



Private Health Insurance for Children in New Jersey and the Affordable Care Act

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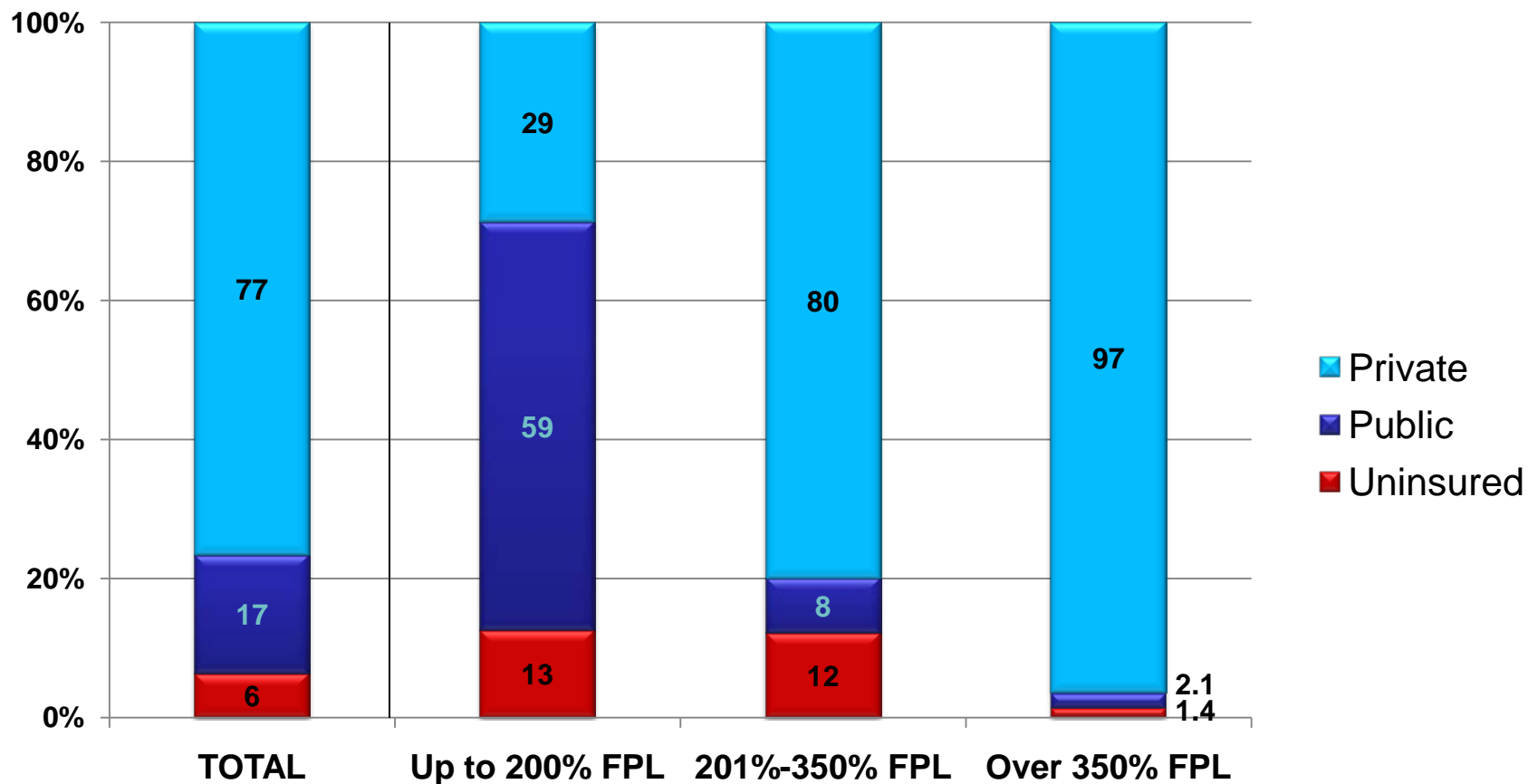
Outline

- Private coverage in NJ before reform
- Implications of the ACA for private coverage
- Challenges ahead

