ALL NEW JERSEY KIDS

**Raymond Castro**  
*Director of Health Policy*



**It's Time to Close  
the Garden State's  
Health Insurance Gap  
for Children**

*This report was made possible in part due to the generous  
support of The Nicholson Foundation*

**JANUARY 2018**

# 1.

**NEW JERSEY  
CAN BUILD ON  
THE PROGRESS  
IT'S ALREADY  
MADE**



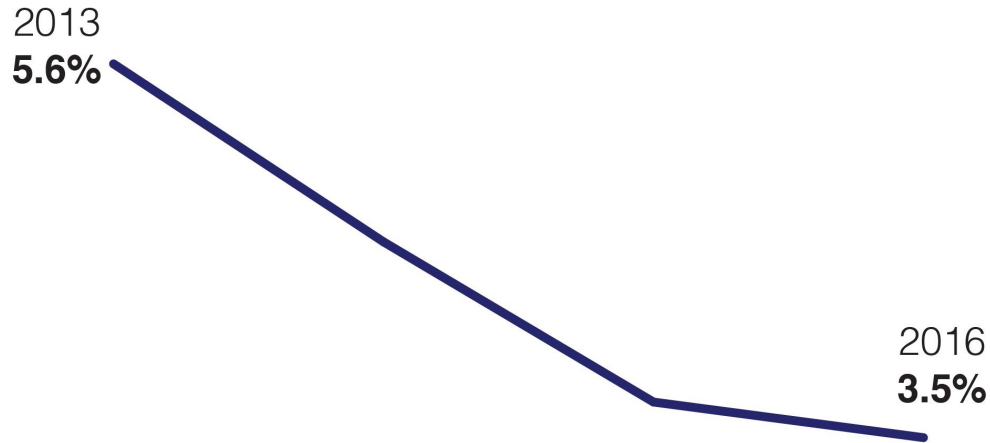
We start with a firm foundation:

# NEW JERSEY HAS **MADE PROGRESS** IN COVERING MORE KIDS

- ▶ The share of New Jersey children without health coverage has dropped by about a third since 2013, largely thanks to the Affordable Care Act's Medicaid expansion.

# NEW JERSEY HAS **MADE PROGRESS** IN COVERING MORE KIDS

*Expanding Medicaid led to 38% decrease in uninsurance rate from 2013-2016*



Source: US Census Bureau American Community Survey

# NEW JERSEY HAS **MADE PROGRESS** IN COVERING MORE KIDS

- ▶ But even before the Affordable Care Act, New Jersey had a strong NJ FamilyCare program for children.

# NEW JERSEY HAS **MADE PROGRESS** IN COVERING MORE KIDS

- ▶ At 350% of the federal poverty level, the state has the second-highest income eligibility level in the nation (after New York).
- ▶ Children below 200% of the federal poverty level have no premiums or co-payments.
- ▶ Eligible children can be presumptively enrolled to get care without delay while their application is being processed.

# 2.

**YET NEW  
JERSEY STILL  
PERFORMS  
BELOW MANY  
STATES IN  
INSURING KIDS**

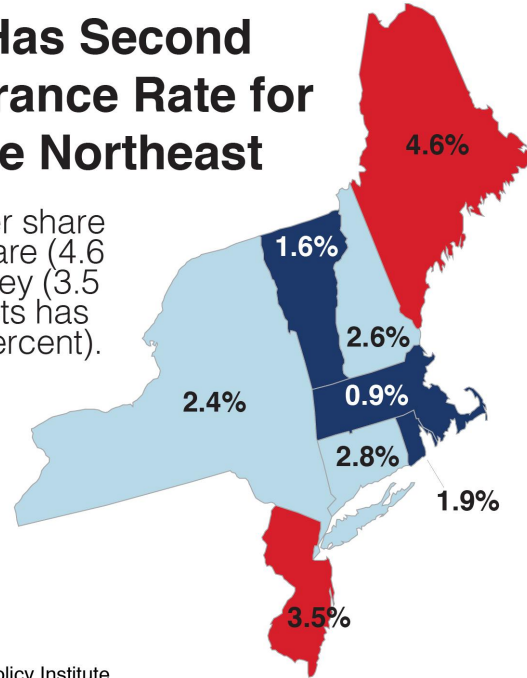


Here's how we stack up:

# NEW JERSEY IS ONE OF THE WORST IN THE NORTHEAST AT COVERING KIDS

## New Jersey Has Second Highest Uninsurance Rate for Children in the Northeast

Only Maine has a higher share of kids without health care (4.6 percent) than New Jersey (3.5 percent). Massachusetts has the lowest share (0.9 percent).



