



Memorandum

May 30, 2008

SUBJECT: REVISÉD: Estimates of SCHIP Child Enrollees Up to 200% of Poverty, Above 200% of Poverty, and of SCHIP Adult Enrollees, FY2007

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This memorandum is a revision to a similarly titled memorandum dated March 14, 2008. That version noted a large increase nationally in the number of SCHIP-enrolled children above 200% of poverty, driven by the numbers reported by California. The state also reported a substantial decrease in enrollment among SCHIP-enrolled children at or below 200% of poverty. CRS contacted the state about these changes prior to the publication of the memorandum but did not receive a response. Following publication of the memorandum, CRS was contacted by the state of California, informing us of misreporting of SCHIP enrollees' income in the forms submitted to the Centers for Medicare and Medicaid Services (CMS). The state has since submitted corrected information to CRS and CMS. This memorandum is being reissued with the updated information from California. Because of changes to the state's enrollment-counting methods, California's SCHIP enrollment for FY2007 may not be exactly comparable to the FY2006 results. It should not be surprising that California's original misreporting had so large an effect on the national numbers, considering one in five SCHIP enrollees in FY2007 were Californians.

Based on data from the Centers for Medicare and Medicaid Services (CMS), more than 7.7 million people received coverage from the State Children's Health Insurance Program (SCHIP) in FY2007. Approximately 7.1 million of these were children (under age 19), an increase of roughly 393,000 (6%), compared to FY2006. Adult SCHIP enrollees in FY2007 numbered approximately 587,000, a decrease of nearly 114,000 (16%), compared to FY2006. The CMS data permit state-level analyses of enrollees by income-eligibility level. The SCHIP statute defines a "low-income child" as those at or below 200% of poverty,¹ but states can also cover children at higher income levels. This memorandum provides FY2007 state-level estimates of child enrollees in SCHIP with family income up to 200% of poverty, those who are above 200% of poverty, and the number of adult SCHIP enrollees.

¹ Title XXI of the Social Security Act, Section 2110(c)(4). In FY2007, 200% of poverty for a family of four was \$41,300 [<http://aspe.hhs.gov/poverty/07poverty.shtml>].

Nationally, 93% of the increase between FY2006 and FY2007 in total SCHIP child enrollment occurred among those with net family income (excluding block-of-income disregards) below 200% of poverty (367,000).² Of the more than 7.1 million children enrolled in SCHIP in FY2007, approximately 6.5 million are estimated to be at or below 200% of poverty; 612,000 are estimated to be above 200% of poverty, as shown in **Table 1**. Virtually all of the nearly 587,000 adult SCHIP enrollees were at or below 200% of poverty.³

Children at or below 200% of poverty make up 84% of SCHIP's 7.7 million total enrollment. Children above 200% of poverty comprise 8%, and adults (regardless of income) another 8% of total SCHIP enrollment. The state-level percentages of SCHIP enrollees in FY2007 are shown in **Table 2** (totals may not sum due to rounding). As a percentage of children only (that is, excluding adult enrollees), children at or below 200% of poverty comprise 91%.

Source of Data. The data for this analysis were provided by CMS from their SCHIP Statistical Enrollment Data System (SEDS). SCHIP enrollment data are reported by states to CMS on a quarterly and annual basis using SEDS. Enrollment counts are provided for separate SCHIP programs (SSP), SCHIP Medicaid expansions (MXP), and traditional Medicaid. Data are also collected for adults in SCHIP waiver demonstrations. Counts of children are broken out by age and income categories that are state-defined. States may define other income groupings depending on their cost-sharing rules (for example, when they require different premiums or co-payments for different income-level groups).

There are two types of income disregards used by states, each accounted for differently in the numbers reported in SEDS. The first type is exclusions of particular dollar amounts or types of income (or certain *expenses*, such as child care expenses). Nearly every state uses such disregards in SCHIP.⁴ These disregards often mirror the disregards in states' Medicaid programs, particularly for SCHIP Medicaid-expansion programs, which are required to use

² States' use of income disregards that apply to types of income or expenses can cause their calculations of income, relative to the federal poverty level (FPL), to differ from those using "gross income." For example, the SCHIP programs of Georgia and New Mexico have set their upper-income eligibility level at 235% of poverty. However, because of their use of income disregards, CMS determined these states have "eligibility above 250 percent FPL when income disregards are included" (letter to Rep. Joe Barton, Ranking Member of the House Energy and Commerce Committee, from Dennis G. Smith, Director of CMS's Center for Medicaid and State Operations, January 22, 2008).

³ Rhode Island was the only state with SCHIP-enrolled adults (specifically pregnant women) above 200% of poverty in FY2007. The state covered pregnant women up to 250% of poverty in its SCHIP program in FY2007. (In the 14 states that had FY2007 adult SCHIP enrollment, most of this enrollment was among parents of Medicaid- or SCHIP-enrolled children, who were usually eligible up to 185% or 200% of poverty.) Rhode Island reported 360 adult enrollees in FY2007 who qualified as pregnant women. Of these 360 enrollees, many were above 200% of poverty.

