Colorado Children's Health Insurance Status

This document describes the methods used by the Colorado Health Institute to develop estimates of health insurance coverage of Colorado's children. The estimates were reported in *"Colorado Children's Health Insurance Status: 2014 Update."* The update consists of a fact sheet and a data supplement. They are available at: **www.coloradohealthinstitute.org.**

The methods were updated in March 2014.

Uninsured estimates

This analysis uses the U.S. Census Bureau's 2012 American Community Survey (ACS) as the data source. The ACS is an annual stratified random sample survey of approximately 51,000 individuals from 23,000 Colorado households. The data have been weighted to represent the state population as well as geographic sub-regions within Colorado. A method developed by the University of Missouri yields county-level estimates.

A child was counted as uninsured if his or her parent reported that the child did not have health insurance when the ACS questionnaire was administered.

Income and poverty status

In calculating the ratio of annual family income to federal poverty level (FPL) guidelines, the Colorado Health Institute developed a method that identifies and calculates nuclear family income within households in which multiple related families reside. This approach closely approximates Medicaid

eligibility determination guidelines. These analyses are limited to Coloradans for whom ACS income data were collected. Income and poverty data are not available for foster children and individuals living in prisons, nursing homes, mental hospitals, college dormitories or military quarters.

The introduction of the ACA's Modified Adjusted Gross Income (MAGI) method is changing how people's net income is being determined. Consequently, the eligibility standards for public insurance programs, to which an individual's net income is compared to, must also be adjusted. While particular expenses and types of income could be disregarded prior to MAGI, these "disregards" are no longer permitted under MAGI. Instead, they are being replaced by a standardized 5 percent FPL disregard, which is applied before comparing someone's net income to the eligibility standards.[i] Whereas disregards that were allowed previously are being eliminated, child eligibility standards must be increased to ensure that the state does not net a loss for the number of children eligible for public insurance.

The adjustment of child eligibility standards are in response to the ACA's Maintenance of Effort (MOE) provision, which prohibits stricter standards on Medicaid/CHP+ eligibility so that there is not a net decrease of eligible children. To determine an eligibility standard compliant with MOE, Colorado adopted CMS's "marginal disregard method." This method calculates the average amount disregarded by those within 25 percent below the eligibility standard (i.e., 108 to 133% FPL). This average amount, converted into percent FPL, is added to the eligibility standard in order to create a new standard compliant with MOE. Keep in mind that the increased eligibility standard for children is separate from the 5 percent disregard, which should be applied before comparing an individual's net income to the new standards.

Colorado Marginal Disregard Method Example:

  Assume: Eligibility Standard for Children = 133% FPL.

  Who: Those within 25% FPL below eligibility standard (108% - 133% FPL).

  Calculate: Say that, on average, the amount disregarded by those making between 108% - 133% FPL sums to 9% FPL. This is added to the base eligibility standard (133%).

  New Standard: 133% + 9% = 142% FPL.

      • The child eligibility standard for Medicaid is 142% FPL.

*Consideration: If a child's family income is 147% FPL, the 5 percent uniform disregard would render the child eligible for Medicaid (147-5=142% FPL).

[i] The 5 percent disregard is only applied in cases when it affects eligibility.

Table 1: Colorado Eligibility Standards after MAGI implementation, as Percent FPL				
	Children			
	Medicaid 0-1	Medicaid 1-5	Medicaid 6-18	CHP+
2014 Colorado base standards (Pre-ACA Standards)	133% (133%)	133% (133%)	133% (133%)	250% (250%)
2014 Colorado standards*	142%	142%	142%	260%

*This does not include the 5 percent disregard from someone's income.

Medicaid and CHP+ enrollment

The Colorado Department of Health Care Policy and Financing (HCPF) provided average monthly county and state Medicaid and CHP+ enrollment figures for the period between January and December 2012. Enrollment data were unavailable for a few small counties, so the sum of the counties does not equal the state enrollment totals. The reported enrollment in the CHP+ program includes only children.

An important policy change was taken into account that impacts children's Medicaid and CHP+ estimates. In 2013 Colorado eliminated the so-called "stair step" in Medicaid that often resulted in children in the same family qualifying for different insurance. Now, all children must meet the same family income criteria for both Medicaid and CHP+, regardless of age. This change results in more Colorado children being eligible for Medicaid. Not surprisingly, it also means that fewer children are eligible for CHP+.

Citizenship and documentation status

The ACS contains variables on citizenship but not on documentation status. In July 2011, CHI updated its assumptions for estimating undocumented immigrants in Colorado based on Pew Hispanic Center research. Based on Pew's estimate of approximately 180,000 undocumented individuals in Colorado in 2010,[1] CHI estimates that 148,587 undocumented individuals resided in Colorado in 2012, of which 19,316 were children. From the remaining individuals who were not U.S. citizens but had legal documentation to reside in the United States, any individual residing in the nation for fewer than five years was removed from the analysis per eligibility guidelines for Medicaid.

Parental status

The analysis uses relationship variables in the ACS data file to identify parents (ages 19-64) of dependent children (ages 0-18). In July 2011, CHI updated the analysis to designate other relatives, such as grandparents, as "parents" if no parent was present in the household.

Confidence intervals and small sample sizes

Whenever possible, tables in the data supplements include a column for a population estimate with an accompanying margin of error (95% confidence interval). Many counties had a small number of observations on which to calculate an estimate. The Colorado Health Institute encourages prudent use of the estimates.

For more information

The Colorado Health Institute welcomes the opportunity to discuss questions or to provide additional information about the methods, data sources or assumptions. Please contact Natalie Triedman at triedmann@coloradohealthinstitute.org or 720.383.7077.

Endnotes

[1] Passel, J, and Cohn, D (2011). Unauthorized Immigrant Population: National and State Trends, 2010. Available from the Pew Hispanic Center at http://www.pewhispanic.org/files/reports/133.pdf.