Source: Georgetown University Health Policy Institute



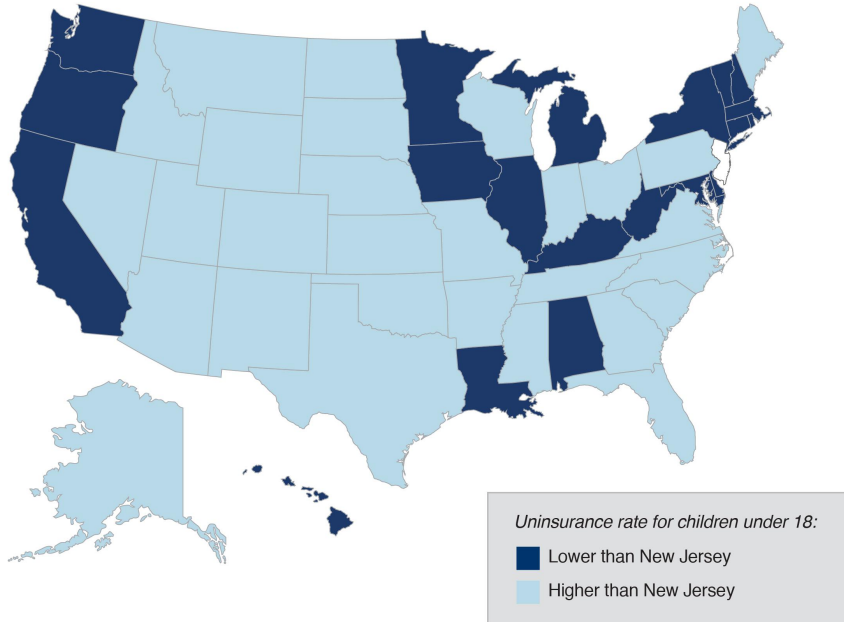
# NEW JERSEY IS ONE OF **THE WORST IN THE NORTHEAST** AT COVERING KIDS

- ▶ There are still **70,000 uninsured kids** in New Jersey.
- ▶ Only Maine has a higher share of uninsured kids than New Jersey.
- ▶ Massachusetts, with an uninsurance rate of 0.9%, has shown that universal coverage for kids can be achieved.

# EVEN NATIONALLY, **MANY STATES ARE DOING BETTER** THAN NEW JERSEY

## 20 States Are Covering More Children Than New Jersey

*Even many poorer states have lower uninsurance rates for kids*



# EVEN NATIONALLY, **MANY STATES ARE DOING BETTER** THAN NEW JERSEY

- ▶ **Almost half the states (20)** have a lower child uninsurance rate than New Jersey's rate of 3.5%.
- ▶ Most of these states are not as high-cost and high-wealth as New Jersey, and some are *much* poorer (Kentucky, Alabama and West Virginia, for example).

# KIDS ACROSS THE STATE HAVE NO HEALTH COVERAGE

## Many Children Still Lack Health Insurance in Counties Across New Jersey

County	Number of uninsured children	Share of children without insurance	County	Number of uninsured children	Share of children without insurance
Atlantic	2,082	3.5%	Middlesex	4,520	2.5%
Bergen	8,492	4.2%	Monmouth	3,825	2.8%
Burlington	1,365	1.5%	Morris	1,974	1.8%
Camden	2,730	2.3%	Ocean	2,125	1.5%
Cape May	474	2.9%	Passaic	5,305	4.3%
Cumberland	2,252	6.2%	Salem	456	3.3%
Essex	10,052	5.3%	Somerset	3,425	4.6%
Gloucester	1,077	1.6%	Sussex	417	1.4%
Hudson	8,851	6.4%	Union	6,981	5.3%
Hunterdon	367	1.5%	Warren	1,388	6.4%
Mercer	1,881	2.4%			

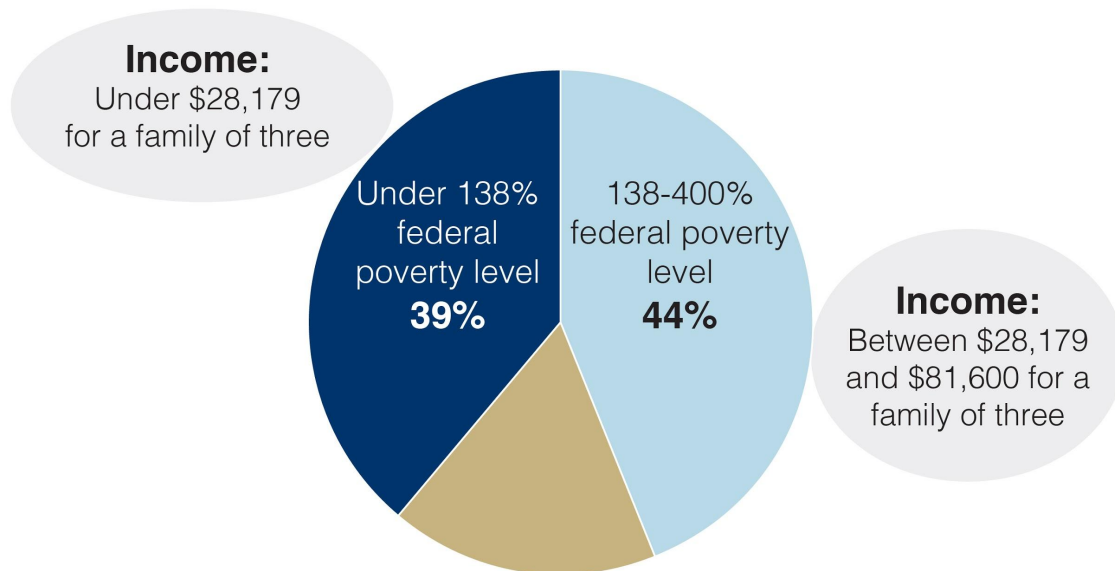
Source: NJPP analysis of US Census Bureau American Community Survey, 2016

