

# MEDICAID AND CHIP: CRITICAL FOR LATINO FAMILIES FACING FINANCIAL HARDSHIP

## Background

Medicaid is an essential safety-net program for millions of Americans—including 9.6 million Hispanics\* in 2006†—who would otherwise go uninsured.<sup>1</sup> Congress established Medicaid in 1965 as Title XIX of the Social Security Act to provide health coverage to certain vulnerable populations, such as poor children, the disabled, and the medically needy.<sup>2</sup> A federal-state partnership, Medicaid provides access to affordable services to Latino families who might otherwise delay seeking care until serious or chronic health problems develop or forgo care altogether.

Medicaid, along with the Children’s Health Insurance Program (CHIP), is important to many Latinos, who are less likely than any other major racial/ethnic group to have access to traditional private coverage. In 2007, 32.1% of Hispanics‡ were uninsured for the full year, compared to 10.4% of non-Hispanic Whites and 19.3% of non-Hispanic Blacks.<sup>3</sup> This disparity persists because, despite a robust presence in the workforce, Latinos are less likely to be offered employer-sponsored insurance

(ESI) at work. In 2005, 65.9% of Hispanics worked for an employer that offered ESI coverage to its employees, compared to 85.9% of Black and 87.7% of White workers.<sup>4</sup> Families without workplace coverage—Hispanic and non-Hispanic alike—often have trouble obtaining alternative private-sector insurance at a manageable price. Medicaid coverage fills much of this gap by making health care affordable and available to Latinos who otherwise cannot obtain coverage. Medicaid is even more critical for Latinos during times of economic hardship. The Center for Economic and Policy Research estimates that more than 4.2 million Americans will lose coverage in a mild to moderate economic downturn.<sup>5</sup> Given the trends in Latinos’ ability to access and retain workplace coverage, it is likely that a significant share of these losses will be among Latino workers.<sup>6</sup> It is essential that policymakers continue to make investments in Medicaid to ensure that Latino families have consistent access to affordable care at a time when Americans are feeling the financial strains of an economic recession.

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\* The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

† For Medicaid statistics in this analysis, NCLR uses U.S. Bureau of the Census data because it provides detailed information about the Medicaid population. Medicaid Statistical Information Services (MSIS) has more accurate information about the number of eligible and enrolled Latinos. For the most recent year available, fiscal year 2004, about 12.8 million Hispanics were eligible for coverage through Medicaid or CHIP and 10.8 million Hispanics were enrolled in these programs. Medicaid Statistical Information System State Summary, Fiscal Year 2004 National MSIS Tables. Washington, DC: Center for Medicaid and Medicare Services, June 2007, [http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/msis\\_tables2004.pdf](http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/msis_tables2004.pdf) (accessed December 10, 2008).

‡ Estimates from the U.S. Bureau of the Census’ *Current Population Survey* do not include the 3.9 million residents of Puerto Rico.

## Many Latino families rely on Medicaid and CHIP.

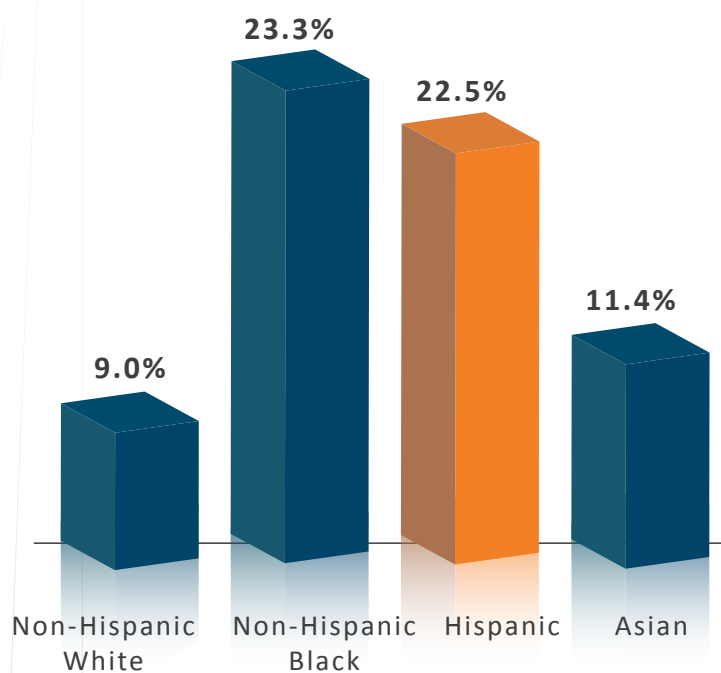
- In 2007, about one-fifth (22.5%) of all Latinos had coverage through Medicaid or CHIP, compared to about one-tenth (9%) of non-Hispanic Whites<sup>7</sup> (see Figure 1).

