



NEW MEXICO ADVOCATES FOR CHILDREN AND FAMILIES

Campaign to Reduce Child Poverty

Policy Brief #5

Insuring Parents Improves Health Outcomes for Children

Introduction

This policy brief investigates utilization of preventative healthcare by insured children in New Mexico. The research cited in this brief¹ reveals that parents who obtain preventative healthcare for themselves are more likely to procure preventative care for their children. Furthermore, if children have health insurance but their parents do not, they are less likely to receive preventative care than are children in families in which both children and adults are insured.

Of all the different varieties of health insurance, Medicaid insurance appears to be the most conducive to utilization of preventative health care by children. Children on Medicaid are twice as likely as children with other types of insurance to receive preventative care, regardless of household income and parental insurance status. Medicaid enrollment also increases the probability that an insured child will have a single customary source of medical care that is not an emergency department or urgent care center.

The Importance of Preventative Care and a "Medical Home"

Research suggests that consistent health supervision over the course of a child's development not only prevents disease, it helps to ensure a

child's success in school, at home, in the community, and in adulthood². Regular well-child visits to a pediatrician or other qualified health practitioner for immunizations, physical examinations, and screenings for common childhood maladies such as vision and hearing impairments, iron deficiencies, obesity, and lead exposure are essential to children's health. So, too, are regular dental examinations. Poor oral health is an epidemic among US children that has been linked to numerous long-term deficits in health, learning, and social behaviors³.

Healthcare experiences and health outcomes are best for children and their parents if they are able to establish a medical home with a healthcare professional. Families with a medical home benefit from continual, comprehensive, coordinated care and tend to receive necessary services and referrals in a prompt manner. They are encouraged to return for follow-up visits, maintain a schedule of examinations, and follow through on recommendations by filling prescriptions and visiting the specialists to whom they are referred.

Having a usual source of medical care that is not an emergency department or urgent care center is central to establishing a medical home. Recent research shows that children with a usual source of care are more likely to obtain adequate and appropriate medical care⁴:



- Infants who see many different doctors are less likely than those who see the same doctor to receive a complete and timely series of immunizations⁵.
- Children with middle ear infections who have a usual source of medical care are more likely to have antibiotics prescribed for complicated or recurrent ear infections.
- Children with middle ear infections who have a usual source of medical care are more likely to have caregivers who fill their prescriptions and to receive prompt referrals for ear surgery⁶.
- Children with a usual source of care are less likely to utilize an emergency department for treatment of ear infections⁷.

Regular preventative healthcare for children can also improve the health of entire households by teaching parents how to promote healthy practices, how to deal with difficult behaviors, and how to identify and address risk factors in both their children and themselves.

Limited Access to Care Results in Unmet Need

Despite its proven benefits, consistent preventative healthcare remains out of reach for many US children, especially those who are poor.

Health insurance is a key determinant of access to health care. Low-income⁸ children are far more likely than middle and upper income children to be uninsured. Uninsured children are three times more likely than privately insured children to have at least one unmet healthcare need⁹. In 1998, just over 17% of uninsured children in the US had not seen a doctor in the past year¹⁰. Responding to a recent survey commissioned by the Kaiser Foundation, 46% of parents of Medicaid-eligible uninsured children reported postponing necessary healthcare for their children compared to 16% of parents of children who were enrolled in Medicaid. Twenty-six percent of parents whose children were Medicaid eligible but un-enrolled reported being unable to pay for their children's prescriptions compared to 13% of parents whose children were on Medicaid. The same study reports that 82% of Medicaid eligible enrolled children utilized well-child care

while only 61% of Medicaid eligible uninsured children did¹¹.

But the impact of income on access to healthcare cannot be explained by health insurance status alone. Even when they are insured, low income families have a harder time obtaining healthcare. This suggests that other variables related to healthcare costs, such as co-payments, deductibles, prescription drugs, the distance to the nearest source of healthcare, and the availability of paid sick leave also influence utilization of care.

