

# Increasing federal match funds for states boosts enrollment of kids in health-care programs

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Significantly more children get health insurance coverage after increases in federal matching funds to states for Medicaid and the Children's Health Insurance Program (CHIP), according to new research from the University of Michigan.

The research, published Monday in the journal *Health Affairs*, showed that a 10-percentage-point increase in the federal match for [Medicaid](#) and CHIP, similar to the increase that occurred with the American Reinvestment and Recovery Act, is associated with an increase of 1.9 percent in the number of [children](#) enrolled in Medicaid nationwide, or approximately 500,000 additional children.

"Throughout the past decade, Medicaid and CHIP enrollment for children has increased, while the level of uninsurance has decreased. Our study suggests that these combined federal and state programs have succeeded in providing [health insurance coverage](#) for children, even as the number of children in poor and low-income families has increased," says Stephen Patrick, M.D., M.P.H., M.S., the study's lead author and a neonatal-perinatal medicine fellow in the Department of Pediatrics and [Communicable Diseases](#) at C.S. Mott Children's Hospital at the University of Michigan.

Patrick is a 2010-12 Robert Wood Johnson Foundation Clinical Scholar at the University of Michigan.

"Medicaid and CHIP work as a partnership between states and the federal government that benefits children," says Matthew M. Davis, M.D., M.A.P.P., associate professor in the Child Health Evaluation and Research Unit and the Division of General Medicine at the U-M Medical School and associate professor of public policy at the Gerald R. Ford School of Public Policy.

"We found a strong relationship between the federal share of funding, called the Federal Medical Assistance Percentage, and Medicaid enrollment for children over the past decade," says Davis, who is senior author on the paper.

"Congress can change the federal match at any time, and they have increased the match to help states during tough economic times," explains Davis. "The match was increased during our recent recession, but returned to previous levels in June 2011. We found that changes in FMAP are associated with significant changes in children's [health care](#) coverage through Medicaid and CHIP, even after accounting for state-level factors such as government revenues and proportion of children living in poverty."

It is not yet clear what effect the federal match decrease in 2011 will have on children's health care coverage.

"When states receive reduced federal funds for Medicaid, they may be forced to limit their outreach to enroll eligible children, restrict optional benefits, or otherwise reduce activities in their Medicaid programs that they might pursue," Patrick says. "It is clear from decades of research that children with coverage have better access to timely health care than children without coverage.

"The fact that it requires an act of Congress to respond to states' economic downturns through the federal match mechanism suggests that

the match needs to be modernized," says Patrick.

The researchers analyzed publicly available data from all 50 [states](#) from 1999 to 2009.

**More information:** [doi: 10.1377/hlthaff.2011.0988](https://doi.org/10.1377/hlthaff.2011.0988)

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