That year, 93% of Hispanics and 81.8% of non-Hispanic Whites with coverage lived in family households.<sup>8</sup>

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Figure 1

### MEDICAID/CHIP COVERAGE BY RACE/ETHNICITY, 2007



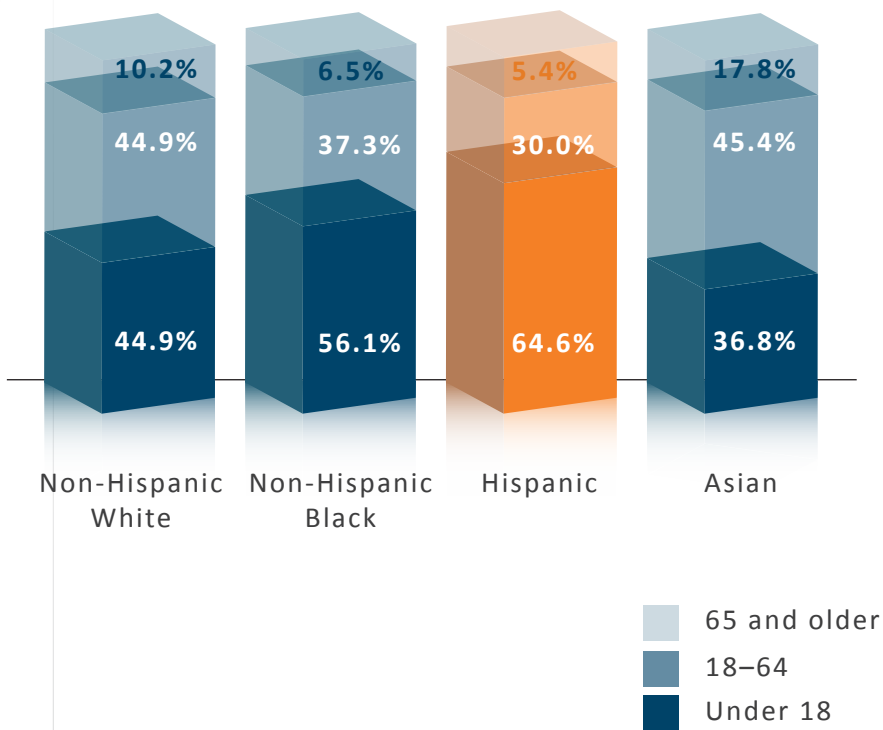
Source: NCLR calculation using data from: U.S. Census Bureau, "2007 Annual Social and Economic Supplement," *Current Population Survey*. Washington, DC, 2008, [http://census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://census.gov/hhes/www/cpstc/cps_table_creator.html) (accessed December 2008).

## Children make up the majority of Latinos enrolled in Medicaid and CHIP.

- In 2007, nearly two-thirds (64.6%) of Hispanics with coverage through Medicaid or CHIP were children under age 18. In comparison, 44.9% of non-Hispanic Whites and 56.1% of non-Hispanic Blacks, and 36.8% of Asians with this coverage were children<sup>9</sup> (see Figure 2).
- In 2007, Hispanic children were twice as likely (42.5%) as non-Hispanic White children (19%) to have public coverage.<sup>10</sup>

Figure 2

**MEDICAID/CHIP COVERAGE BY AGE GROUP AND RACE/ETHNICITY, 2007**



Source: NCLR calculation using data from: U.S. Census Bureau, "2007 Annual Social and Economic Supplement," *Current Population Survey*. Washington, DC, 2008, [http://census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://census.gov/hhes/www/cpstc/cps_table_creator.html) (accessed December 2008).