Despite the availability of Medicaid, approximately 11.9% of poor children have not seen a doctor within the last 12 months and a far greater percentage have not received the number and sequence of well-child examination recommended by the American Academy of Pediatrics.

Poor and near-poor children are three times more likely than children who are not poor to have unmet healthcare needs¹². The National Center for Education in Maternal and Child Health reports that 18% of near-poor and 21% of poor infants 19-35 months have not received a complete series of the 4 key childhood vaccines¹³.

In a recent survey of both insured and uninsured New Mexico parents, 46% of higher income parents and 83% of higher income children report receiving preventative care compared to 37% of low-income parents and 77% of low income children. Over 30% of New Mexico adults with annual income below \$10,000 report unmet need for preventative healthcare, while unmet need for preventative healthcare averages less than 5% for adults with annual income over \$30,000^{14,15}.

Nationally, poor and near-poor children are also less likely than their upper and middle-income counterparts to have a usual source of care. Poor Hispanic children are the group least likely to have a usual source of care. Among US Hispanics living in poverty, 7.4% of children ages 6-17 and 8.4% of children under 6 lack a usual source of care^{16,17}.

In New Mexico Preventative Care is a Family Affair

Parents who obtain preventative care for themselves are more likely to obtain preventative care for their children. In New Mexico, utilization of preventative healthcare by upper and middle-income parents more than doubles the probability that children will also receive preventative care, even when other attributes of the household such as parental age and health status are controlled for. In low-income households the relationship between preventative care for parents and children remains positive but is considerably weaker. Income-related differences in the strength of the relationship between preventative care for parents and preventative care for children may arise because many low-income households that value preventative care cannot afford to obtain it for all family members. Obtaining care for a child may preclude obtaining care for a parent, or vice versa. Most upper and middle-income households, on the other hand, have resources sufficient to obtain the desired level of care for every family member. Obtaining care for one family member does not necessitate foregoing care for another and thus utilization of preventative care by upper and middle income parents more closely parallels utilization of preventative care by their children.

Parental attitudes towards health and healthcare play an important role in determining the type and quality of care that children receive¹⁸. Numerous national studies demonstrate a strong link between utilization of ambulatory care by mothers and their children, both in the probability of having seen a doctor within the previous twelve months and in the annual number of doctor visits¹⁹. One researcher notes that while the relationship between child and parent utilization of preventative care is not contingent on insurance status, it is strongest when both the parent and the child are privately insured²⁰.

The link between parental insurance and preventative care for children is clear in New Mexico. Insured children whose parents are also insured are almost twice as likely as insured children with uninsured parents to receive preventative care. Children in New Mexico are also more likely to have a usual source of care if their parent has one. A low-income child whose parent has a usual source

of care is 14 times more likely than a child of comparable income whose parent lacks a usual source of care to have a usual source of care themselves. A middle or upper income child whose parent has a usual source of care is 12 times more likely than a middle or upper income child whose parent lacks a usual source of care to have a usual source of care themselves.

Medicaid enrollment by young children grew 13% in the 15 states that recently expanded Medicaid to cover parents as well as children²². Extending eligibility to parents may stimulate enrollment of children because the benefits of Medicaid enrollment increase as more family members gain coverage.

These results suggest that in New Mexico, healthcare and insurance decisions are made at the family level rather than on an individual basis. Parents who are insured and obtain care for themselves better understand the importance of health and healthcare. Their increased familiarity with the healthcare system enables them to navigate it and advocate more effectively on behalf of their children's healthcare needs. Therefore, interventions such as providing publicly financed insurance to whole families rather than individual children that affect parents' attitudes toward and utilization of healthcare are likely to increase children's utilization of care.

Public Insurance Makes a Difference

Over one-third of New Mexico children are enrolled in Medicaid and over 60% of New Mexico children are potentially eligible on the basis of household income²¹.