NJ Private Insurance Markets Pre-ACA

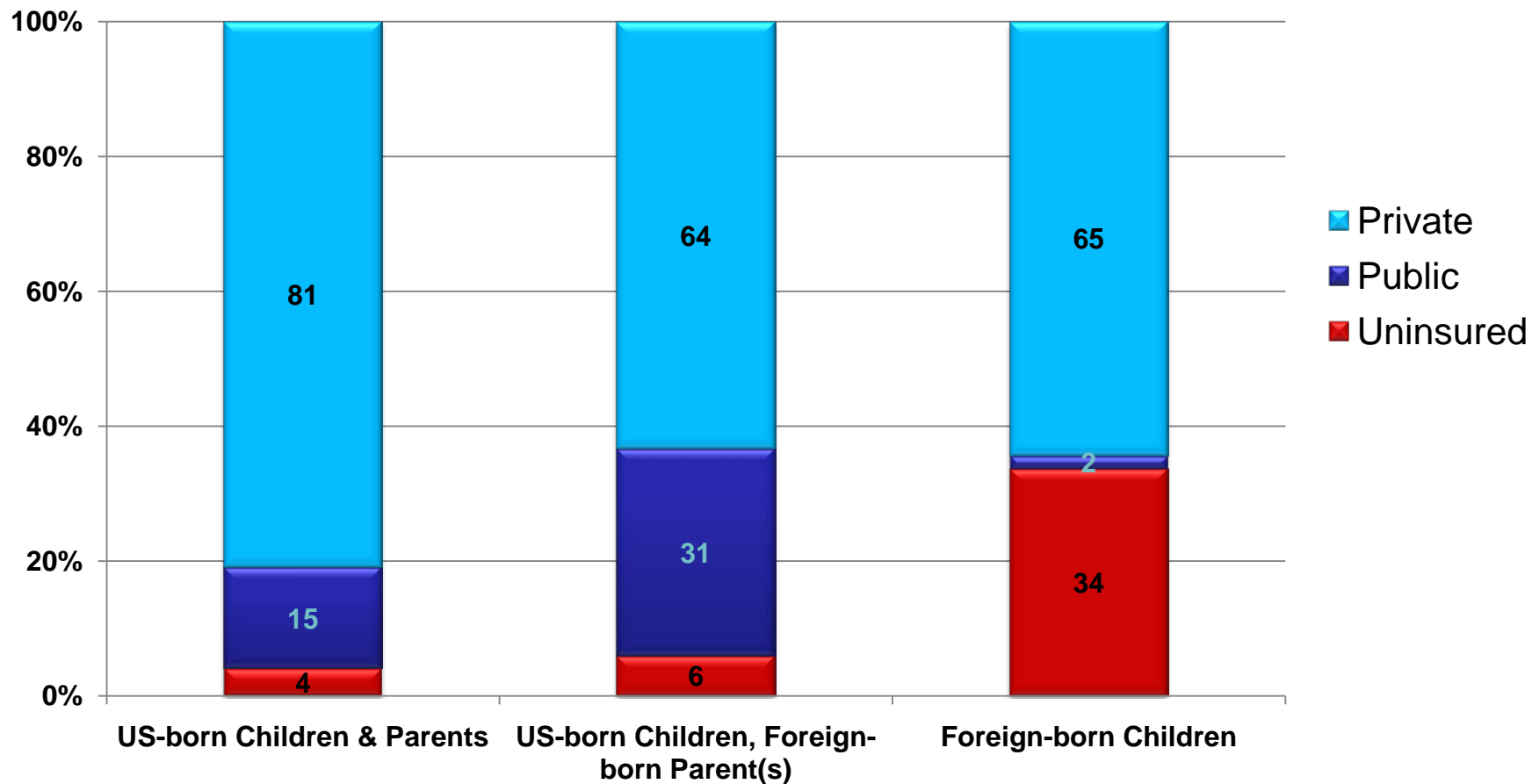
- Individual and small-group reforms (1992)
 - Guaranteed issue, community rating
 - Some plan standardization
 - “Basic and Essential” limited plan attractive to healthy young adults
 - 80% minimum loss ratio
- NJ FamilyCare Advantage full-cost buy-in for children >350% of the Federal Poverty Level (FPL) (2005)
- Young adult dependent coverage up to age 31 (2005)
 - No impact on uninsured young adults (Monheit, et al., *HSR*, 2011)
- Non-binding child coverage mandate (2008)
 - Focus on outreach, enrollment, & retention in NJ FamilyCare