## Medicaid and CHIP serve many of the families who qualify.

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- Latinos are more likely than non-Hispanic Whites to be income-eligible for Medicaid. In 2007, 21.5% of Hispanics lived below the federal poverty level (FPL), nearly two and a half times the rate of non-Hispanic Whites (8.2%).<sup>11</sup> Moreover, half (50.6%) of all Hispanics lived in households with incomes under 200% of the FPL (the threshold that is the targeted income range for CHIP or Medicaid), compared to 22.9% of non-Hispanic Whites.<sup>12</sup>
- Like non-Hispanics, most Latinos with Medicaid coverage have low incomes. More than four million (45.3%) of the nearly 10 million Hispanics living in poverty in 2007 were covered by Medicaid or CHIP<sup>13</sup> (see Table 1).

**Table 1** MEDICAID/CHIP COVERAGE FOR PEOPLE LIVING IN POVERTY BY RACE/ETHNICITY, 2007 (IN THOUSANDS)

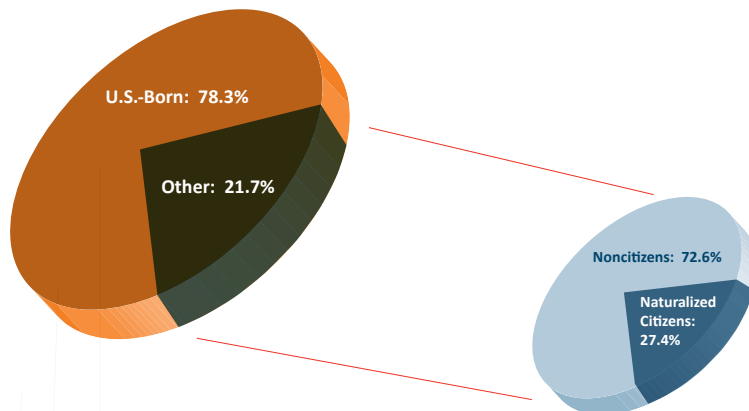
	TOTAL	COVERED BY MEDICAID/CHIP (%)
All Races	37,276	16,247 (43.6%)
Non-Hispanic White	16,032	5,998 (34.7%)
Non-Hispanic Black	8,821	4,646 (52.7%)
Hispanic	9,890	4,484 (45.3%)
Asian	1,329	498 (37.5%)

Source: NCLR calculation using data from: U.S. Census Bureau, "2007 Annual Social and Economic Supplement," *Current Population Survey*. Washington, DC, 2008, [http://census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://census.gov/hhes/www/cpstc/cps_table_creator.html) (accessed December 2008).

- Most Latinos using Medicaid and CHIP are U.S. citizens. In 2007, 78.3% of Hispanics with Medicaid or CHIP<sup>14</sup> were U.S.-born citizens and 21.7% were foreign-born<sup>15</sup> (see Figure 3).
- Although access to Medicaid and CHIP has recently been restored for certain legal immigrants, substantial restrictions to federal health coverage remain for many noncitizens.

Figure 3

**HISPANICS WITH MEDICAID/CHIP COVERAGE BY NATIVITY, 2007**



Source: NCLR calculation using data from: U.S. Census Bureau, "2007 Annual Social and Economic Supplement," *Current Population Survey*. Washington, DC, 2008, [http://census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://census.gov/hhes/www/cpstc/cps_table_creator.html) (accessed December 2008).

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**Medicaid protects vulnerable populations.**

- One 2001 study found that, following Medicaid expansions in the 1990s, uninsurance dropped dramatically among poor Hispanic children (from 46% in 1989 to 28% in 1995) as Medicaid enrollment for this group jumped sharply (from 25% to 48%). Controlling for other factors, the reduction in uninsurance rates was significantly larger for poor Hispanic children (-23%) than for poor non-Hispanic Black (-11%) and White (-3%) children.<sup>16</sup>
- Although the majority of Hispanics covered by Medicaid and CHIP are children, a small number of older Hispanics also rely on Medicaid to help with the high costs of medical services that are often associated with the aging community. According to Georgetown University's Center on an Aging Society, among aging adults with chronic illnesses, Medicaid pays for more than one-quarter (28%) of health care costs for Hispanics, 14% for non-Hispanic Blacks, and 4% for non-Hispanic Whites.<sup>17</sup>

**Conclusion: Keep Medicaid and CHIP strong.**

In recent years, Latinos have made solid financial gains and have been moving steadily into the middle class. However, Hispanics are less likely than non-Hispanics to be offered health coverage at work; support programs such as Medicaid and CHIP have helped them avoid the financial strain of increasingly expensive health care that is needed to stay healthy. Yet, the nationwide recession threatens Latinos and other Americans who could lose their financial footholds. Half of all Latinos live in

households that are already low-income,<sup>18</sup> and like all Americans, they are struggling to move up the economic ladder. An economic downturn creates a greater need for affordable health care services so that families can maintain good health without medical costs consuming their budgets. It is important for policymakers to shore up Medicaid and CHIP, avoid cuts to these programs, and ensure that Latinos and their families do not lose ground as they work to realize the American dream.

