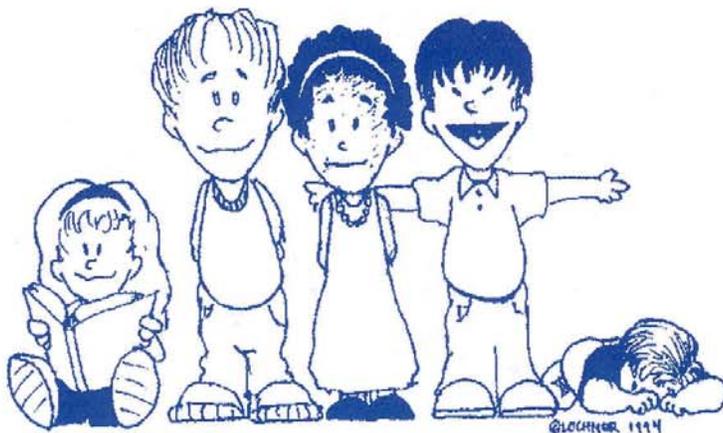


The Issue: Health Care for Children

Do North Dakota children have access to adequate health care? What is the status of health among children and teens? Is preventive medical care available to all North Dakota children?

As employers move to hire more part-time help, full health care benefits are less likely to be offered. As farm families struggle with reduced income, health insurance premiums are often dropped. A recent North Dakota Rural Life Survey confirmed that the costs of health care are often beyond the reach of families who do not have insurance provided by a parent's place of employment.¹ Those who do not qualify for government related health care programs are caught in the middle and do not know where to turn.

Comprehensive health care for children is critical to positive long-term health outcomes as adults. This publication examines the issue of providing adequate health care for North Dakota children.



Fast Facts:

North Dakota's Child Population

- Between 1990 and 1998, the number of children under age five declined by 16%, while the number of school-age children (ages 6-17) declined by about 3%.
- Currently, children under age 18 comprise 26.2% of North Dakota's population, while adults over age 65 comprise 14.5%.
- Youth under age 10 comprise a smaller proportion of the state population (12.9%) than the elderly population over age 65 (14.5%).
- Between 1995 and 2015, it is projected that the state's child population will decline by 2%, while the elderly population will grow by 35%.²
- By 2025, the number of children and elderly in North Dakota for every 100 people of working age is projected to be 96.5 (national average is 73.5).³

How Does a Lack of Health Care Impact North Dakota Children?

The negative consequences of living without health insurance have been well-documented for children and youth. Children and adolescents lacking health insurance are less likely to have a usual source of care; are less likely to be immunized and receive well-baby or well-child care; and are more likely to be hospitalized for conditions that could be avoided.

Most people understand the phrase, "pay now or pay later." And most people understand that preventing a problem is more cost-effective than fixing a problem after the situation has been left to progress over time. For example, it has been demonstrated that for every \$1 spent on child immunizations, an estimated \$10-\$14 is saved in future health care costs.⁴ Yet the number of uninsured children and teens in North Dakota continues to rise.

Paying for Health Care

It costs \$1,303 per year for a child to receive health services through North Dakota's Healthy Steps program.⁵ The average emergency room visit cost for a child needing non-urgent care is \$150 per visit.⁶

Median income of all North Dakota households is \$31,717, based on a 1998-99 average.⁷

About 1 in 6 North Dakota children lives below the poverty level. Another 13% live in near-poor families.

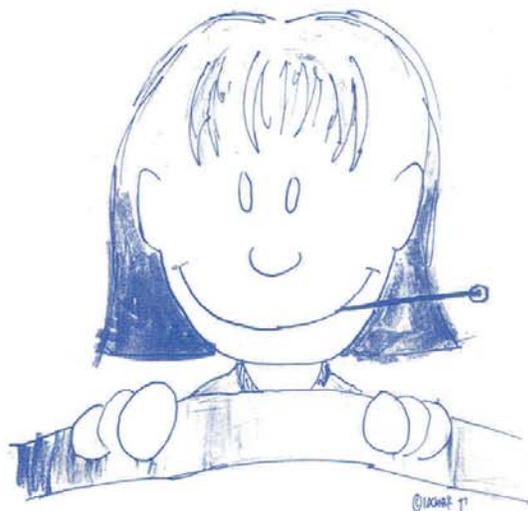
A family with 2 adults making minimum wage for full-time work with two children is living on \$21,424 per year or 127% of the federal poverty level. Minimum wage employment does not usually include benefits, such as health insurance. The average cost of health insurance for a family of four costs an average of \$4,800 per year. Without medical assistance, a family earning only minimum wage would need to spend 22% of its pre-tax income on health insurance, leaving little left to cover their remaining expenses.