# KIDS ACROSS THE STATE HAVE NO HEALTH COVERAGE

- ▶ Most uninsured children live in large, urban counties like Essex and Hudson.
- ▶ But there are also high percentages of kids without coverage in rural counties like Cumberland and Warren.
- ▶ Counties with larger shares of uninsured kids also tend to have larger shares of immigrants.

# MOST UNINSURED KIDS LIVE IN LOW- OR MODERATE-INCOME FAMILIES

*83% live in families with incomes under 400% of the federal poverty level*



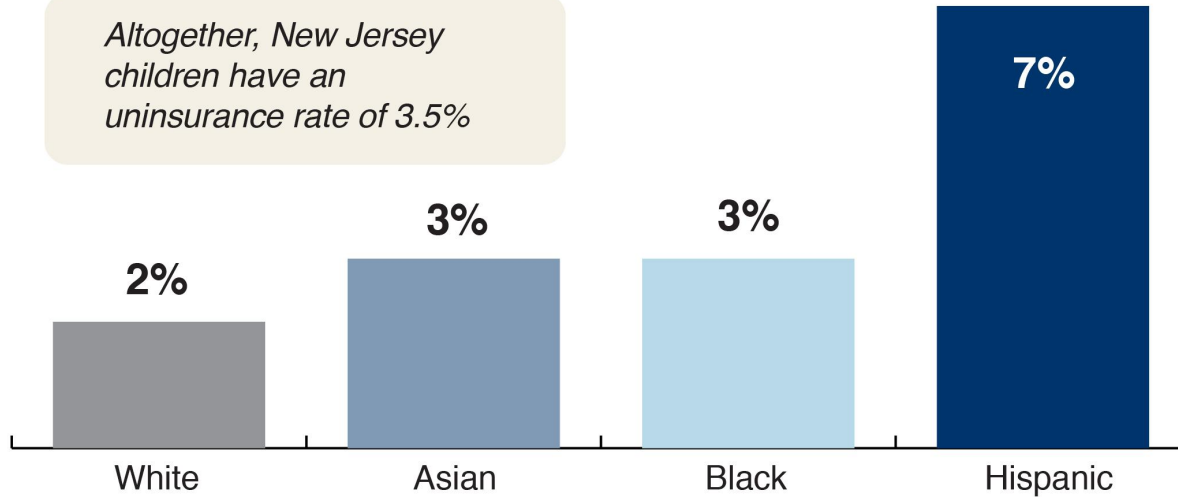
Source: US Census Bureau American Community Survey, 2016

# MOST UNINSURED KIDS LIVE IN **LOW- OR MODERATE-INCOME** FAMILIES

- ▶ Almost 2 in 5 (39%) are poor, with incomes below 138% of the federal poverty level (\$28,179 for a family of three).
- ▶ And nearly half (44%) have moderate incomes below 400% of the federal poverty level (\$81,600 for a family of three).

# KIDS OF COLOR - ESPECIALLY HISPANIC KIDS - MORE LIKELY TO BE UNINSURED

*Altogether, New Jersey children have an uninsurance rate of 3.5%*



Source: NJPP analysis of 2016  
US Census Bureau data



# KIDS OF COLOR - ESPECIALLY HISPANIC KIDS - MORE LIKELY TO BE UNINSURED

- ▶ New Jersey's uninsurance rate for Hispanic kids (7%) is more than three times the rate for white kids (2%).
- ▶ New Jersey ranks 5th nationally in insuring white kids, but 22nd in insuring Hispanic kids.
- ▶ Undocumented kids - most of whom are Hispanic - make up half the state's uninsured children.

# KIDS OF COLOR - ESPECIALLY HISPANIC KIDS - MORE LIKELY TO BE UNINSURED

## New Jersey's Uninsured Kids Are More Diverse Than the Nation's

New Jersey		U.S.
52%	<b>Hispanic</b>	42%
28%	<b>White</b>	42%
12%	<b>Black</b>	12%
8%	<b>Asian</b>	4%

Source: US Census Bureau American Community Survey, 2016

# 3.

## HEALTHIER KIDS: A SMART INVESTMENT FOR NEW JERSEY



Investments in kids pay dividends:

# HEALTHIER KIDS: A **SMART** **INVESTMENT** FOR NEW JERSEY

# HEALTHIER KIDS: A **SMART INVESTMENT** FOR NEW JERSEY

## Insuring kids:

- ▶ Reduces emergency room visits<sup>1</sup>
- ▶ Reduces school absenteeism<sup>2</sup> and leads to higher high-school graduation rates<sup>3</sup>
- ▶ Reduces life-threatening health complications for kids with diabetes, asthma and other diseases<sup>4</sup>
- ▶ Helps the economic security of working families by reducing medical debt and bankruptcy<sup>5</sup>
- ▶ Results in more kids becoming healthier, employed taxpaying adults<sup>6</sup>

# 4.

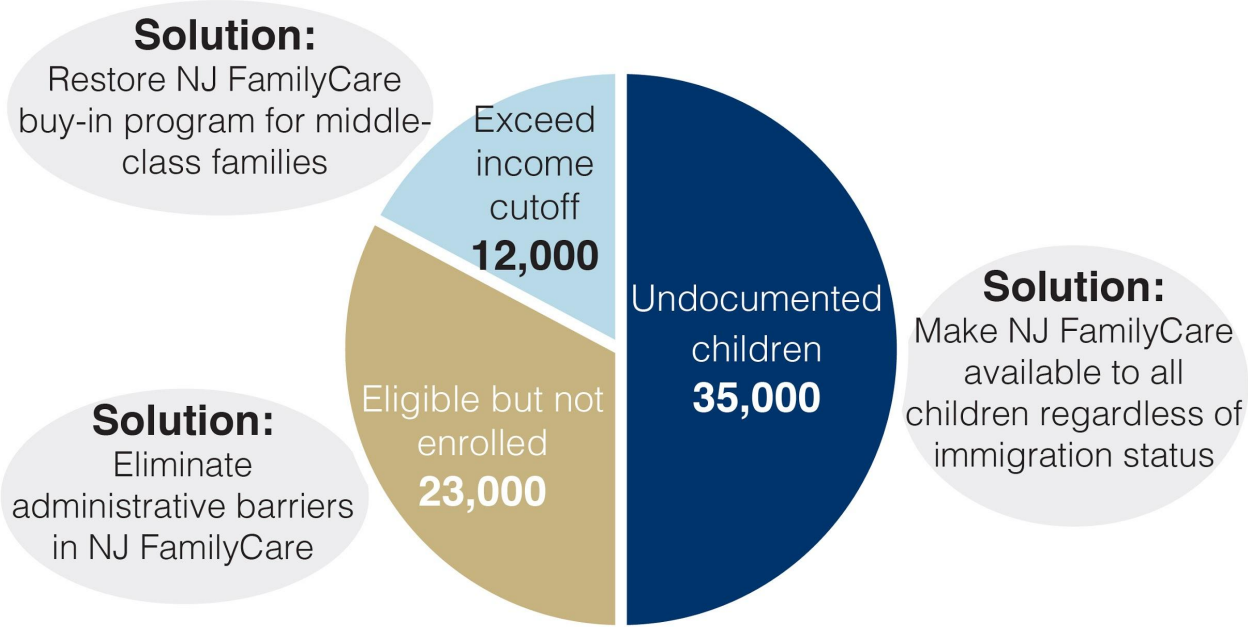
**WHAT ARE THE  
BARRIERS TO  
COVERING ALL  
KIDS - AND  
HOW CAN WE  
OVERCOME  
THEM?**



There are three:

# Solutions for New Jersey Kids Without Health Coverage

70,000 Garden State children – or 3.5% of all kids – lack health insurance.



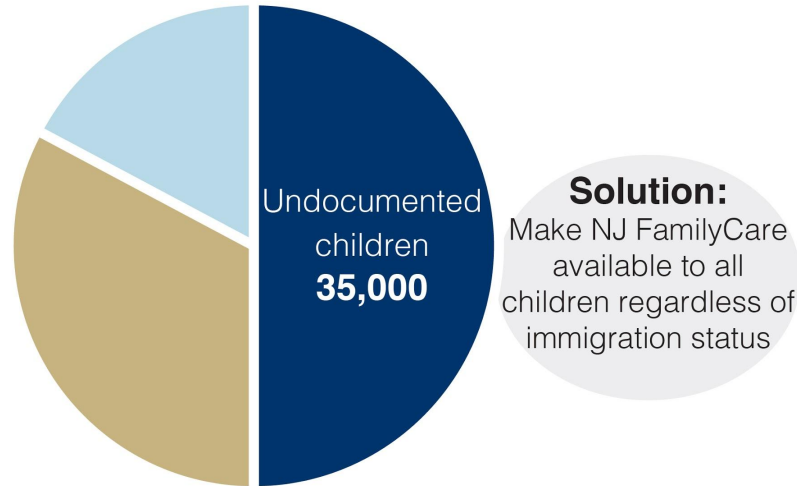
Source: NJPP analysis of US Census Bureau and Migration Policy Institute data

