The Health Insurance Landscape for Children

Depending largely on family income, immigration status, and whether or not their parents have an offer of affordable health coverage through their employer, today most children get their health coverage through one of four sources:

Medicaid

Today, Medicaid is the largest provider of health coverage for children, providing affordable health coverage to more than 36 million low-income children and children with disabilities. Children in families with incomes up to 138 percent of the Federal Poverty Level (\$33,465 for a family of four) are eligible for Medicaid in every state, and many states have increased their eligibility levels to cover children at higher income levels. There are also special eligibility categories for children with disabilities, foster children and children who have aged out of the foster care system. Medicaid covers most medically necessary services children need to survive and thrive with very low or no cost sharing, including many services not covered by typical employer insurance that can help students with health challenges succeed. Medicaid may be known by a different name in different states.

The Children's Health Insurance Program (CHIP)

The Children's Health Insurance Program (CHIP) sits on the shoulders of Medicaid and provides childappropriate health coverage to more than 8 million children in working families across America. Maximum income eligibility for CHIP varies by state, from as low as 175 percent in North Dakota and as high as 405 percent in New York. In some states, CHIP is part of the Medicaid program, and in others is a stand-alone program with a distinct name. Like Medicaid, CHIP's benefits and provider networks are designed to ensure children have access to child-appropriate services, providers, specialists, and facilities at a very affordable cost for families.

The New Health Insurance Marketplaces

In 2009, Congress passed landmark legislation to reform America's health care system. That legislation, known as "The Affordable Care Act" (ACA) or "Obamacare" created a new health insurance exchange or "marketplace" to facilitate the purchase of affordable health coverage for qualified families. Children living in families that make too much to qualify for the state's Medicaid or CHIP program with incomes below 400 percent of poverty (up to about \$97,200 for a family of four) who do not have an offer of "affordable coverage" from their employer are eligible for tax credits to help them purchase health coverage through the state's marketplace. Child-only plans are also available through the marketplace to help cover children who may be eligible for coverage, but have a parent who is not (e.g. citizen children who have an undocumented parent). In none of the marketplaces are the benefits or cost-sharing for children comparable to those in Medicaid or CHIP.

Private, Employer Sponsored Insurance (ESI)

Employer-sponsored coverage (ESI) is still the most common source of health coverage for children across the United States. Children enrolled in ESI are covered by a health plan that is provided through their parents' job. Typically, the employer pays for a portion of the cost of the health plan and the employee is responsible for the remainder.





Children's Defense Fund