Coverage Distribution for NJ Children by Poverty Level



Source: 2009 New Jersey Family Health Survey
 Notes: FPL is the Federal Poverty Level. Children under age 19.
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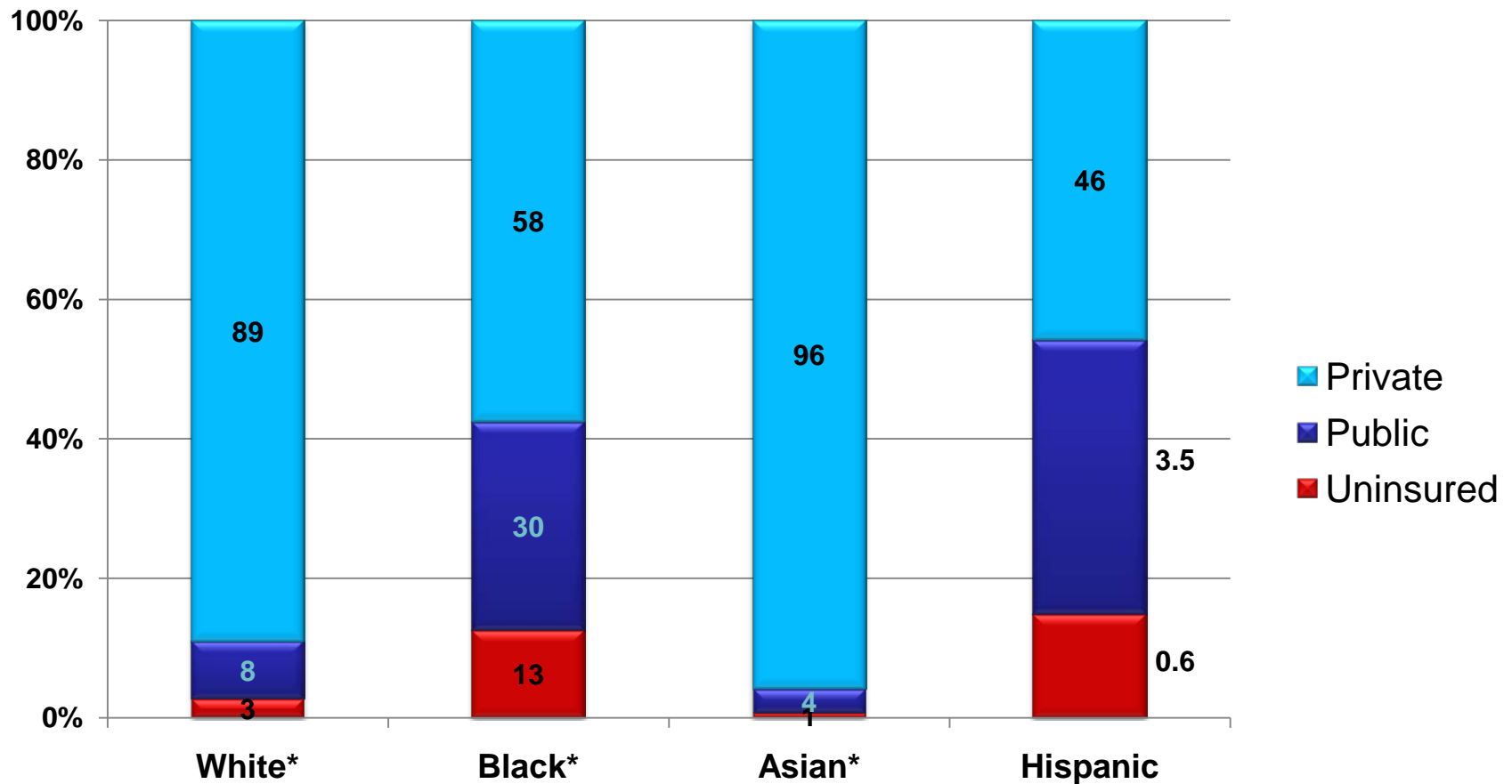
Coverage Distribution for NJ Children by Nativity



Source: 2009 New Jersey Family Health Survey

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Coverage Distribution for NJ Children by Race/Ethnicity