# **BARRIER 1:** UNDOCUMENTED KIDS AREN'T ELIGIBLE FOR NJ FAMILYCARE OR THE ACA MARKETPLACE



# **BARRIER 1:** UNDOCUMENTED KIDS AREN'T ELIGIBLE FOR NJ FAMILYCARE OR THE ACA MARKETPLACE

## Half of New Jersey's Uninsured Kids Are Undocumented



**Solution:**  
Make NJ FamilyCare  
available to all  
children regardless of  
immigration status

Source: NJPP analysis of US Census Bureau and Migration Policy Institute data

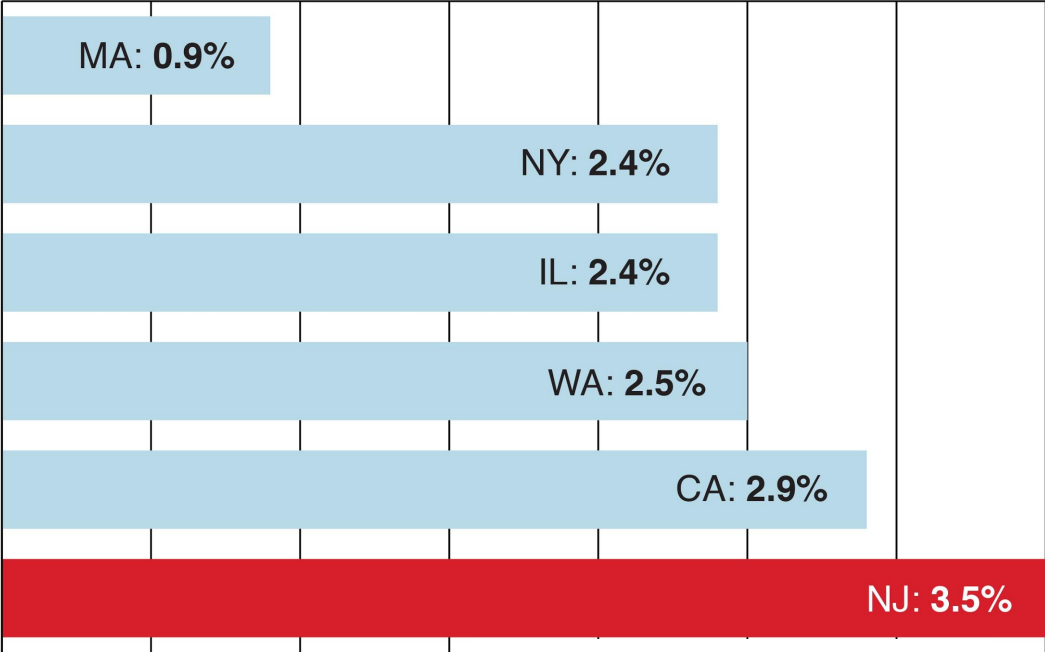
# **BARRIER 1: UNDOCUMENTED KIDS AREN'T ELIGIBLE FOR NJ FAMILYCARE OR THE ACA MARKETPLACE**

- ▶ New Jersey has the 4th highest share of undocumented immigrants in the nation<sup>7</sup> - and half of them are in families living under 200% of the federal poverty level (\$41,000 for a family of three).<sup>8</sup>
- ▶ Among New Jersey's 56,000 undocumented kids, almost two-thirds (35,000) lack health coverage.<sup>9</sup>

# **BARRIER 1:** UNDOCUMENTED KIDS AREN'T ELIGIBLE FOR NJ FAMILYCARE OR THE ACA MARKETPLACE

- ▶ These kids have no regular source of health care because they aren't eligible for publicly subsidized coverage - except for emergency room visits.
- ▶ New Jersey will *never even come close* to covering all kids unless undocumented children are eligible for NJ FamilyCare.

# STATES THAT COVER UNDOCUMENTED KIDS HAVE **LOWER UNINSURANCE RATES** THAN NEW JERSEY




# STATES THAT COVER UNDOCUMENTED KIDS HAVE **LOWER UNINSURANCE RATES** THAN NEW JERSEY

- ▶ Five states currently cover undocumented kids. Oregon became the sixth on January 1, 2018.
- ▶ Massachusetts has had this policy for 17 years and has been able to achieve universal coverage for children.
- ▶ New York has had this policy for 27 years and has an uninsurance rate 45% lower than New Jersey's.

# YES, NEW JERSEY **CAN AFFORD** TO COVER UNDOCUMENTED CHILDREN

**Cost to Cover Undocumented Kids is a  
Tiny Fraction of the NJ FamilyCare Budget**



Cost to cover all  
undocumented  
children in 2021  
**\$66.5M**



Total cost of  
NJ  
FamilyCare  
**\$15B**

# YES, NEW JERSEY **CAN AFFORD** TO COVER UNDOCUMENTED CHILDREN

- ▶ The state cost to cover undocumented New Jersey kids would be modest: an estimated \$9.8 million for the 2019 budget year (July 1, 2018-June 30, 2019), \$56 million for 2020 and \$65.5 million for 2021. (See *methodology for more detail on cost estimates.*)
- ▶ That's *less than one half of one percent* of the total NJ FamilyCare budget of \$15 billion.

