An Analysis of Disenrollment Patterns in the Children's Health Insurance Program in Texas

Prepared by

Elizabeth Shenkman, PhD
Virginia Schaffer, MA
Delfino Vargas, PhD

Institute for Child Health Policy

April 2002

Table of Contents

I. Executive Summary 1-8
II. Introduction 9-12
III Data Sources, Definitions Used, And Methods 13-17
IV. Characteristics Of Children Who Disenroll For Any Reason 18-20
V. Characteristics Of Children Who Disenroll Due To A Non-Renewal 21
VI. Characteristics Of Children Who Re-Enroll Following A Disenrollment Spell 22
VII. Families' Reasons For Disenrolling Their Children Based On Telephone Survey Data 23-29
VIII. Families' Experiences With The Renewal Process Using Survey Data 30-31
IX. Children's Insurance Status After Disenrollment Using Survey Data 32-34
X. Summary And Recommendations 35-38

List of Tables and Appendices

List of Tables

Table 1: Descriptive Results Using Administrative Data: Disenrollment and Re-Enrollment 19
Table 2: Reasons for Disenrolling Based on Survey Data (Given opportunity to select more than one).......... 27
Table 3: Primary Reason for Disenrolling Using Survey Data (Asked to Select Primary Reason) 28
Table 4: Primary Reason for Disenrolling Using Survey Data (Asked to Select Primary Reason) By Race.......... 29
Table 5: Renewal Questions.......... 31
Table 6: Post-Disenrollment Coverage 33
Table 7: Post-Disenrollment Coverage By Race.......... 34

List of Appendices

Technical Appendix A: Matrix of CHIP Evaluation Activities.......... 39-40

I. EXECUTIVE SUMMARY

Background

When Congress passed legislation establishing the State Children's Health Insurance Program (SCHIP), its primary focus was to decrease the number of uninsured children. After states decided on the design of their SCHIP initiatives (i.e., Medicaid expansions, free-standing programs, or other models), attention shifted to outreach efforts. States including Texas worked diligently to develop and implement outreach strategies to encourage families to enroll their children in the newly designed programs. Due to these efforts more than 3.3 million children were enrolled in SCHIP nationally in 2000. By the spring of 2002, Texas had enrolled more than 500,000 children.

SCHIP was intended to improve children's access to health care by providing affordable insurance coverage to low-income families. However, access to care and the quality of the children's health care may be hampered if they are covered for only short periods of time. Unfortunately, very little information is available about the factors influencing disenrollment and re-enrollment patterns in subsidized children's health insurance programs.

In addition to understanding factors associated with disenrollment in general, more information is needed about why families do not renew their children's enrollment at the end of a continuous eligibility period. Texas offers families a period of continuous eligibility for children enrolled in SCHIP. This means that once the child is determined to be eligible for the program, he or she can remain enrolled for 12 months.

At the end of the continuous eligibility period, families must provide documentation to demonstrate that their children are still eligible for the program. Other states have found that as many as 50% to 60% of families do not renew their children's coverage at the end of the continuous eligibility period.

As part of its quality monitoring and evaluation initiative, Texas Health and Human Services Commission (THHSC) wanted to examine a variety of issues concerning children's disenrollment from the children's health insurance program (CHIP) in Texas. THHSC was particularly interested in factors contributing to families not renewing their children's CHIP enrollment at the end of the 12 month continuous eligibility periods. Both health and sociodemographic factors are known to influence children's disenrollment from public insurance programs. Therefore, these factors were included in the analyses conducted for this report.

Three data sources were used for these analyses. First, enrollment files spanning 22 months were used. These files contain sociodemographic information about the children such as age, gender, income, race, and ethnicity. These files also contain information about the number of months the children were enrolled in CHIP. Second, claims and encounter data were used to characterize the health of the children using diagnostic information found in these files. Third, telephone surveys were conducted with a random sample of 500 families whose children had disenrolled from CHIP in Texas to obtain more in-depth information from families about their satisfaction with CHIP, their reasons for disenrollment, and whether they chose other insurance for their children upon disenrollment.

Results Using Administrative Data

Using enrollment files provided by the third party administrator for CHIP in Texas, the following results were obtained:

- Disenrollment and re-enrollment were examined for all children ever enrolled during the time period studied (N=646,326). During the 22 month period included in this analysis, 20% of the children disenrolled from the program (the number of disenrollees/the total number of enrollees). This percentage represented 128,796 children.
- Of those who disenrolled, 19%, or 24,471 children, later re-enrolled.

In addition to examining disenrollment in general, disenrollment due to non-renewal after the continuous eligibility period was also studied. The following findings were obtained:

- There were 241,196 children during the 22 month period who were enrolled for at least 12 continuous months. Of those, 31% or 75,516 children were not enrolled in the 13th month.
- Of those children who disenrolled in the 13th month, 26% of them (N=19,634) re-enrolled within 1 to 3 months of their disenrollment (that is between months 14 through 16).

Several child health and sociodemographic variables were significantly related to the odds of a children disenrolling from CHIP *for any reason*. The following results were obtained:

- Children categorized as having a physical special health care need were 20% less likely to disenroll from the program than their healthy counterparts. Children with mental health conditions were 30% less likely to disenroll than children without such conditions.

- Older children were overall about 14% to 19% less likely to disenroll than children five years of age and younger.
- Families below 186% of the federal poverty level (FPL) were as much as 30% less likely to disenroll than families above 186% FPL.
- Black Non-Hispanic families were 16% more likely to disenroll from the program (even after considering other factors such as income and child health status).

Several child health and sociodemographic variables were significantly related to the odds that a parent would *not renew* the child's coverage at the end of the 12 month continuous eligibility period. The following results were obtained:

- Families with children with physical special health care needs were 15% less likely to not renew coverage than their healthy counterparts. Those with children with mental health conditions were 22% less likely to not renew coverage when compared to families with healthy children.
- Families below 186% FPL were 2% to 28% less likely to not renew coverage (depending on their exact income) than families above 186% FPL.
- Families who have children over age 5 are less likely to not renew coverage than those with those age 5 and below (about 18% less likely overall).