Native American Children and Health Care

The Indian Health Service (IHS) provides health care to American Indians and Alaska Natives who are members of federally-recognized tribes through health facilities located on or near Indian reservations. Native Americans may receive services at IHS facilities if they live in geographic areas where facilities are located.⁸

Health status information suggests that this population may face barriers to access and use of necessary health services. Infant mortality rates among Native Americans are significantly higher than for the U.S. population overall and average life expectancy is significantly lower. The American Indian and Alaska Native population also has much higher rates of mortality associated with diabetes mellitus, alcoholism, and tuberculosis than is observed in the overall U.S. population.⁹

Indian Health Service is not an entitlement program; it is not a health insurance program; and it is not an established benefits package. Services provided include hospital and ambulatory medical care, and preventive and rehabilitative services. Funds appropriated by the U.S. Congress currently cover only an estimated 60% of health care needs for the Indian population. In most cases, children in need of care through Indian Health Service are required to travel to other health care clinics for treatment.¹⁰



North Dakota Children & Health

- The proportion of North Dakota women receiving inadequate prenatal care rose by 20% between 1995 and 1998.
- Between 1995 and 1998 the number of North Dakota babies born with low birth weights (less than 5 pounds, 8 ounces) increased 15%.
- In 1998, 80% of North Dakota 2-year-olds were immunized. There is little evidence of progress in the state since 1994, when 81% of children were immunized.
- There were 644 out-of-wedlock births to North Dakota teens ages 12-19 during 1998.
- According to the 1999 Youth Risk Behavior Survey, 41% of participating students had smoked cigarettes in the past 30 days.¹¹
- The best estimate of uninsured children in North Dakota is 22,000 children (see box at right).
- The number of children participating in the Medicaid program has increased 19% between 1995 and 1998.
- The rate of participation in the Medicaid program has increased from 8.9% in 1995 to 10.8% in 1998, reflecting the rising need for health insurance among low-income families.
- Infant deaths increased from 62 in 1994 to 68 in 1998, while deaths of children ages 1-19 decreased from 80 in 1994 to 73 in 1998.

Uninsured Children: Defining the Numbers

There are two primary data sources for numbers of uninsured children in North Dakota. Robert Wood Johnson Foundation and Current Population Survey estimates range from 15,000¹² to 30,000¹³ uninsured children, depending upon whether or not Native American children who receive health care through Indian Health Service are included. The differences in these numbers are also related to different data collection techniques and error estimates. Therefore, a reasonable way to judge the actual number of uninsured children in North Dakota is to average these two numbers - amounting to 22,000 children.



How is North Dakota Responding to Children's Health Care Needs?

In 1999, the North Dakota legislature created the Healthy Steps program in response to the State Children's Health Insurance Program (SCHIP) legislation enacted by the U.S. Congress in 1997. Federal legislation provides matching funds to states to cover children living in families up to 200% of the federal poverty level; states can cover children at even higher levels, if they choose. The legislation enacted by the North Dakota legislature covers children up to 140% of the federal poverty level. At this level of coverage, almost half of North Dakota's uninsured children are not income eligible for this program. This level of coverage also leaves \$6.7 million in available federal funds untapped over the 1999-2001 period.

What are the options for children who do not have health insurance?

Children without a regular source of health insurance face an uncertain future if their health care needs are not being met. As noted earlier, these children are more likely to face obstacles which may inhibit their healthy growth and development. Illnesses which are easily treatable when care is readily accessible, such as ear infections, could become a permanent disability or life-threatening condition when health insurance and regular access to care are unavailable.

Currently, there are three programs which can assist children who need a reliable source of health care:

Medicaid is a jointly funded program between the federal and state governments available to eligible low-income children. To be eligible for federal funds, states are mandated to provide Medicaid coverage for most individuals who receive federally assisted maintenance payments, as well as for related groups not receiving cash payments. States also have the option of providing coverage to "categorically needy" or "medically needy" groups, which include individuals who would not normally be eligible for the mandatory program.

The **State Children's Health Insurance Program (SCHIP)** is another federal/state partnership, which is designed to cover children in families who are not income eligible for Medicaid, but cannot afford private health insurance. States have three options for covering uninsured children: designing a new program; expanding current Medicaid programs; or a combination of both strategies. Federal legislation for SCHIP allows for coverage up to 200% of the federal poverty level, but states may cover at even higher levels if they choose.

The **Caring Program for Children** is a private health insurance program established by Blue Cross Blue Shield of North Dakota to provide insurance coverage for children who meet income eligibility criteria and are not eligible for care under Medicaid or SCHIP. Coverage under the Caring Program includes: office visits and routine physicals; diagnostic tests; well child care; immunizations; and limited inpatient and surgical services. It is important to note, however, that the Caring Program relies solely on private donations to fund health care services for needy children. Thus, a child who may be income eligible for the program might not receive services if funds are unavailable.

The table below outlines income eligibility criteria for each of the above programs.

Health Care Options for North Dakota Children Not Insured by Private Insurance Coverage

Figures below are established as a percent of poverty guidelines. Federal Poverty Level at 100% for a 4-person family (e.g., 2 parents, 2 children) is \$17,050 per year.

