



**Rutgers** Center for  
State Health Policy

*The Institute for Health, Health Care Policy and Aging Research*

**Estimates of Children and Parents without Health Insurance in  
New Jersey: Report to the NJ FamilyCare Outreach,  
Enrollment, and Retention Work Group**

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## Foreword

The New Jersey Health Care Reform Act of 2008, signed into law on July 7, 2008, mandated that all children in the state have health care coverage either through public programs or private coverage. The Act also directed the Commissioner of the NJ Department of Human Services (DHS) to establish an Outreach, Enrollment, and Retention Work Group (Work Group) to develop a plan to implement ongoing and sustainable measures to strengthen outreach and maximize enrollment of children in available health coverage programs. As part of its efforts, the DHS Commissioner and the Work Group asked the Center for State Health Policy to prepare estimates of the number of uninsured children who may be eligible for NJ FamilyCare or NJ FamilyCare Advantage (the expansion program through which families with income above 350% of poverty can purchase low-cost coverage for their children). This memorandum responded to that request.

This work was conducted by CSHP director Joel Cantor and Associate Director Dorothy Gaboda. We gratefully acknowledge the Robert Wood Johnson Foundation which provides the financial support for the Center's New Jersey policy analysis capacity. We also thank members of the Work Group for their feedback on earlier drafts of this memorandum. We are especially indebted to Mary Coogan, Work Group Chair and Assistant Director of the Association for Children of New Jersey, and Ray Castro, Work Group Data Subcommittee Chair and Senior Policy Analyst at New Jersey Policy Perspectives.

The mission of the Rutgers Center for State Health Policy is to inform, support and stimulate sound and creative state health policy in New Jersey and around the nation. More information about the Center is available at: [www.cshp.rutgers.edu](http://www.cshp.rutgers.edu).

**MEMORANDUM**

February 20, 2009

To: NJ FamilyCare Outreach and Enrollment Work Group

From: Joel Cantor and Dorothy Gaboda  
Rutgers Center for State Health Policy

Subject: Estimates of children and parents without health insurance in New Jersey

At the request of the Work Group, we have calculated our best estimate of the number of uninsured children and parents in New Jersey who are eligible for NJ FamilyCare (including Medicaid) and NJ FamilyCare Advantage. As you know, the available data have serious limitations for this purpose. Below we provide our estimates and discuss the assumptions that we make to compensate for the data limitations.

We draw from two sources of data for this analysis: (1) pooled data from two years of the Current Population Survey (CPS), March Annual Social and Economic Supplement, and (2) the 2001-02 New Jersey Family Health Survey (NJFHS). Our estimates combine CPS data about individuals' health insurance status in calendar years 2006 and 2007. The CPS is conducted by the US Census Bureau and Department of Labor and the NJFHS was designed and conducted by Rutgers Center for State Health Policy, with funding from The Robert Wood Johnson Foundation.

The following tables provide counts of the number of children and parents whom we estimate are eligible for public coverage and more detailed figures on the income distribution and race/ethnicity of the uninsured. This is followed by a discussion of the implications of these results for setting monthly enrollment targets and detailed information about the methodology employed here and its limitations.

**Estimates of Income-Eligible Children and Parents**

We estimate (Table 1) that there are **223,720 children who are uninsured and income-eligible for NJ FamilyCare** and an additional **56,070 children eligible for NJ FamilyCare Advantage**.

Of the total number of children we estimate to be **income-eligible for NJ FamilyCare**:

- We classify just under half (101,245) as "more likely to enroll". These children live in families that do not have non-citizen members and that are not likely to face attitudinal barriers to enrollment (methods discussed below).
- The remaining children (122,475) whom we believe face barriers to enrollment are classified as "less likely to enroll". These children live in households with at least one non-citizen adult member or where a responsible adult expresses attitudes that suggest they are not likely to enroll their child in coverage. While most of these children are eligible for NJ FamilyCare, research strongly suggests that these families may be difficult to reach or would be reluctant to enroll in a public program. While data are not available to classify children by immigration status, it is clear that some of the uninsured are ineligible for NJ FamilyCare because of their immigration status. One careful study estimated that as many as 22.5% of uninsured children in

the US may be undocumented, and therefore eligible only for emergency Medicaid.<sup>i</sup> While there are many reasons that this proportion may be different for New Jersey, this estimate suggests that an undetermined proportion of the uninsured children reflected in our estimates are not eligible for state coverage.

