



# Characteristics of Children With and Without Health Insurance, 2009

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## Summary

About 8.3 million children under age 19 in the United States, or 10.4% of children in this age group, had no health insurance for at least some of 2009. (Similarly, about 10.3% of children in this age group had no health insurance for at least some of 2008.) Children living in families below the poverty threshold, children not living with at least one parent, Hispanic children, and children whose parents did not have health insurance were especially likely to be uninsured. On the other hand, children whose parents had employer-sponsored coverage were themselves likely to have employer-sponsored coverage. An extensive body of research suggests that children without health insurance are, on average, less likely than insured children to have the recommended number of well-baby and well-child medical visits and less likely to receive standard immunizations.

This report examines the characteristics of insured and uninsured children in 2009 (the latest year for which data are available) using data from the (March) Annual Social and Economic Supplement to the 2010 Current Population Survey (CPS). The first part of the report compares broad groups of children. Those particularly likely to be uninsured in 2009 included the groups mentioned above, as well as children between ages 13 and 18, children living in the South, and children who are not U.S. citizens. Groups particularly likely to receive publicly funded insurance included children of single mothers, black children, and children in families with incomes lower than the federal poverty threshold.

The second section of the report compares two methods of measuring uninsured children. Using family structure as an example, the report analyzes uninsurance both in terms of the percentage of each family status in the total pool of uninsured children (e.g., 58.9% of the pool of uninsured children were in two-parent families) and in terms of the percentage of each family status who were uninsured (e.g., 8.3% of those in two-parent families were uninsured). This difference may be important for policy makers considering policy options to reduce the number of uninsured children.

The final part of the report examines the rate of uninsured children under 18 over the past 10 years (the years for which comparable data are available). The uninsurance rate has been relatively flat over this period. This relative constancy in the children's uninsurance rate, however, masks a decline in children covered by employer-sponsored insurance and a concurrent increase in children covered by public insurance.

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## Introduction

About 8.3 million children under age 19 in the United States, or 10.4% of children in this age group, had no health insurance for at least some of 2009. (Similarly, about 10.3% of children in this age group had no health insurance for at least some of 2008.) Uninsured children are, on average, less likely than insured children to have the recommended number of well-baby and well-child medical visits and less likely to receive standard immunizations. Children without health insurance also rely more on hospital emergency rooms for basic care and therefore receive such care in the least cost-efficient manner.<sup>1</sup>

A child's health insurance status depends largely on decisions made by his or her parents or guardians, and is highly dependant on whether these adults receive employer-sponsored coverage. If the child's parents receive employer-sponsored coverage, it is likely that the child will as well. For those children not covered by their parents' (or guardians') employer-sponsored insurance, public may be programs available. Medicaid is a means-tested entitlement program that finances the delivery of primary, acute, and long-term medical care. Each state designs and administers its own version of Medicaid under broad federal rules.<sup>2</sup> The state Children's Health Insurance Program (CHIP) allows states to cover targeted low-income children with no health insurance in families with incomes above Medicaid eligibility levels. States may enroll targeted low-income children in CHIP-financed expansions of Medicaid, create new separate state CHIP programs, or devise combinations of both approaches.<sup>3</sup>

A small number of children without employer-sponsored coverage, Medicaid, or CHIP may have other health insurance coverage. Some disabled children are eligible for Medicare. Other children have insurance from policies purchased in the small-group market or from policies granted as a part of military benefits.

This report examines the health insurance status of children under age 19 in 2009. Following a brief discussion of the data, the report looks at the relationship between the types of health insurance held by a child and the characteristics of the child and his or her parents (including age, other demographic characteristics, and ties to the labor market). Next, the report demonstrates the different conclusions that might be drawn from different analyses of the childhood uninsurance data. The report concludes with a discussion of trends in insurance status since 1999 for children under age 18; comparable data exist for years been 1999 and 2009, inclusive.

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<sup>1</sup> For more information, see CRS Report R41378, *The U.S. Infant Mortality Rate: International Comparisons, Underlying Factors, and Federal Programs*, by (name redacted), and the references cited therein.