Children on Medicaid are almost twice as likely as other insured children to have had preventative care in the past twelve months and 2.4 times as likely as privately insured low-income children to have a usual source of care. Unlike most private health insurance plans, which entail co-payments and deductibles, care obtained through Medicaid is, in most instances, free. Co-payments and deductibles associated with most private health insurance are significant



barriers to preventative care for privately insured low-income children. Also, the comprehensive coverage provided under Medicaid enables parents to obtain services such as dental cleanings and eye care for their children that they might otherwise be unable to afford.

Other attributes of New Mexico Medicaid, including twelve-month continuous eligibility and presumptive eligibility further facilitate enrollment and encourage healthcare utilization.

Rhode Island recently extended Medicaid to parents under 185% of poverty. The Rhode Island Center for Child and Family Health reports that substantial increases in enrollment accompanied family eligibility. Slightly over half the new enrollees in Rhode Island were children.

New Mexico Leads the Nation in Uninsured Parents

Nationally, 15% of parents are uninsured. New Mexico leads the nation in parental uninsurance - 28% of New Mexico parents are uninsured and 47% of New Mexico's low income parents are uninsured. Over 90% of low income uninsured parents are in working families. New Mexico's generally low-paying service sector jobs provide extremely limited access to health insurance. When employers do make health insurance available to low income workers it is often prohibitively expensive or provides extremely limited coverage. Maintaining good health is essential to juggling the dual responsibilities of raising a family and remaining employed. It is therefore somewhat ironic that the only New Mexico parents currently eligible for public insurance are those who are also eligible for Temporary Assistance to Needy Families. In New Mexico a parent with two children must make less than \$8,442 annually (an income 42% **below** the federal poverty threshold) to qualify for Medicaid. Nationally, the median Medicaid income eligibility level for a working parent is 69% of the federal poverty threshold (\$10,032 for a family of three).

But 17 states provide Medicaid to parents at or above 100% of the federal poverty threshold and four states make Medicaid available to parents at or above 200% of the federal poverty threshold. If New Mexico were to expand Medicaid coverage to parents it would receive the SCHIP enhanced matching rate, meaning the federal government would pay approximately three quarters of the cost.

Conclusion

Public policy that targets parental access to and utilization of healthcare could increase preventative care for children by increasing the ability of families to obtain care. Given adequate resources, parents will choose a level of preventative care for both their children and themselves that is consistent with their attitudes and beliefs about healthcare. Therefore, outreach to families should proceed along two lines. First, improving the ability of parents to access the healthcare system for their own healthcare needs increases familiarity with health and healthcare and enables parents to navigate the system and advocate on behalf of their family's health. Second, ensuring that the healthcare budgets of low-income families are adequate to provide care for all family members eliminates the need to trade one member's healthcare for another's and improves the odds that all family members will receive adequate and ongoing care.

The results of this study support expansion of publicly subsidized health insurance to low income parents. Insuring parents will improve health care utilization by their children, even if their children are already enrolled in Medicaid, and families with Medicaid eligible but unenrolled children are more likely to enroll in a health insurance plan that covers the entire family.

Notes

¹The research cited in this brief, unless otherwise attributed, was conducted by Kelly O'Donnell utilizing data from the 1999 New Mexico Health Policy Commission (NMHPC) Household Healthcare Coverage Survey, a statewide random telephone survey conducted between April 15, 1999 and August 17, 1999 that resulted in 3,889 complete interviews. A subset of 980 survey respondents who rated their health as "good" or "excellent" and were the parent or legal guardian of at least one child under 18 who had been insured for more than six of the previous twelve months was used in conducting the statistical analyses presented here.

² Green, M. and Palfry, J.S. eds, (2000). *Bright Futures: Guidelines for Health Supervision of Infants, Children and Adolescents*. Second Edition Arlington, VA: National Center for Education in Maternal and Child Health.

³US Surgeon General (2000). *Oral Health in America: A Report of the Surgeon General*. US Department of Health and Human Services under the direction of the National Institutes of Health, National Institute of Dental and Craniofacial Research. <http://www.nidcr.nih.gov/sgr/sgrohweb/home.htm>.