**Table 1: Coverage and Income Eligibility Status of Children in New Jersey**

Population (under age 19)	Estimated Number	Source
1. CPS estimate of uninsured children in NJ	293,790	CPS (pooled 2006-07 data)
2. Children over 350% FPL	60,370	CPS
2a. In waiting period	4,300	NJFHS
<b>2b. Eligible for NJ FamilyCare Advantage</b>	<b>56,070</b>	Line 2 less line 2a
3. Children 350% FPL or less	233,420	CPS
3a. In waiting period	9,700	NJFHS
<b>3b. Eligible for NJ FamilyCare</b>	<b>223,720</b>	Line 3 less line 3a
3c. Total less likely to enroll	122,475	See notes below
3d. Total more likely to enroll	101,245	See notes below
<b>4. Total eligible children</b>	<b>279,790</b>	Line 2b plus line 3b

We also estimate that there are approximately **165,030 uninsured parents** in New Jersey who are **income-eligible for NJ FamilyCare** (Table 2). About a third of these parents (56,630) are classified as “more likely to enroll” and the remainder either live in a household with one or more non-citizen (102,800), or hold attitudes making them reluctant to enroll. An estimated additional 6,870 parents are temporarily ineligible because they are in the waiting period. It is important to note that these estimates use data for a period when eligibility for parents was 133% of the federal poverty level (FPL), and nearly 21,500 parents have enrolled in the program since that threshold was raised to the current 200% FPL threshold.

**Table 2: Coverage and Income Eligibility Status of Parents in New Jersey**

Population (Ages 19-64)	Estimated Number	Source/Notes <sup>^</sup>
1. CPS estimates of non-elderly uninsured parents of children 0-18 in NJ, 2006-07	359,100	CPS pooled 2006-07
2. Ineligible for NJ FamilyCare		
2a. Family income over 200% FPL	187,200	CPS
2b. In waiting period	6,870	NJFHS proportion with recent private coverage applied to CPS
<b>3. Eligible for NJ FamilyCare</b>	<b>165,030</b>	Line 1 less lines 2a and 2b
3a. Less likely to enroll	108,400	See notes below
3b. More likely to enroll	56,630	See notes below

**Sub-Group Analysis**

The tables below provide detailed break-outs of the number of uninsured and uninsured rates of income and racial/ethnic subgroups. Table 3 shows that children and parents living in the lowest income families represent the largest group of uninsured and have the highest uninsured rate. Tables 4 and 5 show the racial/ethnic distributions of uninsured children who are income-eligible for NJ FamilyCare and for the total uninsured, respectively. Hispanic children and parents have the highest uninsured rates, and represent the largest share of the income-eligible uninsured population.

Estimates of the number of uninsured for small geographic areas are generally unavailable, however, a 2001 survey by the Center for State Health Policy showed that the risk of being uninsured for children is highest northeastern New Jersey (Passaic, Bergen, Union, Essex and Hudson counties).<sup>ii</sup>

**Table 3. Uninsured Children and Parents by Income-Eligibility for Public Coverage**

% Federal Poverty Level (FPL)	Uninsured 0-18 N=279,790		Uninsured Parents 19-64 N=165,030	
	%	Number	%	Number
Eligible for NJ FamilyCare				
0-150% FPL	29.6	126,720	44.5	126,360
151-200% FPL	20.4	32,730	30.8	38,670
201-350% FPL	13.6	64,270	N/A	N/A
<b>Sub-Total</b>	<b>21.0</b>	<b>223,720</b>	<b>38.7</b>	<b>165,030</b>
Eligible for NJ FamilyCare Advantage (over 350% FPL)	<b>5.5</b>	<b>56,070</b>	N/A	N/A

**Table 4. Uninsured Children and Parents Income-Eligible for NJ FamilyCare by Race/Ethnicity**

Race/Ethnicity	Uninsured 0-18 Up to 350% FPL (N=223,720)		Uninsured Parents 19-64 up to 200% FPL (N=165,030)	
	%	Number	%	Number
Hispanic	29.2	97,335	59.6	90,500
Non-Hispanic White	15.1	56,720	31.7	42,455
Non-Hispanic Black	17.7	51,975	22.7	22,650
Non-Hispanic Other Race	29.1	17,690	38.8	9,425