<sup>2</sup> For more information on Medicaid, see CRS Report RL33202, *Medicaid: A Primer*, by (name redacted). Note that this report does not distinguish children who are not eligible for Medicaid from children whose parents and guardians have chosen to forgo coverage or are unaware of their children's eligibility.

<sup>3</sup> For more information on CHIP, see CRS Report R40444, *State Children's Health Insurance Program (CHIP): A Brief Overview*, by (name redacted) and (name redacted). As with Medicaid, this report does not distinguish children who are not eligible for CHIP from children whose parents and guardians have chosen to forgo coverage or are unaware of their children's eligibility.

## The Data

This report uses 2009 data collected in the 2010 Current Population Survey (CPS) conducted by the Census Bureau of the U.S. Department of Commerce.<sup>4</sup> The CPS is a monthly survey of non-institutionalized civilian households used primarily to collect employment data. The Annual Social and Economic Supplement (ASEC) to the CPS collects information on individual health insurance status, income, and poverty. The ASEC is also known as the March Supplement, because most of the surveys are completed in March, with many questions covering the prior year. About 100,000 addresses comprise the sample households to be interviewed. Statistical techniques adjust the data to represent all households in the nation. The March Supplement to the CPS is one of several widely used sources used to estimate the levels of uninsurance in the United States.<sup>5</sup>

The key variable in this report is whether each child was uninsured in 2009. More specifically, the uninsurance variable measures whether the child lacked health insurance for at least some part of 2009. This report, therefore, uses the term “uninsured” to mean uninsured at a point in 2009, not necessarily uninsured over the entire year.<sup>6</sup>

## Health Insurance Coverage, by Population Characteristics

This section covers the relationships between health insurance and a child’s and/or parent’s demographic and employment characteristics.

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<sup>4</sup> For more information about the CPS, and the particular data used in this report, see Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, *Income, Poverty, and Health Insurance Coverage in the United States, 2009*, U.S. Census Bureau, P60-238, September 2010, p. 22, <http://www.census.gov/prod/2010pubs/p60-238.pdf>.

<sup>5</sup> The American Community Survey (ACS), a newer and increasingly widely used data source, has a larger sample and therefore is particularly suitable for analyzing smaller geographic units such as individual states and congressional districts. At least at aggregate levels, the CPS and ACS data give broadly similar results, and CRS analyzes the data from both sources. For health insurance data from the ACS, see CRS Report R41621, *The Uninsured by State and Congressional District*, by (name redacted). Finally, the Medical Expenditure Panel Survey (MEPS) and the Survey of Income and Program Participation (SIPP) contain insurance status. These two sources, however, have much smaller sample sizes than the CPS and ACS.

<sup>6</sup> The 2010 March Supplement asks whether each individual had various types of health insurance at any point in 2009. Those who responded that they had no health insurance of any type were considered uninsured in 2009. This wording implies that the uninsurance variable measured those who lacked health insurance for every day of 2009. In conducting validation studies, however, the Census Bureau concluded that the variable actually measured whether an individual lacked health insurance for at least some part of 2009. It should be noted that validation studies are performed for many major surveys, and do not imply anything about the reliability of any one particular survey. For examples of validation research, see John Bound, Charles Brown, Greg J. Duncan, et al., “Evidence on the Validity of Cross-sectional and Longitudinal Labor Market Data,” *Journal of Labor Economics*, vol. 12, no. 3 (July 1994), pp. 345-368, and Gary Olin, Samuel Zuvekas, Virender Kumar, et al., *Medicare-MEPS Validation Study: A Comparison of Hospital and Physician Expenditures*, Agency for Healthcare Research and Quality, Working Paper No. 08003, March 2008, [http://www.meps.ahrq.gov/mepsweb/data\\_files/publications/workingpapers/wp\\_08003.pdf](http://www.meps.ahrq.gov/mepsweb/data_files/publications/workingpapers/wp_08003.pdf).