Thus based on information contained in enrollment files and claims data, families appear to make decisions about keeping their children enrolled (including renewing coverage) based on their income and their children's health. Poorer families may have fewer insurance options.

Families who have children that require health care may also place a higher value on the coverage than those with healthy children. The finding about age is somewhat surprising. It is uncertain why families with older children are more likely to keep their children enrolled than those with younger children.

While families may be making understandable and rational decisions about whether to keep their children enrolled in CHIP, the finding about the children's health status warrants further attention. Texas is experiencing retention of sicker enrollees, as seen in at least one other state. If in fact, children with physical and mental special health care needs continue to have greater odds of remaining enrolled than healthy children, there could be implications for the financing and organization of the program over the long term. Perhaps as part of its outreach efforts, Texas could consider including educational information about the importance of insuring all children, including those that are healthy, so they have good access to primary and preventive care.

Results Using Telephone Survey Data

Using telephone survey data to obtain more in-depth information about families' disenrollment experiences, the following key findings were obtained:

1. The most frequent *primary* reason for disenrolling given by 19% of families was that the child switched to Medicaid.
2. The next most common primary reason was that the child was no longer eligible due to an increase in income (18%).
3. The third most common primary reason given was that the family did not or could not complete the renewal process (16%).

The reader will note that the percentage of families reporting they did not complete the renewal process is significantly less than the percentage noted based on the analyses using the enrollment files (16% versus 31%). There are several possibilities for this result. One possibility is that the survey responses are not representative of the overall disenrollee pool. However, this reason is unlikely given the excellent response rates that were obtained for this survey.

A second possibility is that families reported the disenrollment reasons more accurately on the telephone survey, under structured interview conditions, than were reported in the administrative data. In fact, a recent report from the National Academy of State Health Policy (NASHP) found that disenrollee survey findings often contradict state administrative records. One of the most striking areas of difference between administrative and survey data are findings about the percentage of families who do not complete the renewal process at the end of a continuous eligibility period.[1] The NASHP reports that families state they did not renew their children's coverage in SCHIP because they obtained private insurance or they did not think their children were eligible any longer. NASHP further notes that families may appear to "*fail* to renew" coverage based on administrative data when in fact they *chose* not to renew their children's coverage.

[1] Pernice C, Riley T. NASHP News: New Study Finds that States are Overestimating the Number of Children who 'Lapse Out' of SCHIP Coverage. Portland, Maine: National Academy of State Health Policy, 2002.

During the telephone interviews almost none of the parents of disenrollees reported dissatisfaction with the program as the primary reason for leaving. For example, only 2% of families indicated dissatisfaction with their children's providers, less than 1% was dissatisfied with the premium, and 1% was dissatisfied with their co-payments.

Whether parents' reports about the percentage who do not renew (16%) or administrative data (31%) are used, the Texas results compare favorably to other states. For example, when compared to national figures calculated from administrative data, as many as 50% to 60% of enrollees do not renew coverage at the end of the continuous eligibility period.

More than 80% of families who did experience the renewal process thought it was "about as easy as it could be." However, 50% of them thought too much documentation was requested. The primary reason families gave for not completing the renewal process was that they "forgot" or "did not get around to doing it" (24%). The second most common reason given was that they were planning on getting other coverage for their children and did not want to renew (18%).

Only 37% of families chose another type of coverage after disenrolling. Of those, 54% went to the Medicaid Program and 38% chose coverage from a current or past employer. Of those who obtained other coverage, 77% kept the same primary care provider for their children.

Thus many positive findings were obtained from this analysis. Families are very satisfied with all aspects of the program and do not report dissatisfaction with the premiums, the co-payments, or the providers. Disenrollment overall and at the renewal period is low in comparison to other states. Finally, families appear to be making decisions about their children's insurance coverage based, in part, on the children's health. While this is rational and understandable, families need education about the importance of health insurance and preventive care for all children, not just those with special needs.

II. INTRODUCTION

Background

When Congress passed legislation establishing the State Children's Health Insurance Program (SCHIP), its primary focus was to decrease the number of uninsured children. After states decided on the design of their SCHIP initiatives (i.e., Medicaid expansions, free-standing programs, or other models), attention shifted to outreach efforts. States including Texas worked diligently to develop and implement outreach strategies to encourage families to enroll their children in the newly designed programs. Due to these efforts more than 3.3 million children were enrolled in SCHIP nationally in 2000. By the spring of 2002, Texas had enrolled more than 500,000 children.

Recently attention has shifted to issues of program retention and understanding who remains enrolled and who disenrolls. Recent studies suggest that disenrollment in SCHIP can be very high. For example, in 1999, about 18% of all children in SCHIP disenrolled during the year. More recently, a study conducted in 2001 examining SCHIP disenrollment in four states revealed that more than 50 percent of enrollees in Kansas, New York, and Oregon disenrolled after relatively short spells of enrollment (12 months or fewer) and most did not return.[2] Florida was the fourth state included in the study and experienced much lower disenrollments, particularly at renewal time. Program renewal at the end of a continuous eligibility period was associated with the greatest disenrollment in the states included in this study.

[2] Dick A, Allison A, Haber S, Brach C, Shenkman E. The Consequences of State Policies on SCHIP Disenrollment. *In Press: Health Care Financing Review*, 2002.