**Table 5. All Uninsured Children and Parents in New Jersey by Race/Ethnicity**

Race/Ethnicity	Uninsured 0-18		Uninsured Parents 19-64	
	%	Number	%	Number
Hispanic	25.6	112,305	37.2	157,240
Non-Hispanic White	8.6	99,995	8.5	134,220
Non-Hispanic Black	15.2	57,149	13.4	40,570
Non-Hispanic Other Race	10.4	24,341	8.6	27,070
Total	13.3	293,790	13.7	359,100

### Implications for Setting Enrollment Targets

Despite the considerable imprecision of these uninsured estimates, we believe that the data in this memo represent a reasonable benchmark to track take-up of NJ FamilyCare and Medicaid in New Jersey. Some sources of imprecision (e.g., the Medicaid undercount) would make our uninsured estimates too high while others (e.g., the effect of the recession) would make them too low. As circumstances changes, care should be used in interpreting trends in estimates, but we believe that the numbers provided here represent a reasonable benchmark for measuring progress.

As the Work Group considers its options for establishing enrollment targets, the information provided above can provide only general guidance for what is achievable. A majority of the “more likely to enroll” (101,245 children and 56,630 parents) can be expected to enroll with effective outreach strategies. Of the “less likely to enroll” (122,475 children and 108,400 parents), an undetermined number is ineligible due to immigration status and many others are likely to be hard to reach and enroll. For the ineligible and hardest-to-reach families, access to safety net services, including Federally Qualified Health Centers, will remain critically important.

While broad outreach strategies such as general media messages can be useful to reach many uninsured parents and children, we believe that targeted outreach strategies will be needed to reach the large number of income-eligible uninsured individuals who are racial/ethnic minorities or live in families with non-citizens. These strategies should account for cultural differences among uninsured groups and draw on trusted representatives in their respective community.

### Uncertainty in the Estimates

As noted above, the available data do not include all of the information needed to make precise estimates of the number of eligible children and parents in New Jersey. Below is a brief discussion of some of these limitations:

- The Current Population Survey is conducted by the US Census Bureau and is the primary source of information used to allocate federal SCHIP funds and to track the coverage status of Americans. Despite this, there are well-documented problems with the CPS data. While a full discussion of these problems is beyond the scope of this memo, it is important to note that it is well documented that the CPS undercounts the number of people enrolled in Medicaid. We believe that the Medicaid undercount leads to an over-statement of the number of uninsured individuals who are eligible for Medicaid or SCHIP, although we do not know the magnitude of this overstatement.<sup>iii</sup>
- CPS data do not provide information about eligibility for employment-based insurance, the duration of un-insurance, or immigration status. Thus, the numbers presented here represent income eligibility, and do not account for other eligibility criteria. While we make adjustments

where we can for some of the unavailable information, we cannot be sure how closely these adjustments reflect the actual number of uninsured. We believe that the most important information gap is the lack of data on immigration status. We have cited one study that can help in understanding the role of immigration in the number of uninsured children, but we did not find a comparable study of parent status.

- There is a considerable time lag in available CPS data. In order to obtain statistically stable data, we information from the 2007 and 2008 CPS. The CPS for these years represent the average number who reported being uninsured for the full calendar years 2006 or 2007. The poor economy in 2008 and 2009 has likely led to an increase in the number of uninsured.

## TABLE NOTES

### *Explanation of Estimates and Assumptions for Children (Line numbers refer to Table 1)*

Line 1: Estimated number of uninsured children in New Jersey. Estimates begin with the CPS Annual Social and Economic Supplement is an annual survey that asks about each source of coverage in the prior calendar year (i.e., the 2008 CPS contains information about 2007). The number of uninsured theoretically includes only those who were without any source of coverage for the full year. However, most analysts believe that for methodological reasons, the CPS more closely reflects the number of uninsured at a point in time. We have thus assumed that the CPS estimate counts the number of children uninsured at a point in time.

Line 2: Estimated number of children over 350% FPL. The CPS provides an accurate measure of family income. However, in some instances the family unit whose income is used to determine eligibility for NJ FamilyCare is different from the CPS family unit. The CPS family definition may include extended families living in the same household, while the NJ FamilyCare eligibility unit includes parents (or guardians) and children only. In addition, the CPS income data do not permit us to adjust for income disregards that are permitted in the NJ FamilyCare eligibility determination. The lack of adjustment for income disregards will tend to lead to income estimates that are slightly higher, on average, than the program income definition. On the other hand, the larger family size used by the CPS in determining federal poverty level will tend to reduce estimates of eligible children.