## Demographic Characteristics of Children and Their Families

### Characteristics of All Children

**Table 1** reports the insurance status of children according to their personal characteristics.<sup>7</sup> Looking at age, the percentage of uninsured children in 2009 ranged from 9.2% for children under age 6 to 12.5% for children between 13 and 18 years old.<sup>8</sup> The percentage of children with public insurance decreased with the age of the child, while the percentage of those with employer-sponsored coverage increased with age. The percentage of children with employer-sponsored insurance was 52.1% for those children under age 6 compared with 60.6% for children between 13 and 18 years old. Of those children under age 6, 39.9% had public insurance, while 26.9% of children between 13 and 18 years old had public insurance in 2009.

Examining differences in insurance across race and ethnicity indicates that uninsurance rates were highest among Hispanic children (17.5%), who had the lowest employer-sponsored coverage of any race/ethnic group (35.0%). On the other hand, uninsurance rates were lowest among white children (7.3%) who had the highest employer-sponsored coverage of any race/ethnic group (69.4%). Children who were black or Hispanic were more than twice as likely to have public coverage than children who were white or Asian.

Children were less likely to be uninsured if they lived in the Northwest or Midwest (7.3% and 7.8%, respectively) than if they lived in the South or West (13.0% and 11.0%, respectively).<sup>9</sup> Employer-sponsored health insurance covered about 63% of children in the Northeast and Midwest, and about 53% of children in the South and West.

Citizens are more likely to have employer-sponsored coverage than noncitizens. Native-born and naturalized children had similar rates of employer-sponsored health insurance, at 57.7% and 58.3%, respectively. On the other hand, only 31.4% of children who were not citizens had employer-sponsored insurance.

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<sup>7</sup> The definitions of private and public insurance, and the other variables used in this report, are provided in the notes to the tables.

<sup>8</sup> The definition of an “18 year old” includes children 18 and over, up to but not including their 19<sup>th</sup> birthday (i.e., under age 19), whereas Census Bureau estimates for children generally refer to individuals under 18. Most estimates in this report refer to individuals under 19, which corresponds to the age cut-off used for Medicaid poverty-related eligibility and the state Children’s Health Insurance Program (CHIP) child eligibility.

<sup>9</sup> For more information about the geographical categories used in the CPS, see [http://www.census.gov/geo/www/geo\\_defn.html#AttachmentC](http://www.census.gov/geo/www/geo_defn.html#AttachmentC).

**Table 1. Health Insurance Coverage for Children in 2009,  
by Type of Insurance and Demographic Characteristics of the Child**

	Population (thousands)	Type of Insurance <sup>a</sup>				
		Employer- Sponsored <sup>b</sup>	Private Nongroup	Public <sup>c</sup>	Military or Veterans	Uninsured
<b>All children under age 19</b>	79,317	56.9%	5.1%	33.5%	3.1%	10.4%
<b>Age</b>						
Under 6	25,542	52.1%	4.5%	39.9%	3.3%	9.2%
6 to 12	28,526	57.8%	5.1%	33.6%	2.8%	9.7%
13 to 18	25,250	60.6%	5.8%	26.9%	3.4%	12.5%
<b>Race/ethnicity<sup>d</sup></b>						
White	43,700	69.4%	6.6%	22.8%	3.5%	7.3%
Black	11,274	41.9%	3.2%	50.3%	3.3%	11.9%
Hispanic	17,896	35.0%	2.5%	49.4%	1.9%	17.5%
Asian	3,367	64.1%	8.2%	23.5%	1.6%	10.7%
Other	3,080	52.7%	3.4%	42.6%	5.7%	8.5%
<b>Region</b>						
Northeast	13,320	63.3%	4.1%	32.6%	1.0%	7.3%
Midwest	17,096	62.9%	5.5%	31.8%	1.9%	7.8%
South	29,672	52.9%	4.7%	33.9%	4.6%	13.0%
West	19,228	53.3%	6.2%	35.1%	3.3%	11.0%
<b>Citizenship</b>						
Native born	76,255	57.7%	5.1%	33.5%	3.2%	9.7%
Naturalized	603	58.3%	7.8%	26.2%	2.2%	12.1%
Not citizen	2,459	31.4%	4.8%	34.8%	1.0%	33.6%