SCHIP was intended to improve children's access to health care by providing affordable insurance coverage to low-income families. However, access to care and the quality of the children's health care may be hampered if they are covered for only short periods of time. Understanding why parents disenroll their children is essential to any quality improvement effort. Such information can help enhance access to and continuity of care and also correct program areas that may have contributed to families' dissatisfaction with the program. Unfortunately, very little information is available about the factors influencing disenrollment patterns in subsidized children's health insurance programs. In fact, understanding why enrollees leave any program is one of the most neglected areas in any quality assurance initiative.[3]

In addition to understanding factors associated with disenrollment in general, more information is needed about why families do not renew their children's enrollment at the end of a continuous eligibility period. Texas, like many other states, offers families a period of continuous eligibility for children enrolled in SCHIP. This means that once the child is determined to be eligible for the program, he or she can remain enrolled for a predetermined period of time, usually 6 to 12 months. While specific practices vary from state to state, in general, at the end of the continuous eligibility period, families must complete a new application and/or provide documentation to demonstrate that their children are still eligible for the program. In Texas, children are given 12 months of continuous eligibility.

[3] Rossi PH, Freeman HE, Lipsey MW. *Evaluation: A Systematic Approach*. Beverly Hills, California: Sage Publications; 1999.

Many states implemented continuous eligibility options for both their Medicaid and SCHIP enrollees to reduce the burden placed on families who, at one time, had to have their children's eligibility determined monthly. Such stringent requirements often resulted in frequent periods of program disenrollment for the children, disrupting their access to health care. However, as previously noted, a recent multi-state study reported that as many as 50% of children drop out of SCHIP because their parents did not renew their enrollment at the end of a continuous eligibility period. Much more information is needed about why families do not renew their children's enrollment. This information can be used to determine if the renewal process is creating barriers for families.

As part of its quality monitoring and evaluation initiative, Texas Health and Human Services Commission (THHSC) wanted to examine a variety of issues concerning children's disenrollment, from the children's health insurance program (CHIP) in Texas. THHSC was particularly interested in factors contributing to families not renewing their children's CHIP enrollment at the end of the 12 month continuous eligibility periods. The following areas were addressed related to disenrollment and program renewal:

1. The sociodemographic and health characteristics of the children who disenroll for any reason relative to those who remain enrolled;
2. Differences among health plans, if any, in the sociodemographic and health characteristics of the children who disenroll;
3. The sociodemographic and health characteristics of the children who disenroll because their parents did not renew their enrollment at the end of the continuous eligibility period relative to those who did;

4. The sociodemographic and health characteristics of the children who re-enroll after a period of disenrollment relative to those who remain disenrolled; and
5. Families' reasons for disenrolling their children and whether they obtain other health insurance for their children upon leaving CHIP in Texas.

The purpose of this report is to describe the results obtained for the five issues listed above. This report contains the following sections:

1. Data sources, definitions used, and methods used to conduct the study;
2. Characteristics of children who disenroll for any reason and the presence of any health plan differences;
3. Characteristics of children whose parents do not renew their enrollment;
4. Characteristics of children who re-enroll;
5. Results from a survey conducted with a random sample of families who disenrolled their children from the program. This survey included information about:
    a. Reasons families disenroll their children,
    b. Families' experiences with the renewal process, and
    c. Children's insurance status upon leaving CHIP;
6. Summary and recommendations.

III. DATA SOURCES, DEFINITIONS USED, AND METHODS

Data Sources

Three data sources were used to address the disenrollment issues described in the preceding section. First, enrollment files were used that spanned the first 22 months of program operation. These files were the source of information about the children's sociodemographic characteristics and contained the following: (1) the subsidy level that families had for their children's premiums, (2) the child's race and ethnicity, (3) child age, (4) child gender, (5) the month(s) the child was enrolled, and (6) the stated disenrollment reason.

Second, claims and encounter data were used to characterize the children's health status. Specifically, these files were used to identify children enrolled in the program who may have chronic conditions. The claims and encounter files contain diagnostic codes recorded at the time of a health care encounter. These codes were matched to a list of codes that may indicate the presence of a chronic condition. The list is broad and includes high prevalence and low severity conditions like asthma and attention deficit disorder and low prevalence and high severity conditions like cystic fibrosis, malignancies, and others. A panel of physicians at the University of Florida developed the list and it was reviewed further by staff at the National Association of Children's Hospitals and Related Institutions (NACHRI). Children with chronic conditions were identified because evidence from another study suggests that these children are less likely to disenroll from CHIP than children who are healthy.[4] The intent was to explore whether this was also the case in Texas.

[4] Shenkman E, Vogel B, Boyett N, Naff R. Disenrollment and Re-Enrollment in SCHIP. *In Press: Health Care Financing Review,* 2002.

Third, telephone surveys were conducted with a random sample of families whose children had disenrolled from CHIP in Texas. The purpose of these surveys was to obtain more in-depth information from families about their satisfaction with CHIP while their children were enrolled, their reasons for disenrollment, and whether they chose other insurance for their children upon disenrollment.

Definitions Used

The following definitions were used in the analyses:

Disenrollment – A child was considered to be a disenrollee if he or she had been enrolled in the program for at least one month and then was disenrolled from the program for at least one month. Children who were disenrolled from the program because they were already enrolled in Medicaid were not included in the analysis.

Re-enrollee – A child was considered to be a re-enrollee if he or she had been in the program for at least one month, disenrolled for at least one month, and then was present in the enrollment files subsequent to the disenrollment for at least two months.

Non-renewal – "Non-renewal" refers to those children whose coverage was not renewed at the end of the 12 month continuous eligibility period. These children were identified by examining children's actual enrollment patterns in the program. The Institute for Child Health Policy identified all children who were continuously enrolled for 12 months using the enrollment information provided by the third party administrator. From that group of children (i.e., those that were enrolled for 12 continuous months), those who were not enrolled in the 13th month were identified. Those children who were not enrolled in the 13th month were those that "non-renewed."

Methods For Analyses Involving Encounter and Claims Files

Discrete-time hazards models were used to analyze the relationship between the child's sociodemographic and health status characteristics and the time to disenrollment: (1) regardless of the disenrollment reason, (2) for disenrollment due to non-renewal, and (3) re-enrollment. Technical Appendix A contains a detailed summary of the statistical techniques used to conduct these analyses.