Line 2a: Children in the waiting period for NJ FamilyCare Advantage. Children who had private insurance within three months are not eligible to enroll in NJ FamilyCare Advantage. The CPS does not provide data on insurance history. Thus, we use CSHP's NJ Family Health Survey to calculate the proportion of children at or above 350% of the FPL who had coverage within the last six months and multiply this proportion by the CPS-based estimate of the number of children. Data on coverage within the past three months are unavailable; however, we believe the difference between a three and six-month look-back is unlikely to have a large impact on the number of eligible individuals.

Line 2b. Number of uninsured children eligible for NJ FamilyCare Advantage. The difference of line 2 less 2a.

Line 3. Number of children in families at 350% FPL or less. See also Line 2 notes.

Line 3a. Number of children between 133% and 350% FPL who are in the waiting period. Children below 133% FPL are not subject to the waiting period. See also Line 2a notes.

Line 3b. Number of uninsured children eligible for NJ FamilyCare. The difference of line 3 less 3a.

Line 3c: Less likely to enroll. New Jersey has a higher proportion of immigrant families than most other states. Some immigrant children are not eligible to enroll in NJ FamilyCare (see discussion above), but research has documented that eligible non-citizens are reluctant to enroll in public programs. The number on this line reflects our estimate of the number of children who will be hard to reach and enroll. Of the total, 109,165 live in families with at least one non-citizen adult and the remaining 13,310 do not live with non-citizens but a responsible adult in the household expressed attitudes that would make them reluctant to enroll their children. Specifically, we use responses to two attitudinal questions from the NJFHS to estimate the size of the eligible-but-reluctant population.

Specifically, NJFHS respondents were asked whether they ‘strongly agreed’, ‘somewhat agreed’, ‘somewhat disagreed’, or ‘strongly disagreed’ with these statements:

“If you are healthy, having health insurance is still a necessity”

“I am a lot more likely to take risks than the average person”

Any respondent who said that they disagreed (somewhat or strongly) with the first statement or who agreed (somewhat or strongly) with the second statement was considered less likely to be willing to enroll their children. Our estimates of the proportion of children who live in families that are reluctant to enroll in public coverage are similar to the national studies US citizens published by the Congressional Budget Office.<sup>iv</sup>

Line 3d: More likely to enroll. This is the count of children who we estimate to be eligible (Line 3b) but not “less likely to enroll” (Line 3c).

Line 4: Total eligible children. This is the sum of children we estimate to be eligible for NJ FamilyCare (Line 3b) or NJ FamilyCare Advantage (Line 2b).

### *Explanation of Estimates and Assumptions for Parents (Line numbers refer to Table 2)*

Line 1: Estimated number of uninsured parents in New Jersey. Estimates begin with the CPS Annual Social and Economic Supplement. See Line 1 notes for children for details.

Line 2a: Estimated number of parents below 200% FPL. See Line 2 notes for children for details.

Line 2b: Parents in the waiting period for NJ FamilyCare Advantage. See Line 2a notes for children for details.

Line 3. Number of uninsured parents eligible for NJ FamilyCare. Number of parents at 200% FPL or below. See also Line 3b notes for children for details.

Line 3a: Less likely to enroll. See Line 3c notes for children for details. Of the total of 109,165 parents in this category, 102,800 live in households with at least one non-citizen and 5,600 do not live with non-citizens but a responsible adult in the household expressed attitudes that would make them reluctant to enroll their children.

Line 3d: More likely to enroll. This is the count of parents who we estimate to be eligible (Line 3) but not “less likely to enroll” (Line 3a).

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<sup>i</sup>K. Finegold and L. Giannarelli, (June 2007) “TRIM3 Simulations of Full-Year Uninsured Children and their Eligibility for Medicaid and SCHIP.” Prepared for Office of Health Policy, Office of the Assistant Secretary for Planning and Evaluation, US Department of Health and Human Services. Available at: <http://aspe.hhs.gov/health/reports/07/trim-uninsured-simulation/index.htm> (accessed 1/29/09).

<sup>ii</sup> D. DeLia, M. Koller, C. Schneider, and L. Glickman. August 2004. *The Medically Uninsured in New Jersey: A Chartbook*. Rutgers University Center for State Health Policy: New Brunswick, NJ.

<sup>iii</sup> For a discussion of the Medicaid undercount, see: <http://www.shadac.org/publications/medicaid-undercount-real-or-perceived-bias> (accessed 1/29/09).

<sup>iv</sup> Congressional Budget Office, 2003. “How Many People Lack Health Insurance and for How Long?” Congress of the United States, Washington, DC.