# YES, NEW JERSEY **CAN AFFORD** TO COVER UNDOCUMENTED CHILDREN

- ▶ These estimates don't consider the significant savings New Jersey would quickly see due to reduced charity and emergency care in hospitals.
- ▶ In the long run, New Jersey would save even more money if it covered all kids, through higher economic productivity and fewer health and social problems.



# **BARRIER 2:** COVERAGE FOR MIDDLE-CLASS FAMILIES WAS DROPPED IN NEW JERSEY

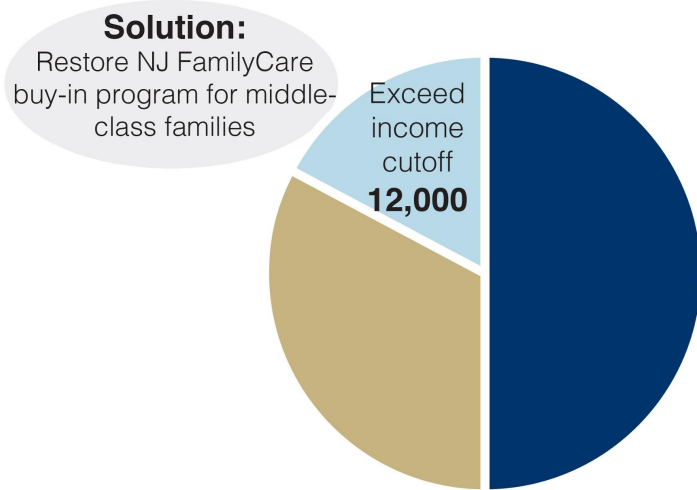
## **BARRIER 2:** COVERAGE FOR MIDDLE-CLASS FAMILIES WAS DROPPED IN NEW JERSEY

- ▶ There are **12,000 New Jersey kids** who lack insurance but aren't eligible for publicly subsidized coverage because they exceed the NJ FamilyCare income eligibility limit.

# BARRIER 2: COVERAGE FOR MIDDLE-CLASS FAMILIES WAS DROPPED IN NEW JERSEY

## Many of New Jersey's Uninsured Kids Exceed Income Cutoff

*17% have incomes over 400% of the federal poverty level*



Source: NJPP analysis of US Census Bureau and Migration Policy Institute data

## **BARRIER 2:** COVERAGE FOR MIDDLE-CLASS FAMILIES WAS DROPPED IN NEW JERSEY

- ▶ New Jersey previously had a buy-in program for these families; it was ended in 2014.<sup>10</sup>
- ▶ Five states, including neighboring New York and Pennsylvania, have continued their buy-in programs.

## **BARRIER 2: COVERAGE FOR MIDDLE-CLASS FAMILIES WAS DROPPED IN NEW JERSEY**

- ▶ Given New Jersey's high costs of living, parents just over the income cutoff often can't afford insurance.
- ▶ For a family of 3 with 2 kids, eligibility cuts off at \$82,000 of annual income - but premiums for their 2 kids could be up to \$14,000 a year.<sup>11</sup>
- ▶ Parents could buy better insurance at far lower premiums in NJ FamilyCare (\$2,200 per child vs. up to \$7,000) at *no cost* to the state.

# **BARRIER 3:** INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS

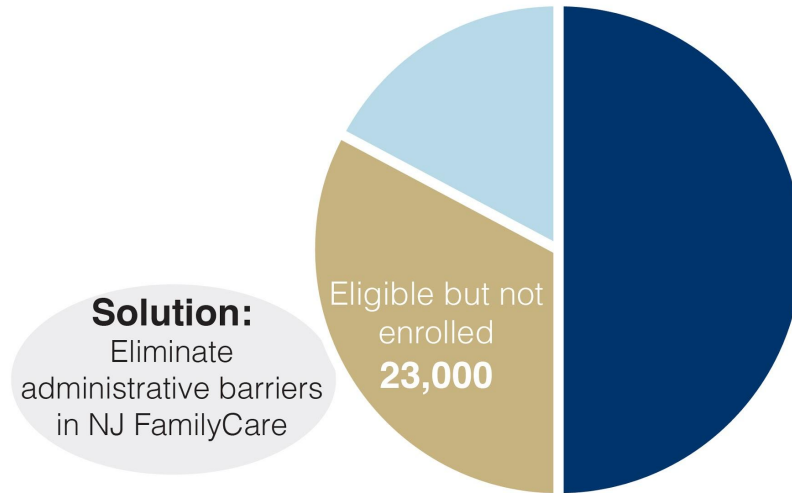
## **BARRIER 3: INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS**

- ▶ There are **23,000 New Jersey kids** who are eligible for NJ FamilyCare but not enrolled. Expanding outreach and easing administrative barriers could help insure many of them.