The original data set contained 646,326 children. For this report three data sets were prepared and categorized as (1) disenrollee data (i.e., those who disenrolled from the program for any reason), (2) "non-renewal" data (i.e., those enrolled for 12 continuous months but not enrolled in the 13th month), and (3) re-enrollment data (i.e., only for those who disenrolled and later re-enrolled). While multiple events of disenrollment and re-enrollment could happen, only the first event of disenrollment and re-enrollment was considered in these analyses and not multiple events.

Recall that THHSC wanted to examine the health and sociodemographic characteristics that might be related to children's disenrollment and/or non-renewal at the end of the continuous eligibility period. With this information, it is possible to develop strategies to intervene with groups that may be at high risk for disenrollment or non-renewal of coverage.

The following sociodemographic characteristics were included:

1. **Age** presented as the following age bands: 0 to 5 years, 6 to 14 years, and 15 to 18 years;
2. **Gender**;
3. **Federal poverty level (FPL)** in four categories as a proxy derived from the copay level: 0%-99%, 100%-150%, 151%-185%, and 186%-200%; and
4. **Race and ethnicity** using four groups: White non-Hispanic, African American non-Hispanic, Hispanic, and other (Asian, Indian, Alaskan, and Unknown).

In addition, a variable was included in the analysis to indicate whether the child had a special health care need (as determined by diagnoses present in claims and encounter data). These special health care needs were further categorized to reflect physical special health care needs or mental health needs. In addition, a variable for each of the health plans participating in CHIP were included.

Methods For Analyses Involving Telephone Survey Data

In addition to the analyses using enrollment and claims and encounter data, a telephone survey was conducted to gather more in-depth information from families about their children's disenrollment from the program. A Disenrollee Survey was developed for use in Texas. The survey was originally developed and used with over 1,400 CHIP disenrollees in two other states and modified to address unique issues in CHIP in Texas.

The survey contains the following sections (1) a complete household listing addressing the insurance status of each household member and the relationship of the household member to the CHIP disenrollee; (2) reasons for disenrollment; (3) the child's insurance status upon disenrollment; (4) experiences with the renewal process, if any; (5) a series of health status questions; and (6) a demographic section.

Five hundred completed Disenrollee Surveys were used in the analyses for this report. The response rate for the survey was excellent. About 26% of the families could not be located with the available contact information and once located, only 10% of the families refused to participate. The families who could not be located and those who refused to participate did not differ in terms of income, race and ethnicity, child age, or child gender when compared to those who did participate in the survey. Therefore, the results of the Disenrollee Survey are believed to be generalizable to the larger group of disenrollees.

The survey sample size provides a confidence interval of ±4.37 points around the reported response. For example, if 20% of families indicated that they disenrolled their children from CHIP because they obtained another health insurance policy, the reader can be 95% confident that the true response lies between 16% and 24% of respondents. While confidence intervals may vary somewhat for individual items, this information gives the reader a guideline to use when reading the findings.

IV. CHARACTERISTICS OF CHILDREN WHO DISENROLL FOR ANY REASON

Descriptive Results Using Administrative Data

Disenrollment and re-enrollment were examined for all children ever enrolled during the time period studied (N=646,326). During the 22 month period included in this analysis, 20% of the children disenrolled from the program (the number of disenrollees/the total number of enrollees). This percentage represented 128,796 children. Further analyses were conducted, as planned, to examine the factors contributing to disenrollment. These results are presented in the next section of the report.

In addition to examining disenrollment in general, disenrollment due to non-renewal after the continuous eligibility period was examined. There were 241,196 children during the 22 month period who were enrolled for at least 12 continuous months. Of those, 31% or 75,516 children were not enrolled in the 13th month. Of those children who disenrolled in the 13th month, 26% of them (N=19,634) re-enrolled within 1 to 3 months of their disenrollment (that is between months 14 through 16). These results are also summarized in Table 1. In addition, further analyses were conducted with the children who "non-renewed" after the continuous eligibility period and these results are described in Section IV of this report.

Table 1 - Descriptive Results Using Administrative Data: Disenrollment and Re-Enrollment (N=646,326)

Category	Percentage of Children
Disenrolled for any reason	19.93% of total enrollee pool or 128,796 children
Re-enrolled following a disenrollment spell (of those who disenrolled for any reason)	19% of the disenrollees re-enrolled or 24,471 children
Disenrolled because of non-renewal[5]	31% of those who had 12 months of continuous eligibility or 75,516 children
Re-Enrolled following a non-renewal	26% of those who disenrolled due to a non-renewal or 19,634 children

Analyses of Factors Contributing to Disenrollment For Any Reason Using Administrative Data

The following results were obtained when examining the sociodemographic and health status factors related to disenrollment:

1. Age was significantly related to the likelihood of a child disenrolling from CHIP. The following specific results were obtained:
   a. Children ages 6 through 14 were 19% less likely than those age 0 to 5 to disenroll from the program;
   b. Children age 15 through 18 were 14% more likely than children ages 0 to 5 to disenroll from CHIP.
2. In addition to age, a small gender effect was noted with boys approximately 4% less likely than girls to disenroll.

[5] Those who are non-renewals are a subset of those who disenrolled for any reason.

3. Poorer families tend to have lower disenrollment than families with higher incomes. For example:
    a. Families below 100% of the federal poverty level (FPL) were 19% less likely to disenroll than families between 186% and 200% FPL,
    b. Families with incomes between 100% to 150% FPL were 30% less likely to disenroll than families above 186% FPL, and
    c. Families with incomes between 151% and 185% FPL are 8% less likely to disenroll than families within incomes above 186% FPL.
4. Race also is significantly related to the likelihood of disenrollment with Black non-Hispanics 16% more likely to disenroll than White non-Hispanics. Hispanic families were no more likely than White non-Hispanic families to disenroll. Those who were classified as "other" race were 32% more likely to disenroll when compared to White non-Hispanics.
5. Children classified as having a physical special health care need were 20% less likely to disenroll from the program than their healthy counterparts. In addition, children with mental health conditions were 30% less likely to disenroll than children without such conditions.
6. Finally, the number of months the child was enrolled in the program was critical with the highest rates of disenrollment occurring in the 4th and the 12th months after program enrollment.
7. No differences were noted between the participating health plans in any of these findings.