Source: 2009 New Jersey Family Health Survey

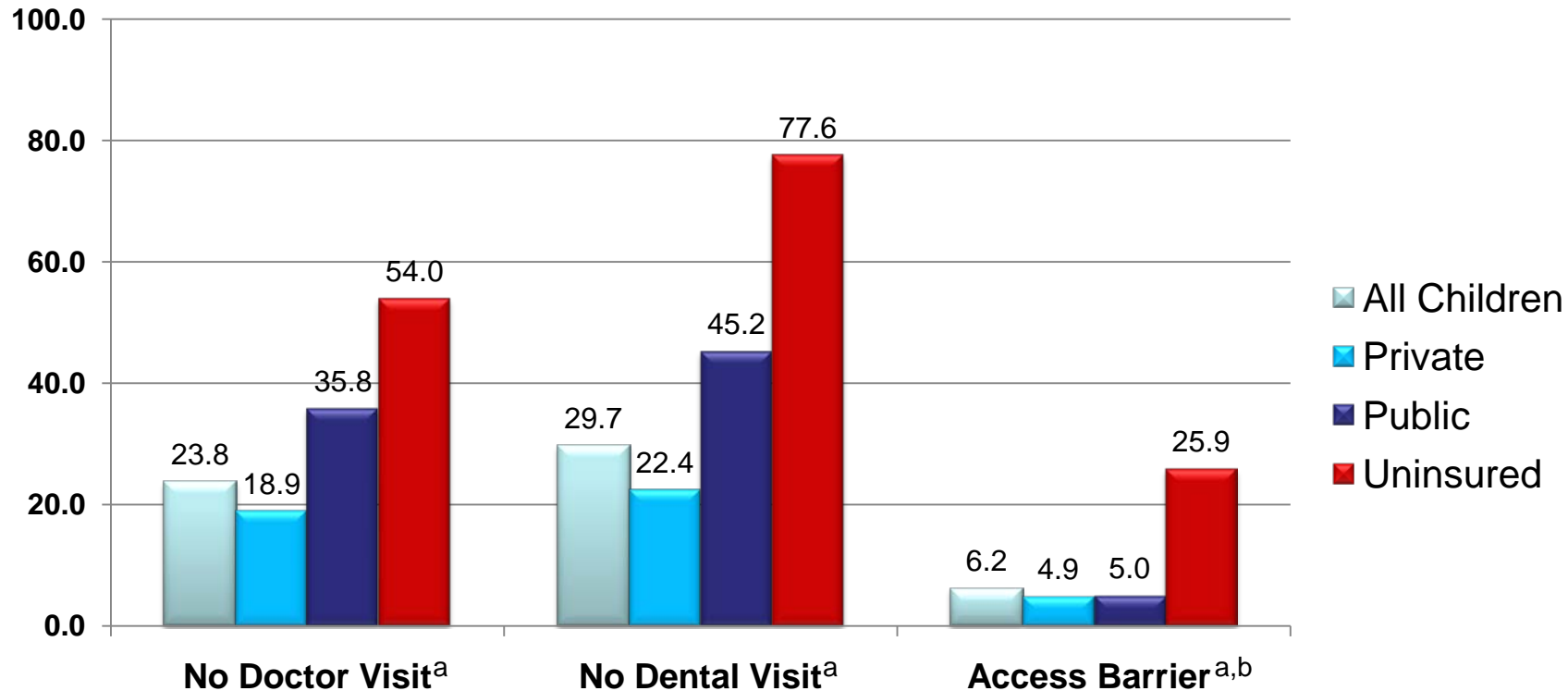
*Non-Hispanic

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Access to Care for NJ Children by Coverage Status

Percent with Problem



Source: 2009 New Jersey Family Health Survey

^a Past 12 months

^b Reported not receiving wanted medical/surgical, mental health, or dental care, or did not get or used less prescription medicine because of cost

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How Will the ACA Affect Coverage of NJ Children?