# BARRIER 3: INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS

**1 in 3 of New Jersey's Uninsured Kids Are Eligible for Coverage**

*33% are eligible but not enrolled due to administrative barriers*



Source: NJPP analysis of US Census Bureau and Migration Policy Institute data



## **BARRIER 3: INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS**

- ▶ New Jersey imposes a 90-day enrollment waiting period for kids in families with incomes above 200% of the federal poverty level.
- ▶ New Jersey also has a 90-day lockout period for any child if a premium payment is missed.
- ▶ **36 states have neither of these.**<sup>12</sup>

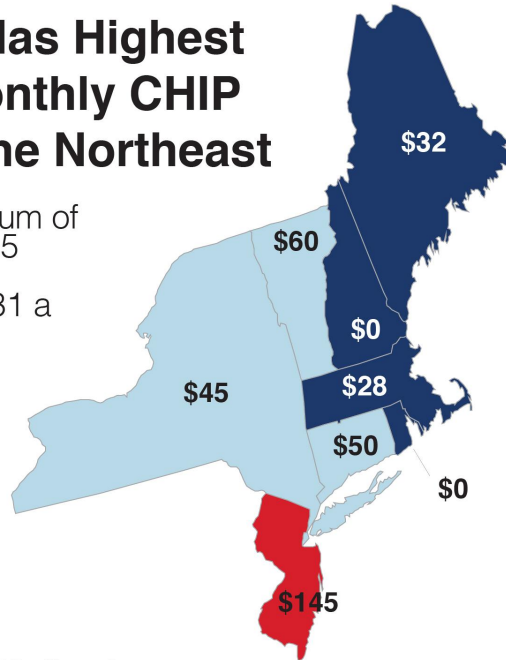
## **BARRIER 3: INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS**

- ▶ New Jersey's maximum premiums for children are the highest - by far - in the Northeast.

# BARRIER 3: INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS

## New Jersey Has Highest Maximum Monthly CHIP Premiums in the Northeast

New Jersey's top premium of \$145 a month is almost 5 times higher than the Northeast average of \$31 a month.



Source: the Kaiser Family Foundation and the Georgetown University Center for Children and Families

## **BARRIER 3: INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS**

- ▶ Unlike 40 states, New Jersey's NJ FamilyCare system can't even perform basic functions that would make the eligibility process easier - such as reporting changes in, or reviewing the status of, an application.

13

## **BARRIER 3:** INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS

- ▶ New Jersey provides no state funding for, or contracts with, community-based organizations for outreach.
- ▶ The state relies on schools to identify uninsured kids, and on volunteers to help enroll families.
- ▶ The Department of Human Services (DHS) hasn't documented its progress toward achieving its own child enrollment goals as required by state law.

## **BARRIER 3: INADEQUATE OUTREACH AND ADMINISTRATIVE BARRIERS**

- ▶ Federal Medicaid matching funds for outreach are available without limit, but New Jersey hasn't claimed them. On top of that, a certain amount of federal CHIP funds can be used for outreach.
- ▶ New Jersey also has no plan to counter the depressed participation in public programs - like health care - that has stemmed from an uptick in anti-immigrant rhetoric from government officials and increased federal immigration enforcement activities.

# 5.

**10 ESSENTIAL  
STEPS MUST BE  
TAKEN TO MAKE  
PROGRESS  
TOWARD  
UNIVERSAL  
COVERAGE FOR  
KIDS**



Let's get to work:

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS

1

Make children eligible for NJ FamilyCare regardless of their immigration status.



# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS



Follow the lead of most states and end the 90-day waiting and lockout periods.

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS



Reduce the maximum NJ FamilyCare premium from \$145 to \$45, the same as it is in New York.

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS



Require that the state inform anyone who is terminated from NJ FamilyCare of other programs they may be eligible for.

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS

5

Reinstate the buy-in program for middle-class families that exceed NJ FamilyCare income limits, taking into account current and anticipated federal policy changes to support these families.

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS



Appropriate \$2 million for enhanced outreach - to be used mostly for performance-based contracts with community organizations - and require application for any federal matching or other funds.

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS



Require that any uninsured child born in a hospital be automatically enrolled in NJ FamilyCare.

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS



Reinstate the workgroup - already required under state law - of stakeholders and advocates to establish enrollment goals and assist the Department of Human Services in achieving those goals, and post progress toward those goals on the department's website.

# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS



Require the Department of Human Services to submit an annual report to the legislature on the actions it has taken to insure all children in New Jersey, and the results of those actions.



# 10 ESSENTIAL STEPS TO COVER ALL NEW JERSEY KIDS

10

Upgrade the Department of Human Services' antiquated eligibility system to make the application process easier and simplify the renewal process.

# 6.

## METHODOLOGY & ENDNOTES



Dig in if you'd like:

# METHODOLOGY

**Implementation dates:** This analysis assumes that legislation making undocumented children eligible for NJ FamilyCare would be signed by the governor by July 1, 2018 to become effective immediately. Enrollment would not start until January 1, 2019, thus covering six months of the state fiscal year, which ends June 30, 2019.

**Number of uninsured children:** The number of undocumented children in New Jersey is from the Migration Policy Institute's *Unauthorized Immigrant Population Profiles* for 2010 to 2014. These estimates were then weighted for different age categories in the study, resulting in an estimate of 56,333 children. Lastly, the share of all undocumented immigrants in New Jersey without insurance, as reported in the MPI study (62 percent), was applied to the number of children resulting in an estimate of 34,937.