V. CHARACTERISTICS OF CHILDREN WHO DISENROLL DUE TO A NON-RENEWAL

Analyses of Factors Contributing to Non-renewal Using Administrative Data

The following factors were significantly associated with non-renewal at the end of the continuous eligibility period:

1. Compared to families with children ages 0 to 5, families whose children are 6-14 are 19% less likely to not renew their children's CHIP coverage and those ages 15-19 are 16% less likely to not renew.
2. Compared to families between 186% and 200% FPL:
   - Families between 0 to 99% FPL are 2% less likely to not renew coverage;
   - Families in the 100% to 150% FPL range are 3% less likely to not renew; and
   - Families that are in the 151% to 185% FPL range are 28% less likely to not renew.
3. Race is also an important factor with non-Hispanic black families about 9% more likely to not renew their coverage than non-Hispanic white families. Hispanics are about 11% more likely and those of "other" racial categories are 25% more likely than non-Hispanic white families to not renew their children's coverage.
4. Families whose children have physical special health care needs are 15% less likely than those who have healthy children to not renew their children's coverage. Similarly, families whose children had mental health conditions were 22% less likely to not renew their children's coverage than those who were healthy.

VI. CHARACTERISTICS OF CHILDREN WHO RE-ENROLL FOLLOWING A DISENROLLMENT SPELL

Analyses of Factors Contributing to Re-Enrollment Using Administrative Data

The following factors were significantly associated with children re-enrolling in CHIP after a disenrollment spell:

1. Compared to 0 to 5 year olds, children ages 6 through14 years were 19% less likely to re-enroll after a disenrollment. Children ages 15 through 18 were 14% more likely to re-enroll after a disenrollment than children 0 to 5 years of age.
2. Boys are 4% less likely than girls to re-enroll.
3. Families below 100% FPL are 19% less likely to re-enroll than those above 186% FPL; whereas those at 100% to 150% FPL are 30% less likely to re-enroll than higher income families (i.e., those above 186% FPL).
4. Black non-Hispanic families are 16% more likely than White non-Hispanic families to re-enroll their children. No differences were noted between Hispanic families and non-Hispanic families in re-enrollment behavior.

VII. FAMILIES' REASONS FOR DISENROLLING THEIR CHILDREN BASED ON TELEPHONE SURVEY DATA

Reasons for Disenrollment Using Survey Data

In this section, the results of the Disenrollee Survey are provided. Table 2 contains a summary of families' reasons for disenrolling their children from CHIP. Families were allowed to give more than one reason; therefore responses in the columns will not total 100%. In addition, families were asked to indicate a single primary reason for disenrolling their children. Table 3 contains a summary of the primary disenrollment reasons. The reader will recall that these responses are based on telephone interviews with a random sample of 500 families whose children were disenrolled from the program.

Referring to Table 2, the highest percentage of families indicated that one of the reasons their children became disenrollees was because they could not or did not renew the coverage (29%). Twenty-eight percent of families indicated that their children switched from CHIP to Medicaid. Twenty percent indicated that their children were no longer eligible because their incomes were too high and 20% indicated that they obtained other insurance coverage.

Referring to Table 3, the most frequent *primary* reason for disenrolling given by 19% of families was that the child switched to Medicaid. The next most common primary reason was that the child was no longer eligible due to an increase in income (18%). The third most common primary reason given was that the family did not or could not complete the renewal process (16%). The reader will note that the percentage of families reporting they did not complete the renewal process is significantly less than the percentage noted based on the analyses using the enrollment files (16% versus 31%).

There are several possibilities for this result. One possibility is that the survey responses are not representative of the overall disenrollee pool. However, this reason is unlikely given the excellent response rates that were obtained for this survey. A second possibility is that families report disenrollment reasons more accurately on telephone surveys, under structured interview conditions, than were reported in the administrative data. In fact, a recent report from the National Academy of State Health Policy (NASHP) found that disenrollee survey findings often contradict state administrative records.
One of the most striking areas of difference between administrative and survey data are findings about the percentage of families who do not complete the renewal process at the end of a continuous eligibility period.[6] The NASHP reports that families state they did not renew their children's coverage in SCHIP because they obtained private insurance or they did not think their children were eligible any longer. These are the reasons provided during telephone interviews, whereas the state indicates that these families were "non-renewals."

---

[6] Pernice C, Riley T. NASHP News: New Study Finds that States are Overestimating the Number of Children who 'Lapse Out' of SCHIP Coverage. Portland, Maine: National Academy of State Health Policy, 2002.

Thus the Texas findings about program renewal are consistent with those obtained by NASHP. The NASHP findings are based on interviews with 3,780 parents in seven states – Alabama, Arizona, California, Georgia, Iowa, New Jersey, and Utah. In fact, many of the other NASHP findings are consistent with the results from the CHIP in Texas Disenrollee Surveys.

For example, in the NASHP seven state study, the majority of parents were very positive about the quality of care their children received in SCHIP. Similarly in Texas, almost none of the parents of disenrollees reported dissatisfaction with the program as the primary reason for leaving (Table 3). For example, only 2% of families indicated dissatisfaction with their children's providers, less than 1% was dissatisfied with the premium, and 1% was dissatisfied with their co-payments.

In addition to examining the *primary* disenrollment reasons for the overall group, the responses were analyzed according to the family's race and ethnicity. These results are summarized in Table 4. Four statistically significant results were noted between the groups. They are:

1. Black Non-Hispanics were significantly *less* likely then White Non-Hispanics or Hispanics to report that their children switched to Medicaid (5% versus 18% and 22%, respectively).
2. Black Non-Hispanics were significantly *more* likely than White Non-Hispanics or Hispanics to report that their policy was cancelled due to non-payment of premium (21% versus 9% and 6% respectively).

