Fact Sheet ~ June 2007

Health Centers and SCHIP: Improving Access to Care for Kids

IMPROVING ACCESS TO CARE

Health centers and the State Children's Health Insurance Program (SCHIP) advance access to health care for the nation's most medically vulnerable populations. Created in 1997, SCHIP is designed to establish health insurance coverage for uninsured children from families whose incomes are too low to afford private insurance but too high to qualify for Medicaid. The program is financed jointly by the federal government and the states, and it is administered by the states within broad federal guidelines. States can provide SCHIP coverage by expanding Medicaid to children not eligible for that program, creating a separate program under SCHIP, or using a combination of the two approaches. In 2006, over 6 million children were enrolled in SCHIP, as were more than 600,000 adults through Medicaid waiver programs.

Health centers are community-directed providers of high quality, cost-effective primary and preventive health care, and **serve over 16 million* traditionally hard to reach patients**. Over 90% of health center patients are low income and 71% of patients have family income levels at or below poverty. Health centers also serve 1 in 8 uninsured patients and 1 in 9 Medicaid beneficiaries. In addition, nearly two-thirds of health center patients are racial and ethnic minorities. Also known as Federally Qualified Health Centers (FQHCs), they currently serve as a health care home and family doctor to more than five million children, **over 350,000* of whom are enrolled in SCHIP.**

HEALTH CENTERS AS IMPORTANT SCHIP PROVIDERS

Although SCHIP patients make up a small percent of health center patients, the number of beneficiaries has been steadily rising since the program's inception. Of the health center patients that are currently enrolled in SCHIP, they are equally divided between Medicaid expansion and separate SCHIP programs (Figure 1). This differs from SCHIP enrollment nationally, where most beneficiaries are enrolled in separate SCHIP program. However, Medicaid SCHIP programs nationally account for all of the growth from 2004 to 2005. Overall growth of health center SCHIP patients (and the sudden decline in 2004) mirrors national trends of SCHIP enrollment.

Figure 1

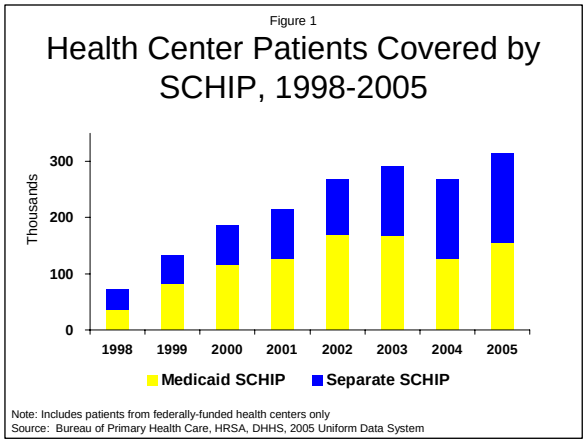
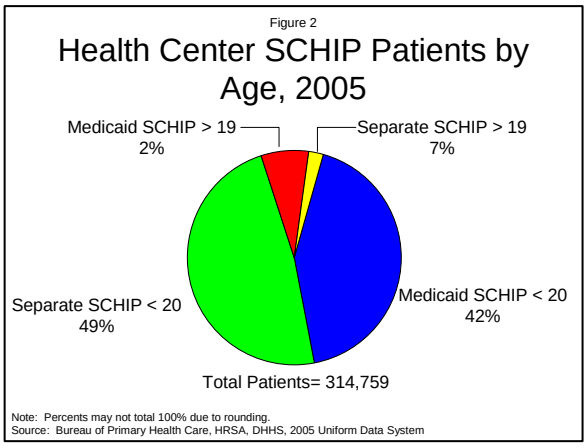


Figure 2



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* Includes patients of federally-funded health centers, non-federally funded health centers, and expected patient growth for 2006 and 2007.

Sources: Kaiser, SCHIP Program Enrollment, 2005 and President's Budget FY2008 and SCHIP, 2007. CMS, Number of Children Enrolled in SCHIP by Program, 2005. For more information, email research@nachc.com.

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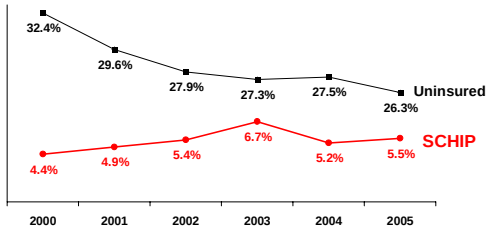
As seen in Figure 2, the vast majority of SCHIP patients seen at a Community Health Center are children; only 9% are adults. These could be pregnant women, parents, or in a few states, childless adults. At health centers, adults are more likely to be covered under a SCHIP Medicaid expansion program while children are more often covered through separate, state administered SCHIP programs.

SCHIP REDUCES UNINSURED CHILDREN AT HEALTH CENTERS

As Figure 3 demonstrates, from 2000 to 2005 health centers saw an increase in the percent of children covered by SCHIP, while the number of uninsured children declined. The only year to experience a decline in SCHIP patients also was the only year to experience an increase in uninsured. This drop in percent of children with SCHIP may be a factor of tighter state budgets during this period. It also mirrors national SCHIP enrollment trends, which also saw a drop in 2004. As shown, the percent of uninsured children at health centers declined more dramatically than SCHIP patients increased. Over this same time period there was an increase in children covered by Medicaid, some of which can attributed to what has been called SCHIP "spillover", where children who are signing up for an SCHIP program are found to be eligible for Medicaid (not shown).

Figure 3

Percent of Health Center Patients Under 20 with SCHIP, and Uninsured, 2000-2005



Notes: Includes Patients from Federally-Funded Health Centers Only
Source: Bureau of Primary Health Care, HRSA, DHHS, 2005 Uniform Data System

KEYS ISSUES IN SCHIP REAUTHORIZATION

Under current law, SCHIP is not authorized to continue beyond September 30, 2007, and the Congress is considering reauthorization of the program this year – a time of substantial budgetary pressures as lawmakers contend with growing federal spending on health care and competing priorities. SCHIP history of success has earned the program bipartisan support. However, competing visions for its future exist. A key issue is the level of federal funding for the program and whether funding levels will be adjusted to account for growth in enrollment and health care costs and for possible changes in the design of the program, including eligibility rules and benefit packages. An additional challenge is posed by the reintroduction of "pay-as-you-go" financing rules, which require offsets for any increases in mandatory federal spending, including SCHIP.

Reauthorization also presents the Congress with an opportunity to consider changes in SCHIP, including encouraging or requiring efforts by the states to enroll eligible children who are uninsured, redefining the target population, modifying the benefits that states are required to provide under SCHIP, revaluating payment policies for safety net providers, including FQHCs, and tightening up FQHC outstationing eligibility rules.

Nearly all the proposals for reauthorization focus their efforts on reaching the 6 million children who are eligible for SCHIP or Medicaid but not yet enrolled. Additionally, as many as 17 states currently face funding shortfalls this year. The Congress has provided additional money to prevent states from exhausting their federal funds. However, without additional funding, states as a may have to pay an increasing share of costs to maintain their current programs, modify their programs to lower spending, or both.

* Includes patients of federally-funded health centers, non-federally funded health centers, and expected patient growth for 2006 and 2007.
Sources: Kaiser, SCHIP Program Enrollment, 2005 and President's Budget FY2008 and SCHIP, 2007. CMS, Number of Children Enrolled in SCHIP by Program, 2005. For more information, email research@nachc.com.
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