## Endnotes

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1. NCLR calculation using U.S. Bureau of the Census, "2007 Annual Social and Economic Supplement," *Current Population Survey*. Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2008, [http://www.census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://www.census.gov/hhes/www/cpstc/cps_table_creator.html) (accessed December 2008).
2. Center for Medicaid and Medicare Services. U.S. Department of Health and Human Services. 2006. *Medicaid Program Information: Technical Summary*, [http://www.cms.hhs.gov/MedicaidGenInfo/03\\_TechnicalSummary.asp#TopOfPage](http://www.cms.hhs.gov/MedicaidGenInfo/03_TechnicalSummary.asp#TopOfPage) (accessed December 2008).
3. NCLR calculation using U.S. Bureau of the Census, "2007 Annual Social and Economic Supplement."
4. Lisa Clemans-Cope, and Bowen Garrett, *Changes in Employer-Sponsored Health Insurance Sponsorship Eligibility, and Participation: 2001 to 2005* (Washington, DC: Kaiser Commission on Medicaid and the Uninsured, December 2006), [http://www.urbanorgUploadedPDF/411619\\_health\\_insurance.pdf](http://www.urbanorgUploadedPDF/411619_health_insurance.pdf) (accessed December 2008).
5. John Schmitt and Dean Baker, *What We're In For: Projected Economic Impact of the Next Recession* (Washington, DC: Center for Economic and Policy Research, January 2008). See Table 4, Projected Impact of Recession on Labor Market Outcomes, 2010-11, [http://www.cepr.net/documents/publications/JSDB\\_08recession.pdf](http://www.cepr.net/documents/publications/JSDB_08recession.pdf) (accessed December 2008).
6. Clemans-Cope, and Bowen Garrett, *Changes in Employer-Sponsored Health Insurance*. Between 2001 and 2005, Hispanic workers experienced a decline in employer coverage (4.4%) that was more than twice the decline for White (1.8%) and Black (1.2%) workers. Several factors affected this overall decline. As a result of declines in sponsorship, eligibility, and take-up between 2001 and 2005, the share of Hispanic workers with ESI coverage dropped by 6.4%, compared to 6.3% of Black workers and 2.6% of White workers. Changes in employer sponsorship resulted in 3.3% decrease in Hispanic workers' ESI coverage, a larger decrease than Black (1.0%) and White (1.4%) workers. Worker take-up explained most of the remaining change (-2.6%) in Hispanic workers' ESI coverage. NCLR calculation using U.S. Bureau of the Census, "2007 Annual Social and Economic Supplement."
7. NCLR calculation using U.S. Bureau of the Census, "2007 Annual Social and Economic Supplement."
8. Ibid.
9. Ibid.
10. Ibid.
11. Ibid.
12. Ibid.
13. Ibid.
14. Not all low-income families are eligible for public coverage. Undocumented immigrants are ineligible for traditional Medicaid benefits, but they may qualify for emergency Medicaid services if they would otherwise have met eligibility requirements. Although certain legal immigrants qualify for public coverage, federal law imposes additional barriers on this population.
15. NCLR calculation using U.S. Bureau of the Census, "2007 Annual Social and Economic Supplement."
16. Andrew D. Racine, et al., "Differential Impact of Recent Medicaid Expansions by Race and Ethnicity," *Pediatrics* 108 No. 5, (November 2001): 1135-1142, <http://pediatrics.aapublications.org/cgi/content/full/108/5/1135> (accessed March 2008).
17. Center on an Aging Society, *Older Hispanic Americans. Data Profile*, No. 9. (Washington, DC: Georgetown University, May 2003), <http://ihcrp.georgetown.edu/agingsociety/pubhtml/hispanics/hispanics.html> (accessed December 2008).
18. NCLR calculation using U.S. Bureau of the Census, "2007 Annual Social and Economic Supplement."