3. Black Non-Hispanics were significantly *less* likely than White Non-Hispanics or Hispanics to report that their policy was cancelled due to increases in income (11% versus 23% and 17% respectively).
4. Black Non-Hispanics were significantly *more* likely than White Non-Hispanics or Hispanics to report that their policy was cancelled because the child was no longer eligible due to age (20% versus 12% and 13% respectively).

Analyses were also conducted examining whether there were differences in disenrollment reasons based on family income. Only one significant difference was noted. Families who were above 100% FPL were more likely than those below to indicate that their children were disenrolled from the program because their incomes were too high. No other differences were noted based on income.

Table 2 – Reasons for Disenrolling Based on Survey Data (Given opportunity to select more than one) N=500 Families

Reasons	Yes	No
You could not or did not complete the renewal process – that is, you could not or did not re-enroll.	29.16%	70.84%
Child switched to Medicaid.	28.00%	72.0%
You were dissatisfied with your child's health care provider.	6.51%	93.49%
You were dissatisfied with the clinic or office setting where your child received most of his or her health care.	3.80%	96.20%
You were dissatisfied with the amount of money that you paid every month for the health insurance policy.	3.00%	97.00%
You were dissatisfied with the amount of money you paid at the time of the health care visit.	4.31%	95.69%
You obtained another insurance policy.	20.28%	79.72%
The program was not what you were told it would be when you enrolled your child.	4.79%	95.21%
Your child was no longer eligible for this program because of his or her age.	16.10%	83.90%
Your policy was cancelled because of non-payment of premium.	12.05%	87.95%
Your child was no longer eligible for this program because your income was too high.	20.24%	79.76%
Other	8.22%	91.78%

Table 3 – Primary Reason for Disenrolling Using Survey Data (Asked to Select Primary Reason) N=500 Families

Reasons	Yes
You could not or did not complete the renewal process – that is, you could not or did not re-enroll.	15.51%
Child switched to Medicaid.	19.28%
You were dissatisfied with your child's health care provider.	1.79%
You were dissatisfied with the clinic or office setting where your child received most of his or her health care.	0.00%
You were dissatisfied with the amount of money that you paid every month for the health insurance policy.	0.60%
You were dissatisfied with the amount of money you paid at the time of the health care visit.	1.39%
You obtained another insurance policy.	4.57%
The program was not what you were told it would be when you enrolled your child.	0.99%
Your child was no longer eligible for this program because of his or her age.	13.72%
Your policy was cancelled because of non-payment of premium.	8.35%
Your child was no longer eligible for this program because your income was too high.	17.50%
Other	5.96%
Don't Know/No choices selected	7.75%

Table 4– Primary Reason for Disenrolling Using Survey Data (Asked to select Primary Reason) By Race N=500 Families

Reasons	White, NH	Black, NH	Hispanic	Other
You could not or did not complete the renewal process – that is, you could not or did not re-enroll.	13.33%	14.29%	16.46%	0.00%
Child switched programs.	18.33%	5.36%	22.15%	0.00%
You were dissatisfied with your child's health care provider.	1.67%	3.57%	1.58%	0.00%
You were dissatisfied with the clinic or office setting where your child received most of his or her health care.	0.00%	0.00%	0.00%	0.00%
You were dissatisfied with the amount of money that you paid every month for the health insurance policy.	0.00%	0.00%	0.95%	0.00%
You were dissatisfied with the amount of money you paid at the time of the health care visit.	0.00%	0.00%	2.22%	0.00%
You obtained another insurance policy.	5.83%	3.57%	4.11%	0.00%
The program was not what you were told it would be when you enrolled your child.	0.83%	1.79%	0.95%	0.00%
Your child was no longer eligible for this program because of his or her age.	11.67%	19.64%	13.29%	0.00%
Your policy was cancelled because of non-payment of premium.	9.17%	21.43%	6.01%	0.00%
Your child was no longer eligible for this program because your income was too high.	22.50%	10.71%	17.09%	0.00%
Other	6.67%	7.14%	5.38%	0.00%

VIII. FAMILIES' EXPERIENCES WITH THE RENEWAL PROCESS USING SURVEY DATA

Results Using Survey Data

Families who indicated that their children disenrolled because they did not complete the renewal process were asked additional questions about renewal. Table 5 contains a summary of their responses. Eighty-two percent of families said they knew there would be a renewal process. However, only 41% actually had experience renewing their children's coverage and the remaining 59% said they did not attempt to do so.

Over 80% of families who did experience the renewal process thought it was "about as easy as it could be." However, 50% of them thought too much documentation was requested. The primary reason families gave for not completing the renewal process was that they "forgot" or "did not get around to doing it" (24%). The second most common reason given was that they were planning on getting other coverage for their children and did not want to renew (18%). The third most common reason given was that the family never received the renewal documents (11%).

Table 5 – Renewal Questions

Category	Percentage
When you first signed your child up for CHIP, did they tell you that you would have to renew enrollment after about a year?	
Yes, they told me about renewal	82.09%
No, they did not tell me about renewal	17.91%
Do you have any experience at all with the renewal process for CHIP**,** or has your child not been in the program long enough for you to have to renew?	
Yes, I have experience with the renewal process	40.52%
No, I do not have experience with the renewal process	59.48%
When you renew enrollment in any kind of health insurance program, there is always a certain amount of paperwork and other inconveniences. Thinking about CHIP's renewal process, would you say it was:	
Much more difficult than it needed to be	8.54%
Somewhat more difficult than it needed to be	10.55%
About as easy as it could be	80.90%
They ask you for too much background paperwork, such as pay stubs or income documentation.	
Strongly Agree	22.22%
Somewhat Agree	27.27%
Somewhat Disagree	26.77%
Strongly Disagree	23.74%
The CHIP program has made the renewal forms easy to fill out.	
Strongly Agree	72.14%
Somewhat Agree	22.89%
Somewhat Disagree	2.49%
Strongly Disagree	2.49%
Which of the following best describes why you did not or could not complete the renewal process. Was it because:	
You forgot or just did not get around to doing the paperwork	23.94%
The program wanted background information you couldn't get	9.86%
You sent in all the materials, but they said you did not send them	7.75%
You were planning on getting other insurance so you did not renew	18.31%
Child was healthy and so you did not need the coverage	0.70%
You just did not want child in CHIP anymore	1.41%
You never received renewal documents from CHIP	11.27%
You didn't know you had to renew	8.45%
Other	7.75%