**Source:** CRS analysis of data from the March Supplement to the 2010 Current Population Survey.

- a. Percentages may total to more than 100 because people may have more than one source of coverage.
- b. Employer-sponsored insurance includes group health insurance through current or former employers or unions and also includes coverage from outside the home (such as from a noncustodial parent). Employer-sponsored insurance excludes military and veterans' coverage.
- c. Public coverage includes Medicaid, CHIP, and other state programs for low-income individuals, but excludes military and veterans' coverage.
- d. Hispanics may be of any race. Whites, blacks, and Asians were those individuals who were non-Hispanic and reported only one race. Among non-Hispanics, individuals who reported any other single race (e.g., American Indian) or multiple races were categorized as "other."

## Characteristics of Children Who Lived with at Least One Parent

As shown in **Table 2**, insurance coverage among children under age 19 who lived with at least one parent also differed by family structure. Approximately 8% of children living in a two-parent family were uninsured in 2009, compared with 12% of children living with a single mother and

16% of children living with a single father. Although children living with a single father were more likely to have employer-sponsored health insurance than those living with a single mother, children living with a single father were more likely than those living with a single mother to be uninsured because they were less likely to have public coverage.

Private health insurance coverage varies with income. Among children in families living below the poverty threshold, 14.4 % had employer-sponsored coverage, 73.7% had Medicaid or other public coverage, and 14.7% were uninsured.<sup>10</sup> As family income increased, children were more likely to have employer-sponsored coverage and less likely to have public coverage.

A child's source of health insurance is strongly associated with his or her parents' coverage. Approximately 90% of children who lived with a parent with employer-sponsored coverage also had employer-sponsored coverage. Likewise, 97.4% of children who lived with a parent with public coverage also had public coverage. However, among children who lived with an uninsured parent (or parents), 41.2% were uninsured, but 52.8% had public coverage. This last difference could reflect the fact that children are more likely than their parents to be eligible for Medicaid and CHIP.

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<sup>10</sup> In 2009, the poverty threshold for a family with two adults and two children was \$21,756.



**Table 2. Health Insurance Coverage for Children Living With at Least One Parent in 2009, by Type of Insurance and Demographic Characteristics of the Parent(s)**

	Population (thousands)	Type of Insurance <sup>a</sup>				
		Employer- Sponsored <sup>b</sup>	Private Nongroup	Public <sup>c</sup>	Military or Veterans	Uninsured
<b>Children living with parent(s)</b>	75,664	58.5%	5.3%	32.6%	3.2%	9.7%
<b>Family type</b>						
Two parents	52,214	67.5%	6.1%	23.7%	3.8%	8.3%
Single father	4,798	45.6%	5.0%	40.0%	2.6%	16.0%
Single mother	18,652	36.5%	3.1%	55.5%	1.6%	12.1%
<b>Family income-to-poverty ratio<sup>d</sup></b>						
Under 100%	15,111	14.4%	2.6%	73.7%	1.8%	14.7%
100% to 149%	8,397	30.0%	3.5%	58.4%	2.1%	16.1%
150% to 199%	7,630	48.5%	5.2%	41.1%	3.9%	13.4%
200% +	44,527	80.5%	6.5%	12.3%	3.8%	6.2%
<b>Parents' health insurance coverage<sup>e</sup></b>						
Employer-sponsored	47,221	90.3%	3.3%	13.7%	2.8%	2.3%
Private nongroup	2,933	6.8%	80.1%	20.2%	2.0%	2.4 %
Public	10,076	3.8%	0.1%	97.4%	1.1%	1.9%
Military or veterans	871	3.9%	0.0%	10.8%	99.6%	0.2%
Uninsured	14,563	6.7% <sup>f</sup>	0.4%	52.8%	0.5%	41.2%