Program	Poverty Guidelines	Annual Income to Qualify	Hourly Wage to Qualify
Medicaid	133% and below (for children ages 5 and under)	\$22,677 (gross)	\$10.90
	100% and below (for children ages 6 through 18)	\$17,050 (gross)	\$8.20
SCHIP	140% and below	\$23,870 (net)	\$11.48
Caring Program For Children	141% - 200% (This does not mean that all children who fall within these income guidelines are covered. Please see the description of the Caring Program above for additional information.)	\$24,041 - \$34,100 (gross)	\$11.56 - \$16.40

Cost Comparisons

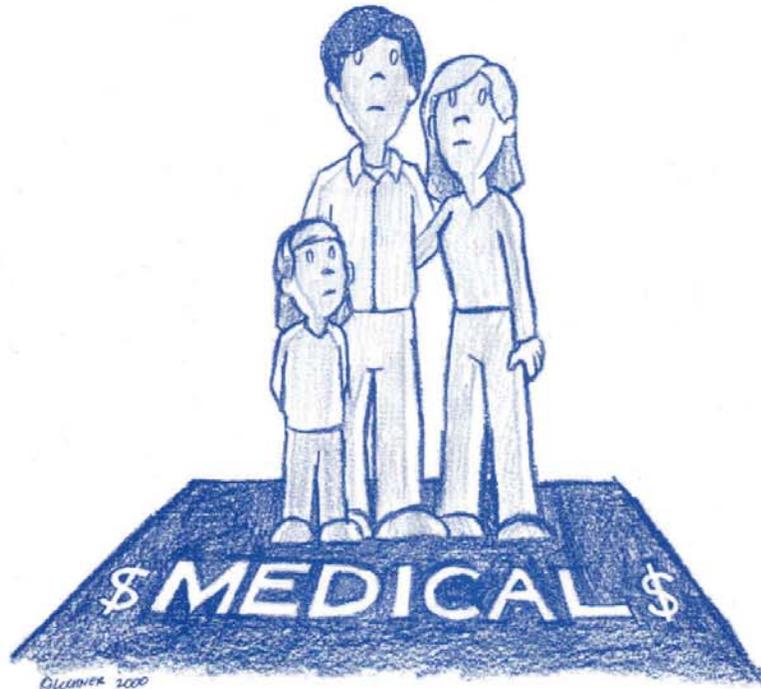
- Health insurance for a family of four costs about \$4,800 per year.
- The care of a pre-school child hospitalized with measles ranges from \$6,800 to \$15,000.¹⁴
- Childhood immunizations for children up to 24 months of age cost an average of \$335.¹⁵
- Every \$1 spent on immunizations saves an estimated \$10-\$14 in future health care costs.¹⁶
- Prenatal and normal newborn care averages about \$5,000.
- The average cost for newborn intensive care is \$13,246.¹⁷

Having employed parents is no longer a key predictor of whether children are covered by health insurance. In North Dakota, 81% of children without health insurance have working parents.¹⁸ In addition, parents' wage levels affect their ability to access health benefits for their families - lower wage workers are much less likely to have employer-sponsored health coverage.

Think About It...

Providing adequate health care for North Dakota children is an important goal to achieve, but no one person or program can make it happen. Each person needs to do what they can to make it happen - whether you are a local citizen serving on a local board or a decision maker at the county, regional, state, or national level. Challenge yourself to think about the issues involved and ask the following questions:

- What would it take to provide health care to the children in North Dakota who are currently uninsured?
- How can we do a better job of spreading the word about alternative programs to parents who cannot afford health insurance?
- How many children in my area do not have health insurance? What are the trends observed by our local health care providers?
- How could health care be made available to all children who live beyond the 140% of poverty cut-off in the current North Dakota SCHIP plan?
- Where are the safety nets for children needing preventive care such as eye exams, routine physicals, and dental exams?



Final Thoughts...

Careful examination of the issues related to children and health care indicates that an ever increasing number of children are not covered by insurance. This is not because their parents do not work, but rather because their work does not provide family benefits; they are self-employed and do not have access to reasonable insurance rates; or they work in jobs that pay above the income eligibility cut-off for programs such as Medicaid (see chart on page 4). North Dakota has a large number of employed people who cannot afford the high premiums for health insurance, and, therefore, they are forced to gamble with their family's health needs. Even when both parents are employed full-time, it does not guarantee an income high enough to afford health insurance.

We must consider creative ways to increase the number of children who have access to adequate health care. Incentives for businesses and self-employed people need more consideration. We must also do a better job of educating people about the alternative programs for children without insurance.

Whether you are working at the local, county, state, or national level, take time to learn more about the status of health care for children in your area and bring the facts to the attention of those who can make a difference. Help dispel the myths and chart a better path for the future of North Dakota children.

The bottom line for children in North Dakota is that a lack of adequate health care is likely to compromise their future health status. In the end, we all will pay.

Summary

This publication provides the most recent information available, combined with a challenge to each citizen of North Dakota to do what he or she can to improve the well-being of the state's children. Whether you are involved at the local, county, regional, state, or national level, you can take the first step to study the issues related to children and bring your information and ideas to decision makers at any level you feel you can make a difference.

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This is a publication of North Dakota KIDS COUNT!, with special contributions from Dr. Deb Gebeke, Education Consultant, and Debb Pankow, Family Economics Specialist with the NDSU Extension Service. All data were compiled by the North Dakota KIDS COUNT! project, unless indicated.

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