IX. CHILDREN'S INSURANCE STATUS AFTER DISENROLLMENT USING SURVEY DATA

Coverage After Disenrollment

Table 6 contains a summary of children's health insurance status after disenrollment and a description of the insurance selected for those who did obtain another policy. Only 37% of families chose another type of coverage after disenrolling. Of those, 54% went to the Medicaid Program and 38% chose coverage from a current or past employer. Of those who obtained other coverage, 77% kept the same primary care provider for their children.

Those who did not select other coverage indicated that they could not afford coverage (55%). Another 32% indicated that they had reapplied and were waiting to return to CHIP (Table 6). This finding is not surprising given that overall about 19% of those who disenroll for any reason and 26% of those who disenroll after the continuous eligibility period is over re-enroll at a later date.

Table 7 shows the differences in responses about insurance coverage post-CHIP enrollment according to family race and ethnicity. The following significant differences were noted:

1. A smaller percentage of Black Non-Hispanics obtained other coverage for their children when compared to White Non-Hispanics and Hispanics (30% versus 38% and 38%, respectively).
2. A higher percentage of Black Non-Hispanics and Hispanics obtained Medicaid as their children's coverage post - CHIP when compared to White Non-Hispanic families (41% and 64% versus 36%).

Table 6 – Post Disenrollment Coverage

Category	Percentage
Have you selected another insurance coverage for your child?	
Yes	36.85%
No	63.15%
What insurance did you select?	
Private health insurance from a past or current employer or union, other than the military	37.57%
Private health insurance purchased directly by you and not through an employer or union	2.76%
Medicare	2.21%
Medicaid	54.21%
CSHCN, Children with Special Health Care Needs Title V Program (formerly CIDC)	0.00%
CHAMPUS, CHAMP-VA, TRICARE, VA, or some other type of military insurance	3.31%
State-sponsored or public health insurance program that we have not already mentioned	0.00%
Were you able to keep the same primary care provider for your child with this new insurance plan?	
Yes	76.65%
No	23.35%
What is the main reason why you have not selected another health insurance policy for your child?	
Medical problems/pre-existing conditions	2.43%
Too expensive/can't afford it/premium too high	55.32%
Don't believe in insurance	0.61%
Don't need insurance/child usually healthy	3.95%
Free or inexpensive care is readily available	3.65%
Waiting to get back into CHIP	32.22%
Other	15.85%

Table 7 – Post Disenrollment Coverage By Race

Category	Percentages			
	White, NH	Black, NH	Hispanic	Other
Have you selected another insurance coverage for your child?				
Yes	38.33%	30.36%	37.78%	0.00%
No	61.67%	69.64%	62.22%	0.00%
What insurance did you select?				
Private health insurance from a past or current employer or union, other than the military	53.33%	52.94%	28.45%	0.00%
Private health insurance purchased directly by you and not through an employer or union	6.67%	5.88%	0.86%	0.00%
Medicare	0.00%	0.00%	3.45%	0.00%
Medicaid	35.56%	41.18%	63.79%	0.00%
CSHCN, Children with Special Health Care Needs Title V Program (formerly CIDC)	0.00%	0.00%	0.00%	0.00%
CHAMPUS, CHAMP-VA, TRICARE, VA, or some other type of military insurance	4.44%	0.00%	3.45%	0.00%
State-sponsored or public health insurance program that we have not already mentioned	0.00%	0.00%	0.00%	0.00%
Were you able to keep the same primary care provider for your child with this new insurance plan?				
Yes	60.98%	70.59%	83.96%	0.00%
No	39.02%	29.41%	16.04%	0.00%
What is the main reason why you have not selected another health insurance policy for your child?				
Medical problems/pre-existing conditions	5.19%	5.13%	0.98%	0.00%
Too expensive/can't afford it/premium too high	55.84%	56.41%	54.15%	0.00%
Don't believe in insurance	0.00%	0.00%	0.98%	0.00%
Don't need insurance/child usually healthy	2.60%	2.56%	4.88%	0.00%
Free or inexpensive care is readily available	1.30%	5.13%	4.39%	0.00%
Waiting to get back into CHIP	26.87%	43.59%	31.71%	0.00%
Other	19.48%	15.38%	14.71%	0.00%

X. SUMMARY AND RECOMMENDATIONS

SCHIP was intended to improve children's access to health care by providing affordable insurance coverage to low-income families. However, access to care and the quality of the children's health care may be hampered if they are covered for only short periods of time. Texas has contributed greatly to the information available about factors influencing children's disenrollment from CHIP through these analyses.

Families' disenrollment experiences in Texas are very positive overall. Both administrative and family interview data were used to conduct this comprehensive analysis. In terms of findings using the administrative data:

1. About 20% of the children in CHIP disenrolled for any reason during the 22 month period studied. About 19% of these later re-enroll in the program. About 30% of families did not renew their children's coverage at the end of the 12 month continuous eligibility period. However, 26% of them did re-enroll within 3 months of disenrollment.
2. Children with physical and mental health special health care needs are 20% and 30% less likely to disenroll for any reason when compared to healthy children. They are also less likely to not renew at the end of the continuous eligibility period than healthy children.