**Source:** CRS analysis of data from the March Supplement to the 2010 Current Population Survey.

- a. Percentages may total to more than 100 because people may have more than one source of coverage.
- b. Employer-sponsored insurance includes group health insurance through current or former employers or unions and also includes coverage from outside the home (such as from a noncustodial parent). Employer-sponsored insurance excludes military and veterans' coverage.
- c. Public coverage includes Medicaid, CHIP, and other state programs for low-income individuals, but excludes military and veterans' coverage.
- d. In 2009, the poverty threshold for a family with two adults and two children was \$21,756.
- e. When a parent had more than one source of coverage, the following hierarchy was used to determine "primary" coverage: employer-sponsored, private nongroup, Medicare or Medicaid, CHAMPUS or VA, and other public. Then the parent with the "highest" coverage was used to classify both parents' insurance coverage. Thus, if one parent had employer-sponsored coverage and the other had private insurance, the parents' coverage was classified as employment sponsored.
- f. Children with employer-sponsored insurance whose parent(s) are uninsured include those children who receive insurance from a noncustodial parent.

## Employment Characteristics of the Parents for Children Who Live with at Least One Parent

As shown in **Table 3**, among children under age 19 who live with at least one parent, there is a relationship between the insurance status of the child and the employment characteristics of the parent(s). In 2009, of those children with at least one parent working full-time for the entire year, 71.2% had employer-sponsored health insurance and 8.2% were uninsured. Of those children with at least one parent working part-year and/or part-time, 31.6% had employer-sponsored health insurance and 12.8% were uninsured. Public insurance coverage filled some of the gaps for those without employer-sponsored coverage. Public rates were 20.7% for children with a parent who worked full-time and full-year, and almost triple that (58.2%) for children whose parents were less attached to the labor force.

**Table 3. Health Insurance Coverage for Children Living with at Least One Parent in 2009, by Type of Insurance and Parents' Employment Status**

	Population (thousands)	Type of Insurance <sup>a</sup>				
		Employer- Sponsored <sup>b</sup>	Private Nongroup	Public <sup>c</sup>	Military or Veterans	Uninsured
<b>Children under age 19 living with parent(s)</b>	75,664	58.5%	5.3%	32.6%	3.2%	9.7%
<b>Custodial parents' work status<sup>d</sup></b>						
At least one parent worked full-time and full-year	54,873	71.2%	5.7%	20.7%	3.5%	8.2%
None full-time and full-year, at least one part-time or part-year	13,634	31.6%	5.2%	58.2%	2.1%	12.8%
Did not work	7,157	11.9 % <sup>e</sup>	2.4%	74.8%	3.2%	15.2%
<b>Firm size<sup>f</sup></b>						
Under 10	11,106	27.4%	14.8%	42.5%	1.3%	20.6%
10-24	5,896	44.9%	6.4%	39.2%	1.1%	15.4%
25-99	7,538	57.8%	4.5%	34.1%	1.5%	10.5%
100-499	8,850	67.0%	3.7%	27.8%	1.3%	7.5%
500-999	3,578	73.9%	2.8%	25.4%	1.5%	5.9%
1,000+	27,902	76.3%	2.8%	20.6%	5.3%	5.0%

**Source:** CRS analysis of data from the March Supplement to the 2010 Current Population Survey.

- Percentages may total to more than 100 because people may have more than one source of coverage.
- Employer-sponsored insurance includes group health insurance through current or former employers or unions and also includes coverage from outside the home (such as from a noncustodial parent). Employer-sponsored insurance excludes military and veterans' coverage.
- Public insurance Includes Medicaid, CHIP, and other state programs for low-income individuals, but excludes military and veterans' coverage.
- Work status reflects the employment characteristics of the family member who worked the greatest number of weeks per year and/or hours per week. Work status was applied to that individual's spouse and children.