⁴ Forty-six states used a basic income disregard in their SCHIP programs as of December 31, 2002, through July 31, 2003, according to Table 1 of CRS Report RL32389, *A State-by-State Compilation of Key State Children's Health Insurance Program (SCHIP) Characteristics*, by Elicia J. Herz et al., May 19, 2004, available at [<http://www.congress.gov/erp/rl/pdf/RL32389.pdf>].

certain Medicaid disregards.⁵ Although an individual's *gross* family income may be above the state's upper-income eligibility level for SCHIP, the person may qualify because the person's *net* family income (taking into account the state's disregards) falls below the upper-income threshold. The SCHIP statute provides flexibility for states to use such disregards.⁶ The income levels in SEDS reflect income net of disregards of this type, since this is how states provide the information to CMS (and is the basis on which enrollees' eligibility is determined). It is not possible to ascertain from these data what these enrollees' gross income was, even if one knew the amounts and types of disregards the state employs.

The second type of income disregard is when a state excludes an entire block of percent-of-poverty income. For example, New Jersey's SCHIP program covers children with *net* family income up to 200% of poverty. The state excludes all family income between 200% and 350% of poverty. As a result, children with *gross* family income up to 350% of poverty may be eligible for the state's SCHIP program. States are required to report their enrollment by income in SEDS *without* taking into account the impact of this kind of disregard on net income. As a result, New Jersey shows enrollment of 110,769 children at or below 200% of poverty and 39,508 children above 200% of poverty. If the state reported enrollment by income *net* of its percent-of-poverty disregard, all of its child enrollment would be at or below 200% of poverty.

The SEDS makes it possible to group 99.2% of child SCHIP enrollees as either at or below 200% of poverty versus above 200% of poverty. However, 59,440 SCHIP-enrolled children in five states⁷ and the District of Columbia were in an income-eligibility band that spanned both groups. For example, Connecticut's 23,632 child enrollees were reported in the income category of 186%-300% of poverty, according to SEDS. In order to estimate the number of these enrollees who were at or below 200% of poverty, it is assumed that the 23,632 were proportionally distributed across the range of 186%-300% of poverty. Accordingly, it is assumed that 2,902 were actually at or below 200% of poverty⁸ and 20,730 were above 200% of poverty. The same methodology is applied to the other four states and the District.

⁵ For more information, see CRS Congressional Distribution memorandum CD071219, "Overview of Medicaid and Medicaid-expansion SCHIP eligibility for children and rules for counting income," by April Grady, November 29, 2007, available upon request.

⁶ For example, the SCHIP statute's definition of a "targeted low-income child" includes a child "whose family income (*as determined under the State child health plan*) exceeds the medicaid applicable income level but does not exceed 50 percentage points above the medicaid applicable income level" (Section 2110(b)(1)(B)(ii)(I) of the Social Security Act, emphasis added). The Medicaid statute provides similar flexibility to states in defining countable income (e.g., Section 1902(r)(2) of the Social Security Act).

⁷ Connecticut, Minnesota, Missouri, New Mexico, and Tennessee.

⁸ $23,632 \times (200-186)/(300-186) = 2,902$

Table 1. Estimated Number of Individuals Enrolled in SCHIP in FY2007

State	Children			Adults				Total enrollees
	At or Below 200%	Above 200%	Total children	Pregnant women	Parents	Childless adults	Total adults	
U.S.	6,514,359	612,439	7,126,798	6,459	487,241	93,134	586,834	7,713,632
Alabama	106,691		106,691					106,691
Alaska	17,558		17,558					17,558
Arizona	104,209		104,209		25,774		25,774	129,983
Arkansas	89,642		89,642		639		639	90,281
California	1,235,026	303,390	1,538,416					1,538,416
Colorado	84,649		84,649	3,173			3,173	87,822
Connecticut	2,902	20,730	23,632					23,632
Delaware	11,143		11,143					11,143
DC	806	5,760	6,566					6,566
Florida	323,529		323,529					323,529
Georgia	315,126	23,163	338,289					338,289
Hawaii	23,958		23,958					23,958
Idaho	33,060		33,060		380	152	532	33,592
Illinois	345,576		345,576		250,570		250,570	596,146
Indiana	130,368		130,368					130,368
Iowa	50,238		50,238					50,238
Kansas	49,536		49,536					49,536
Kentucky	68,776		68,776					68,776
Louisiana	153,663		153,663					153,663
Maine	31,037		31,037					31,037
Maryland	80,139	52,748	132,887					132,887
Massachusetts	184,483		184,483					184,483
Michigan	114,025		114,025			77,713	77,713	191,738
Minnesota	5,317	91	5,408		29,225		29,225	34,633
Mississippi	81,565		81,565					81,565
Missouri	71,461	10,303	81,764					81,764
Montana	20,115		20,115					20,115
Nebraska	46,199		46,199					46,199
Nevada	41,862		41,862	476	5		481	42,343