**Per capita NJ FamilyCare costs:** The average cost for children in Medicaid and the Child Health Insurance Program (together these programs are called "NJ FamilyCare"), as estimated in the governor's fiscal year 2018 budget, was weighted based on enrollment in CHIP at 106-142 percent and 142-350 percent of the federal poverty level and Medicaid and average cost for a net average of \$2,544.

# METHODOLOGY

**Initial enrollment rate:** Any new program takes some time to enroll participants. The estimated enrollment rate that was used in the calculations for undocumented children was based on the actual enrollment rate that occurred in Medicaid due to the Medicaid expansion that started January 2014 and reached maximum enrollment 17 month later in May 2015.

**Maximum participation rate:** About 15 percent of all undocumented children in New York remain uninsured after making all undocumented children eligible in 1990, as reported by Elisabeth Benjamin in *How Can New York Provide Health Insurance Coverage to its Uninsured Immigrant Residents* (January 2016). This share was applied to all undocumented kids in New Jersey resulting in an estimate of 8,425 remaining uninsured children, which was subtracted from the total uninsured undocumented children (34,937) resulting in a maximum of 26,501 undocumented children enrolled in NJ FamilyCare.

# METHODOLOGY

## Why State Costs Will Likely be Less Than Projected

*The assumed participation rate will likely be even less than projected. Here's why:*

- ▶ Aggressive federal anti-immigrant policies and enforcement will likely discourage enrollment
- ▶ The New York participation rate was used for New Jersey but New York has enrolled undocumented children for 27 years
- ▶ The rate of New Jersey's enrollment was based on all New Jerseyans eligible for the Medicaid expansion, which is likely to be a higher rate than the rate at which undocumented kids will enroll
- ▶ Our estimate assumes that the state will fully fund outreach for the first three years
- ▶ New Jersey can continue to receive federal Medicaid matching funds for emergency room services that children who are not lawfully present receive
- ▶ State savings in charity care are not included in the analysis

# ENDNOTES

<sup>1</sup>Mohanty Woolhandler, Healthcare Expenditures of Immigrants In the United States: a Nationally Representative Analysis, American Journal of Public Health, vol. 95, No. 8, 2005

<sup>2</sup>Howell Trenholm, et al, The Impact of New Health Insurance Coverage on Undocumented And Other Low-Income Children: Lesson From Three California Counties. Journal of Health Care for The Poor and Underserved, 2010

<sup>3</sup>Cohodes, S, et al, The Effect of Child Health Insurance Access on Schooling: Evidence from Public Insurance Expansion. The National Bureau of Economic Research, 2014

<sup>4</sup>National Immigration Law Center, The Consequences of Being Uninsured, August 2014.

<sup>5</sup>M. H. Boudreaux, et al, The Long-Term Impact of Medicaid Exposure in Early Childhood: Evidence From The Program Origin, Journal of Health Economics, January 2016

<sup>6</sup>D. Brown, et al, Medicaid As an Investment In Children: What Is The Long-Term Impact On Health Receipts? National Bureau of Economic Research, January 2015.

<sup>7</sup>Pew Research Center, U.S. Unauthorized Immigration Population Estimates, November 3, 2016, <http://www.pewhispanic.org/interactives/unauthorized-immigrants/>

<sup>8</sup>Migration Policy Institute, Children in U.S. Immigrant Families in 1990 versus 2015, <https://www.migrationpolicy.org/programs/data-hub/charts/children-immigrant-families>

<sup>9</sup>Applies to all unauthorized immigrants, Migration Policy Institute, Profile of the Unauthorized Population: New Jersey, 2014 census, <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/NJ>

<sup>10</sup>CMS has already given verbal approval to allow states to include children in buy-in programs in the CHIP risk pool which should greatly reduce premiums. In addition, the House bill to reauthorize CHIP would waive the requirement that these buy-in programs must meet medically essential benefits as required by the ACA which was the main reason that the buy-in program in New Jersey was terminated.

<sup>11</sup>Based on a family of three in New Jersey and the highest Gold plan in 2018 because it is the most comparable to NJFC coverage, DOBI website, [http://www.state.nj.us/dobi/division\\_insurance/ihcseh/IHC\\_Calculator\\_2018/IHC.HTM](http://www.state.nj.us/dobi/division_insurance/ihcseh/IHC_Calculator_2018/IHC.HTM)

<sup>12</sup>The Kaiser/CCF 50-state survey 2017 <https://ccf.georgetown.edu/2017/01/12/kaiser-family-foundation-ccf-release-50-state-medicaidchip-survey>

<sup>13</sup>Ibid 12

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generous support of The Nicholson Foundation

## **New Jersey Policy Perspective**

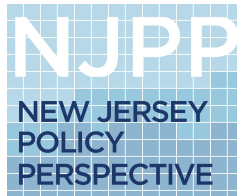
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New Jersey Policy Perspective drives policy change to advance economic justice and prosperity for all New Jerseyans through evidence-based, independent research, analysis and advocacy.

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