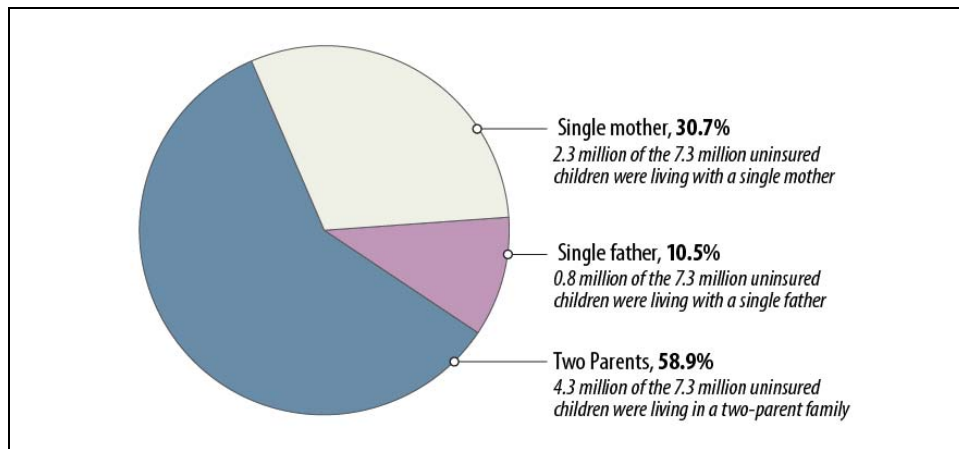
- e. Children with employer-sponsored insurance whose parent(s) are uninsured include those children who receive insurance from a noncustodial parent.
- f. Information on firm size is not available for 10,794,000 children who either had their own health insurance or received health insurance from outside the household.

As is usually the case, employer-sponsored coverage was less common for workers in small firms than for workers in larger firms. Employer-sponsored coverage rates were 27.4%, and uninsurance rates were 20.6% among children when the primary worker was in a firm with fewer than 10 employees. On the other hand, employer-sponsored coverage rates were 76.3%, and uninsurance rates were 5.0% among children when the primary worker was in a firm with at least 1,000 workers.

## Characterizing Uninsured Children

This section demonstrates that, in evaluating groups of uninsured children, it is important to decide on an appropriate comparison group. Although family status for children living with at least one parent is used as an example, the issues covered in this section are applicable to other traits as well. The conclusion is that different representations of the same data can lead to different conclusions if care is not taken when evaluating the data.

**Figure 1. Percentage of Uninsured Children Living with at Least One Parent in 2009, by Family Structure**



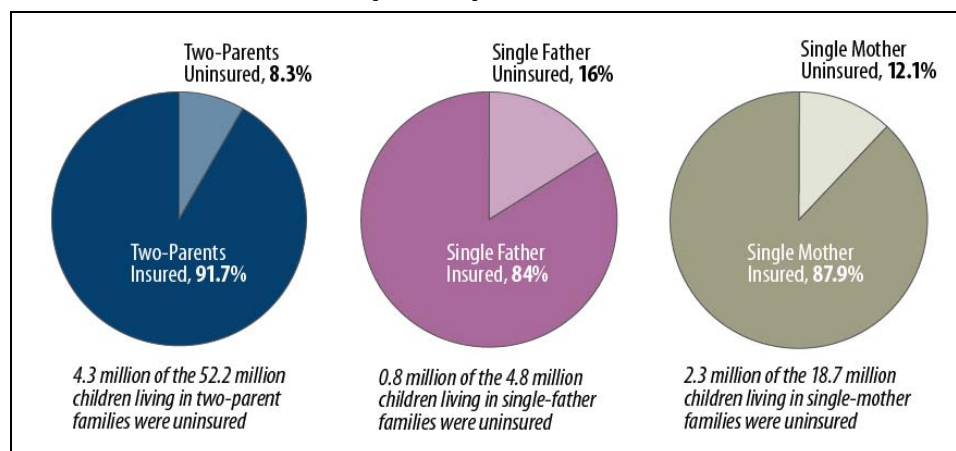
**Source:** CRS analysis of data from the March Supplement to the 2010 Current Population Survey.

**Notes:** Percentages may not add to 100% because of rounding.

**Figure 1** looks at the total number of uninsured children and displays the percentage of uninsured children living with at least one parent by family structure. From this picture alone, one could conclude that uninsurance was highest among two-parent families. This is because almost 60% of the total pool of uninsured children live with two parents, while about 31% of the total pool of uninsured children live with a single mother, with the remaining 11% living with a single father. In this example, it is important to remember that all comparisons are relative to the total number of uninsured children.

Different conclusions, however, might be drawn if the analysis compares the percentage of uninsured children within each group's family structure. These comparisons are illustrated in **Figure 2** for two-parent families, single-father families, and single-mother families, respectively.

