Underinsured Children Outnumber Uninsured

Fourteen million U.S. children lack adequate coverage and face problems with quality of care.

BY NASEEM S. MILLER

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Children who are underinsured outnumber uninsured children and are almost as likely as are uninsured children to have problems with health care access and quality, according to an analysis of 2007 data.

Nearly a quarter of children with continuous health care coverage in 2007 did not have coverage adequate enough to provide access to appropriate services and providers, according to lead author Michael Kogan, Ph.D., of the Health Resources and Services Administration's Maternal and Child Health Bureau, and his colleagues.

Dr. Kogan and his colleagues analyzed data collected from the 2007 National Survey of Children's Health, which was conducted by random-digital-dial interviews with the parents or guardians of 91,642 children.

They found that in 2007, 19% (14.1 million) of all U.S. children were underinsured (continuous but inadequate coverage), while 5% (3.4 million) were uninsured, and 10% (7.6 million) were sometimes insured. In contrast, 66% (48.2 million) were fully insured.

Children with private insurance were twice as likely to be underinsured as those with public insurance, for example coverage under either Medicaid or a State Children's Health Insurance Program (SCHIP), they wrote. Inadequate coverage of charges was the most common source of underinsurance, accounting for 12.1 million children.

Certain groups of insured children were more likely to be underinsured: those older than 6 years, Hispanic and black children, those in the Midwest, and those who had special health care needs.

Underinsured children had no access to a medical home on the same scale as their sometimes insured peers—55% and 58% respectively. Dr. Kogan and colleagues found a similar situation regarding access to specialty care: 26% of underinsured children had difficulty obtaining specialist care, compared with 29% of sometimes insured children and 25% of uninsured children.

While attention has been focused on the woes of adult underinsurance, less has been paid to childhood underinsurance, according to Dr. Kogan, who added that it is not clear whether the number of uninsured children has been on the rise over the years, because there are no similar studies for comparison.

As implementation of the Affordable Care Act continues, "it may be worthwhile to consider not only the number of uninsured children in the United States but also the adequacy of coverage for those with current insurance," wrote Dr. Kogan and colleagues.

The study is limited in several ways, the authors wrote. Because the study design was cross-sectional, it is difficult to establish the direction of causality. In addition, the data excludes children in institutions. And, because the study is based on data collected in a phone survey, it is subject to biases, "including the exclusion of household without landlines."

"What I would hope from policymakers is that they would be aware that this problem is more prevalent than the number of uninsured kids and to take that into account in the future policy considerations," Dr. Kogan wrote, noting that HRSA plans on repeating the study within the next few years.

In an accompanying editorial, Dr. James Perrin of the MGH Center for Child and Adolescent Health Policy, Boston, noted that the study offers "compelling evidence that underinsured children face major problems in obtaining both the appropriate quality of care and access to that care. Implementation of the Affordable Care Act offers important opportunities to address the problem of underinsurance."

He added, however, that "the Affordable Care Act may leave chronically ill children with CHIP coverage and newly insured Medicaid population underinsured."

While expansion of benefits is unlikely, "CHIP and the new Medicaid could offer such benefits to persons meeting certain disability criteria [and potentially offer a better federal match to encourage states to include these benefits]."

The study authors and Dr. Perrin disclosed that they have no relevant conflicts of interest. ■

IMPLEMENTING HEALTH REFORM

An End to Preexisting Condition Exclusions for Children

One of the hallmarks of the Patient Protection and Affordable Care Act is that people with preexisting medical conditions will no longer be denied coverage by insurance companies. For adults, this protection begins in 2014, but for many of those younger than age 19 years, it takes effect on Sept. 23. New regulations from the U.S. Department of Health and Human Services bar health plans from refusing to offer a policy because of a child's preexisting medical condition, and from imposing benefit limitations once the child is on a plan.

JUDITH S. PALFREY, M.D.

Dr. Judith S. Palfrey, president of the American Academy of Pediatrics, explains what this part of the law will mean for children.

FAMILY PRACTICE NEWS: How important is the ban on preexisting condition exclusions in children, in terms of access to insurance and coverage for treatments?

Dr. Palfrey: This is one of the most significant provisions within the health reform law in terms of what it means for improved access and care for some of the country's most vulnerable children. Before, if a child had a chronic condition like asthma, or a debilitating disease like cancer, it was possible for insurers to deny them care, when—ironically—they were the ones who needed treatment the most.

Although this provision is an enormous step forward, there is work to be done to make sure children can benefit whether they are enrolled in a new health insurance plan or an existing one. The AAP is working with Obama administration officials to make sure that the ACA provides access to as many children with preexisting health conditions as possible.

The ACA also guarantees an array of preventive services for all children, without copay or deductible, including a yearly physical, well-child visits, and routine immunizations as well as hearing, vision, developmental, and behavioral screenings. This will help physicians detect many diseases before they cause morbidity, then treat and monitor them as needed. These essential benefits could be life saving, especially for children with preexisting and often chronic or complex conditions.

FPN: How many children are likely to benefit from this provision in the near future, and what are the implications for their future health?

Dr. Palfrey: We don't have data on how many children are expected to benefit, but the Congressional Budget Office estimates that about 200,000 Americans will enroll in the Preexisting Condition Insurance Plan during 2011-2013. The plan will provide an option for many sick children to gain access to coverage they don't currently have. Because a good number of these children may have forgone care or treatment because of costs or being denied insurance, the enactment of this provision should improve their future health.

FPN: Will this change the way physicians who treat children and adolescents are able to care for their patients?

Dr. Palfrey: This should certainly make it easier to provide care to more children, because services now will receive some level of payment. This provision also should help provide a pathway for families to get private insurance for their children, increasing access to care.

FPN: Will this new requirement apply to all health plans, and what can physicians do to ensure that their patients are protected under the new law?

The AAP is concerned that restricting families to an open-enrollment season prevents many vulnerable children from attaining health insurance when they need it.

Dr. Palfrey: This provision applies to all new health insurance plans that begin after Sept. 23. It does not apply to plans that were already in existence when the ACA was signed into law last March, as long as those plans have not made any significant changes in coverage, like raising premiums or cutting benefits. The administration has issued additional guidance on the preexisting condition exclusions ban after some insurance companies threatened to drop child-only coverage options, citing concern about families who might enroll children only when they fall ill and drop coverage if their children are healthy.

The guidance allows insurers to limit families to specific periods of "open enrollment" when they can apply for insurance coverage for their children, rather than giving families the flexibility of applying throughout the year. The AAP is concerned that restricting families to an open-enrollment season prevents many vulnerable children from attaining health insurance when they need it. If a child becomes ill outside of the open-enrollment period, parents may have to wait for months to get the child coverage. The AAP hopes to work with the administration to make sure that children can access care when they need it, regardless of their health status or the time of year. ■

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