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State	Children			Adults				Total enrollees
	At or Below 200%	Above 200%	Total children	Pregnant women	Parents	Childless adults	Total adults	
New Hampshire	2,815	9,273	12,088					12,088
New Jersey	110,769	39,508	150,277	275	99,629		99,904	250,181
New Mexico	4,721	11,804	16,525		4,304	7,891	12,195	28,720
New York	574,636	77,217	651,853					651,853
North Carolina	240,137	15	240,152					240,152
North Dakota	5,469		5,469					5,469
Ohio	231,538		231,538					231,538
Oklahoma	117,084		117,084					117,084
Oregon	63,090		63,090		7,856	7,378	15,234	78,324
Pennsylvania	207,720	19,647	227,367					227,367
Rhode Island	23,282	2,785	26,067	360	20,588		20,948	47,015
South Carolina	59,920		59,920					59,920
South Dakota	14,982		14,982					14,982
Tennessee	39,313	2,050	41,363					41,363
Texas	710,690		710,690					710,690
Utah	44,785		44,785					44,785
Vermont	0	6,132	6,132					6,132
Virginia	144,163		144,163	2,175			2,175	146,338
Washington	0	14,734	14,734					14,734
West Virginia	25,493	13,089	38,582					38,582
Wisconsin	62,523		62,523		48,271		48,271	110,794
Wyoming	8,750		8,570					8,570

Source: Congressional Research Service (CRS) analysis of data from the SCHIP Statistical Enrollment Data System (SEDS) provided by the Centers for Medicare and Medicaid Services (CMS), with changes to numbers from California based on discussions with state officials.

Table 2. Estimated Percentage of Individuals Enrolled in SCHIP in FY2007

State	Children			Adults				Total enrollees
	At or Below 200%	Above 200%	Total children	Pregnant women	Parents	Childless adults	Total adults	
U.S.	84%	8%	92%	0%	6%	1%	8%	100%
Alabama	100%		100%					100%
Alaska	100%		100%					100%
Arizona	80%		80%		20%		20%	100%
Arkansas	99%		99%		1%		1%	100%
California	80%	20%	100%					100%
Colorado	96%		96%	4%			4%	100%
Connecticut	12%	88%	100%					100%
Delaware	100%		100%					100%
DC	12%	88%	100%					100%
Florida	100%		100%					100%
Georgia	93%	7%	100%					100%
Hawaii	100%		100%					100%
Idaho	98%		98%		1%	0%	2%	100%
Illinois	58%		58%		42%		42%	100%
Indiana	100%		100%					100%
Iowa	100%		100%					100%
Kansas	100%		100%					100%
Kentucky	100%		100%					100%
Louisiana	100%		100%					100%
Maine	100%		100%					100%
Maryland	60%	40%	100%					100%
Massachusetts	100%		100%					100%
Michigan	59%		59%			41%	41%	100%
Minnesota	15%	0%	16%		84%		84%	100%
Mississippi	100%		100%					100%
Missouri	87%	13%	100%					100%
Montana	100%		100%					100%
Nebraska	100%		100%					100%
Nevada	99%		99%	1%	0%		1%	100%

State	Children			Adults				Total enrollees
	At or Below 200%	Above 200%	Total children	Pregnant women	Parents	Childless adults	Total adults	
New Hampshire	23%	77%	100%					100%
New Jersey	44%	16%	60%	0%	40%		40%	100%
New Mexico	16%	41%	58%		15%	27%	42%	100%
New York	88%	12%	100%					100%
North Carolina	100%	0%	100%					100%
North Dakota	100%		100%					100%
Ohio	100%		100%					100%
Oklahoma	100%		100%					100%
Oregon	81%		81%		10%	9%	19%	100%
Pennsylvania	91%	9%	100%					100%
Rhode Island	50%	6%	55%	1%	44%		45%	100%
South Carolina	100%		100%					100%
South Dakota	100%		100%					100%
Tennessee	95%	5%	100%					100%
Texas	100%		100%					100%
Utah	100%		100%					100%
Vermont	0%	100%	100%					100%
Virginia	99%		99%	1%			1%	100%
Washington	0%	100%	100%					100%
West Virginia	66%	34%	100%					100%
Wisconsin	56%		56%		44%		44%	100%
Wyoming	100%		100%					100%

Source: Congressional Research Service (CRS) analysis of data from the SCHIP Statistical Enrollment Data System (SEDS) provided by the Centers for Medicare and Medicaid Services (CMS), with changes to numbers from California based on discussions with state officials.