**Figure 2. Insurance Status of Children Living with at Least One Parent in 2009, by Family Structure**



**Source:** CRS analysis of data from the March Supplement to the 2010 Current Population Survey.

Even though **Figure 1** shows that those living in two-parent households are the largest group of uninsured children, **Figure 2** demonstrate that children living in two-parent families are less likely to be uninsured than children living with only one parent.

This apparent paradox—that the group least likely to be uninsured makes up the largest portion of the uninsured—also exists when looking at other characteristics. It comes about because the group representing the largest share of the relevant population (i.e., children living in two-parent families) can have the largest number of uninsured children even if they have the lowest uninsurance rate.

These differences raise important issues for policy makers considering policy options to reduce the number of uninsured. For example, proposals that may affect the greatest number of children in two-parent families (which comprise almost 59% of the uninsured children) may not affect the greatest number of children living in single-father families (of whom 16% are uninsured).

## Insurance and Uninsurance over Time, 1999 to 2009

This report has, until this point, documented the health insurance and uninsurance patterns of children under *age 19* in 2009. The focus of the report now switches to an examination of trends in insurance and uninsurance between 1999 and 2009, a period including two economic recessions. The data used in this section come from the CPS and are available in a consistent way only since 1999 for children under *age 18*.<sup>11</sup>

<sup>11</sup> For more information, see Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, *Income, Poverty, and Health Insurance Coverage in the United States, 2009*, U.S. Census Bureau, P60-238, September 2010, p. 24, Notes to Figure 7, <http://www.census.gov/prod/2010pubs/p60-238.pdf>.

It is not possible to predict whether the percentage of uninsured children will increase or decrease during a recession. Those working may lose their jobs, and thus their employer-sponsored health insurance. These employment effects would lead to an increase in the uninsurance rate for children because not all parents who lose their employer-sponsored coverage will extend their insurance through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provisions or purchase insurance in the individual market.<sup>12</sup>

On the other hand, a drop in parental income during the economic downturn may allow children to become eligible for the need-based entitlement programs of Medicaid and CHIP. If the newly eligible do indeed enroll, the uninsurance rate may not increase (or may even decrease) during an economic recession. In addition, Congress and/or state legislators may choose to change an insurance program's eligibility or benefits in response to a recession. For example, the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5) provided financial assistance for many individuals to maintain their health coverage under COBRA, effective February 17, 2009. This should have reduced the number of children who would have otherwise been uninsured after early February 2009.<sup>13</sup>

Finally, because the unemployment rate is slow to recover after a recession, and because employment is a determinant of insurance status, any effects of unemployment on uninsurance may linger past the end of the recession.

**Figure 3** presents the national percentages of children under age 18 who were uninsured, were covered by employer-sponsored health insurance, and were covered by public health insurance between 1999 and 2009. The gray shaded areas in **Figure 3** represent periods of economic recessions.<sup>14</sup> The uninsurance rate ranged from a high of 12.5% in 1999 to a low of 9.0% in 2008. There was therefore a 3.5 percentage-point spread between the high and low uninsurance rates over the 10-year period. Neither the short recession in 2001 nor the longer recession in 2008 and 2009 seemed to have much of an effect on the uninsurance rate of children. When looking simply at the uninsurance rate, the effects of the economy on the children's uninsurance rate do not seem especially meaningful.