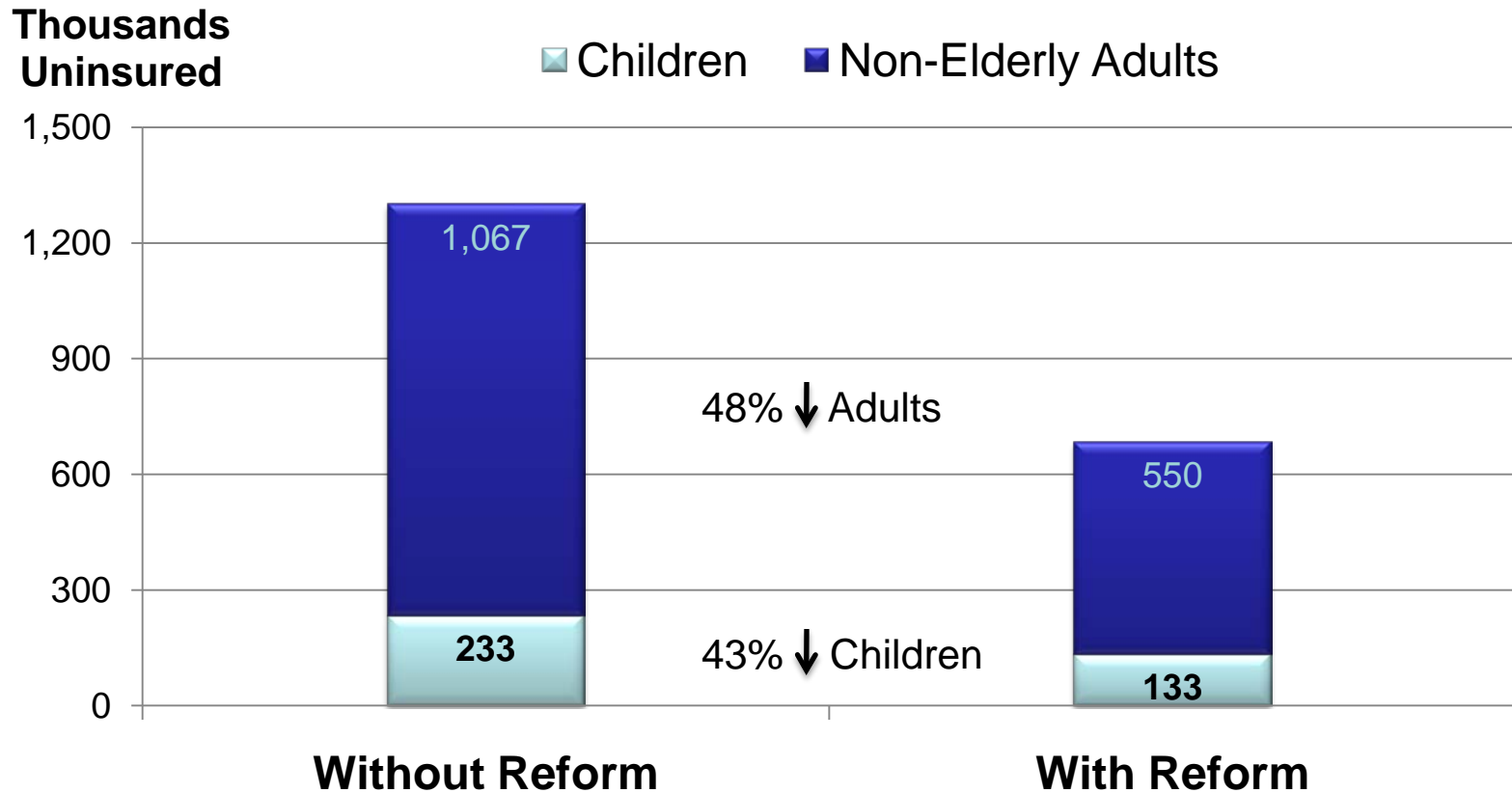
Now (plan years starting 9/23/2010)

- No pre-existing condition exclusions (most plans)
- No cost sharing for some preventive services (some plans)
- Young adult dependent coverage to age 26 (all plans)
- Subsidized pre-existing condition health plan – “NJ Protect”

Later (1/1/2014)

- Individual mandate (most people)
- Medicaid up to 138% FPL
- Possible end to CHIP program as early as 2016
- Exchange subsidies up to 400% FPL

Expected Decline in Uninsured in New Jersey



Source: Urban Institute
 Simulation of the impact of the ACA if it were fully implemented in 2011

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Challenge #1: Take up rates

- NJ 30th in Medicaid/CHIP take up in 2008 (Kenney et al., *Health Affairs*, Sept. 2010)
 - Lowest take up among families with premium sharing
- Exemptions from individual mandate
 - Income tax non-filers
 - Affordability exemptions
 - Unauthorized immigrants
- Exchange documentation requirements
 - 22% of NJ uninsured children live with non-English speaking adult (Lynch et al., Urban Institute, Aug. 2010)
 - Many families unaccustomed to means testing

Challenge #2: Provider supply & network adequacy

- Increased demand by newly covered
- Comparatively low primary care supply
 - 16.8 NJ versus 26.4 US Family Practitioners per 100,000 (Brownlee & Cantor, CSHP, May 2007)
 - Large geographic disparities in physician supply
- Hospital DSH cuts, timing of enrollment, hospital financial distress

Challenge #3: Benefit mandates

- ACA essential benefit package may not include some NJ benefit mandates important to children (e.g., cochlear implants, autism treatment)
- States required to subsidize or repeal

Challenge #4: High complexity, short timelines

- Getting the Exchange right will be hard
- Public education especially challenging in NJ
 - Cultural, linguistic diversity
 - New Jersey media markets are like “a beer barrel, tapped at both ends, with all the live beer running into Philadelphia and New York” (Benjamin Franklin, 1876)

THANK YOU