While it is important to continue to monitor disenrollment from CHIP, the results are favorable compared to those obtained in other states using administrative data. For example, a study using administrative data from Oregon and Kansas found that 50% to 60% of CHIP enrollees did not renew coverage after the continuous eligibility period. These findings compare to 30% of children in Texas.

Moreover, relying only on information available in administrative data, there are several factors that contribute to families' decisions to keep their children enrolled in the program or to renew their children's coverage. The most striking finding is about the children's health status. Families, understandably, may choose to continue enrollment for children only when the children have special health care needs.

While understandable, this finding also raises some important issues for Texas to consider. CHIP in Texas is experiencing retention of sicker enrollees, as seen in at least one other state (Florida). If in fact, children with physical and mental special health care needs continue to have greater odds of remaining enrolled or renewing their coverage than healthy children, there could be implications for the financing and organization of the program. Over time, the premium may increase due to the adverse retention of children with increased health care needs and the loss of healthier children. In addition, the size and composition of the provider network may need to change to accommodate sicker children, perhaps in need of more specialty care.

It is important to continue to assess this trend. In addition, Texas many want to consider, as part of its outreach activities, educating families about the importance of insuring their children for preventive and routine care, not just care when their children are sick or have chronic conditions. There is some evidence to suggest that such outreach approaches may have a positive influence on families' decisions to keep their children enrolled.

Another finding of note based on using the administrative data is that Black Non-Hispanic families were 16% more likely to disenroll from the program (even after considering other factors such as income and child health status). Based on additional information from the telephone survey data, these Black Non-Hispanic families were less likely to obtain other coverage for their children post-CHIP than White Non-Hispanic or Hispanic families.

However, it is important to note that the majority of families (over 60%), regardless of their race or ethnicity, did not obtain any other coverage for their children post-CHIP and cited the cost of premiums as the primary reason. Therefore, attention needs to be given to encouraging all families to retain coverage for their children if they do not have other options.

Several other sociodemographic factors were significantly related to disenrollment. For example, families below 186% FPL were less likely to disenroll from the program than families above 186% FPL. Presumably poorer families have fewer health insurance options for their children and keep them enrolled.

Older children are less likely to disenroll than younger children (those ages 0-5). It is possible that families with younger children may be more likely to become Medicaid eligible. Further analyses should be conducted identifying how many children who disenroll from CHIP later enroll in the Medicaid Program.

More detailed information was obtained about families' reasons for disenrolling their children from the telephone surveys. Less than 2% of families reported any program dissatisfaction as a primary reason for disenrollment. Moreover, using family report, few families (16%) did not renew their children's coverage at the end of the continuous eligibility period as a primary disenrollment reason. This finding is consistent with that obtained from a NASHP seven state study. NASHP notes that families may appear to "*fail* to renew" coverage based on administrative data when in fact they *chose* not to renew their children's coverage. For those families who do renew their children's coverage, they report that the experience a positive and easy one.

Thus many positive findings were obtained from this analysis. Families are very satisfied with all aspects of the program and do not report dissatisfaction with the premiums, the co-payments, or the providers. Disenrollment overall and at the renewal period is low in comparison to other states. Finally, families appear to be making decisions about their children's insurance coverage based, in part, on the children's health. While this is rational and understandable, families need education about the importance of health insurance and preventive care for all children, not just those with special needs.

TECHNICAL APPENDIX A

DISCRETE-TIME HAZARD MODEL FOR REENROLLMENT AND DISENROLLMENT: TEXAS DATA

Technical Report
By Delfino Vargas-Chanes

The Analytic Model

Discrete-time hazards model are used to analyze the time to disenrollment for any reason, and reenrollment after a disenrollment spell. Discrete-time hazard models were used. A logit model was used to examine the odds of not renewing coverage after 12 months of continuous eligibility. The discrete-time approach incorporates the complementary log-log function into the logit model and uses a regular logistic model. Estimates and standard errors using this approach are equivalent to proportional hazard models with discrete ties option.

The model

The person-level discrete-time hazard model utilizes a regular logistic regression model where time is included as dummy variable with no intercept is a follows (Reardon, Brennan, & Buka, 2001):

$$\eta_{it} = \ln\left(\frac{p_{it}}{1-p_{it}}\right) = \sum_{t=1}^{p-1} \alpha_t (MONTH_{it}), \quad (1)$$

where p_{it} denotes the probability of disenrollment (reenrollment) for a subject *i* at month *t*. If we add the child characteristics (age, gender, poverty level, race, and children with special care needs) then the model is as follows

$$\eta_{it} = \sum_{t=1}^{p-1} \alpha_t (MONTH_{it}) + \sum_{j=1}^{q} \beta_j x_j \,, \quad (2)$$

where x_j denotes the covariates needed in the model. In order to assess whether the health plan has an effect on the covariates the following model was proposed

$$\eta_{ijt} = \sum_{t=1}^{p-1} \alpha_t (MONTH_{it}) + \sum_{j=1}^{q} \beta_j x_j + \sum_{l=1}^{r} \lambda_l PLAN_l \quad (3)$$

where $PLAN_l$ denotes the effect of health plan into the model. The *MONTH* effect has p-1 terms to avoid linear dependence, thus if we have 15 month of data there will be 14 parameter for the variable month. The estimates α and β indicate the effects of months and the covariates on the risk to disenroll (reenroll) from the health plans. In addition, by comparing the estimates from model (2) and (3) we can assess the relevance of health plans into the conditional discrete-time model. The contribution of health plan into the model is tested by taking the difference of log-likelihood functions form each model. If $\log\Lambda_2$ and $\log\Lambda_3$ denotes the log-likelihood for models (2) and (3), respectively then $K=2(\log\Lambda_2 - \log\Lambda_3)$ assess the contribution of health plans into model (3). We compare K versus a χ^2 statistic with p-1 degrees of freedom at $\alpha=0.05$ level of confidence to determine the statistical significance of health plans into the model.