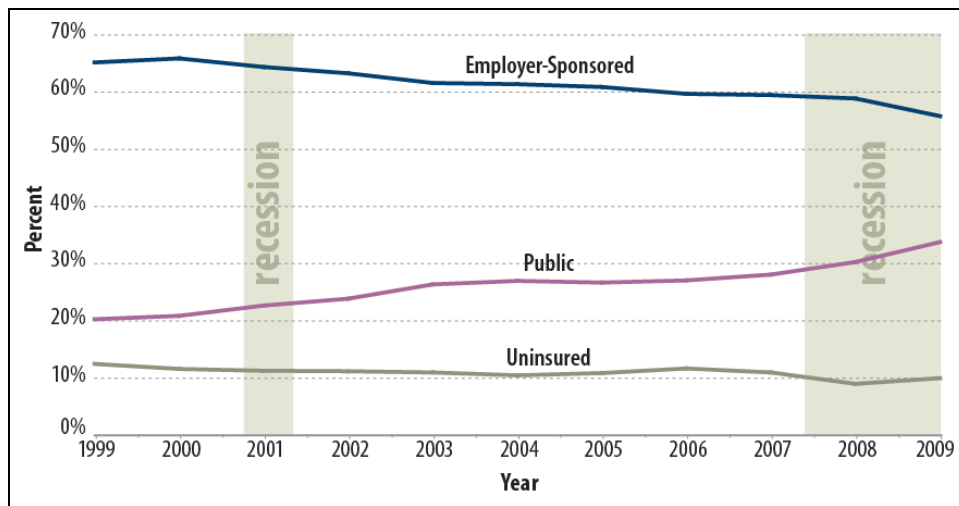
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<sup>12</sup>COBRA requires employers with 20 or more employees to provide employees and their families the right to continue participation in the employer's group health plan in case of certain events, one of which is involuntary dismissal. In addition, both COBRA coverage and purchasing coverage in the individual market are generally quite expensive relative to employer-sponsored coverage, in part because employer-sponsored coverage is often subsidized by the employer. For more information on COBRA, see CRS Report R40142, *Health Insurance Continuation Coverage Under COBRA*, by (name redacted).

<sup>13</sup> CRS Report R40420, *Health Insurance Premium Assistance for the Unemployed: The American Recovery and Reinvestment Act of 2009*, coordinated by (name redacted), pp. 3-5.

<sup>14</sup> By convention, recessions are quantified by the National Bureau of Economic Research (NBER). A recession is a "significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales." For more information, see <http://www.nber.org/cycles/cyclesmain.html>.

**Figure 3. Insurance Status of Children Under Age 18, 1999-2009**



**Source:** Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, *Income, Poverty, and Health Insurance Coverage in the United States, 2009*, U.S. Census Bureau, P60-238, September 2010, p. 75, <http://www.census.gov/prod/2010pubs/p60-238.pdf>.

**Notes:** The year labels are placed at July 1 in the relevant year.

Nevertheless, these uninsurance data mask two larger changes in children's insurance status over the 10-year interval. First, the number of children covered by employer-sponsored insurance fell from 65.2% in 1999 to 55.8% in 2009. Employer-sponsored insurance fell during both recessions, and it did not subsequently increase after the first recession. In short, the falling rate of employer-sponsored insurance (in and of itself) pushed toward an increase in the uninsurance rate for children. At the same time, however, the number of children covered by public health insurance (predominately Medicaid and CHIP) increased over the 10-year period. In 1999, 20.3% of children under age 18 were covered by public insurance, but by 2009, 33.8% of children under age 18 were covered by public insurance.

Several factors may have contributed to the increase in public insurance. First, ARRA provided a temporary increase in the percentages used to determine federal Medicaid payments to states. To be eligible for this matching increase, the states could not restrict their existing Medicaid eligibility standards. Therefore as more children became eligible for Medicaid when their parents lost their jobs and health insurance, ARRA's maintenance of effort requirement for Medicaid kept eligibility standards unchanged. This should have reduced the number of children who might have otherwise been uninsured had states restricted eligibility.

Second, enrollment in CHIP increased throughout the decade. In particular, CHIP was enacted in 1997, and enrollment across the states began within several years. The increase in the take-up of CHIP over the past decade is thought to have been a contributor to the increase in public coverage.<sup>15</sup>

Beyond these statutory changes, there may have been changes in parental take-up of public health insurance for their children. First, as parents lost their jobs and other income and/or assets, more

<sup>15</sup> John Holahan, "The 2007-09 Recession and Health Insurance Coverage," *Health Affairs*, January 2011.

children could have met the need-based criteria for eligibility. In addition, the parents of children who were always eligible may have chosen to take up the benefits for their children.

In any case, between 1999 and 2009, the offsetting downward trend in children covered by employer-sponsored health insurance and upward trend in children covered by public health insurance attenuated variations in the percentage of uninsured children.

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