⁴ McCormick, M.C. and Kass, B. (2000). "Annual Report on Access to and Utilization of Health Care for Children and Youth in the United States". *Pediatrics*. January Part 3 of 3, Vol. 105 Issue 1, p219.

⁵ Christakis, D.A., Mell, L., Wright, J. A., Davis, R., and Connell, F.A. (2000) "The Association Between Greater Continuity of Care and Timely Measles–Mumps–Rubella Vaccination." *American Journal of Public Health*, June 2000, Vol. 90 Issue 6, p962.

⁶ Berman, S. and Bondy, J. (1999) "The Influence of Having an Assigned Medicaid Primary Care Physician On Utilization of Otitis Media-Related Services." *Pediatrics*, November Part 2 of 2, Vol. 104 Issue 5, p1192.

⁷ Ibid.

⁸ Defined, for purposes of this analysis, as those with income below 235% of the federal poverty threshold

⁹ Newacheck, Hughes, Hung, Wong, and Stoddard (2000) "The Unmet Health Needs of America's Children." *Pediatrics* Part 1 of 2, Vol. 105 Issue 4, p76010 Pamuk, Makuc, Heck, Reuben, and Lochner, 1998 (see endnote x).

¹¹ Perry, M. Kannel, S.R. Valdez, B. and Chang, C. (2000). "Medicaid and Children: Overcoming Barriers to Enrollment—Findings from a National Survey." Kaiser Commission on Medicaid and the Uninsured. Henry J. Kaiser Foundation, Washington DC: January, 2000.

¹² US Department of Health and Human Services (2000). *Oral Health in America: A Report of the Surgeon General*. <http://www.nidcr.nih.gov/sgr/sgrohweb/home.htm>.

¹³ Pamuk, E., Makuc D., Heck, K., Reuben, C., and

Lochner, K. (1998). *Health, United States, 1998, with Socioeconomic Status and Health Chartbook*. US Department of Health and Human Services Centers for Disease Control and Prevention. Hyattsville, Maryland. <http://www.cdc.gov/nchs/data/hs98.pdf>.

¹⁴ Ibid

¹⁵ These results may underestimate the true extent of the disparity in access because *perceived* need for healthcare by New Mexico adults also increases substantially with income.

¹⁶ Reynis, L. A. and Alcantar, A. (2000) *Healthcare Coverage and Access in New Mexico: An Analysis of the 1999 Health Policy Commission Statewide Household Survey of Healthcare Coverage*. University of New Mexico Bureau of Business and Economic Research.

¹⁷ US Department of Health and Human Services, (2000). *Oral Health in America: A Report of the Surgeon General*. <http://www.nidcr.nih.gov/sgr/sgrohweb/home.htm>.

¹⁸ Zuvekas and Weinick (1999) "Changes in access to care, 1977-1996: The role of health insurance." *Health Services Research*, Apr99 Part 2, Vol. 34 Issue 1, p271.

¹⁹ Guendelman, S. and English, P. (1995). "The Effects of Maternal Health Behaviors and Other Risk Factors on Immunization Status Among Infants." *Pediatrics*, June 1995, Vol. 95 Issue 6, p823; and Mansour, M.E., Lanphear, B.P., and DeWitt, T.G. (2000). "Barriers to Asthma Care in Urban Children: Parent Perspectives." *Pediatrics* Vol.106 Issue 3, p512.

²⁰ Newacheck, P.W. and Halfon, N. (1986). "The Association between Mother's and Children's Use of Physician Services." *Medical Care* 24(1) pp. 30-38.

²¹ Hanson, K.L. (1998). "Is Insurance for Children Enough? The Link Between Parents' and Children's Health Care Use Revisited." *Inquiry* 35:294-302.

²² Currently most New Mexico children in households below 235% of federal poverty are eligible for Medicaid.

²²Ku, L. and Broaddus, M. (2000). "The Importance of Family-Based Insurance Expansions: New Research Findings About State Health Reforms." Center for Budget and Policy Priorities. <http://www.cbpp.org>

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