

Recession forced many families to seek Medicaid coverage

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Illinois data shows those who had children with chronic illnesses were most affected.

(HealthDay)—During the last economic recession, the families of many children with chronic health conditions had to turn to Illinois' Medicaid program, Chicago researchers report.

In fact, the number of chronically ill kids enrolled in the state's public [health insurance program](#) increased 26.7 percent between 2007 and 2010, compared with only a 14.5 percent increase among kids without a chronic disease, the team found.

Parents with a child battling an ongoing illness appeared to have been more financially strained than families with healthy children, explained study author Dr. Rishi Agrawal, a pediatrician at Lurie Children's

Hospital and La Rabida Children's Hospital, both in Chicago.

When the economic downturn came, these parents of an ill child were forced to seek public assistance from either Medicaid or the Children's Health Insurance Program (CHIP), a federal program serving the children of families that do not qualify for Medicaid, to maintain the medical care their child needed. The findings were reported online June 9 and in the July print issue of *Pediatrics*.

"An economic downturn potentially hits families of children with chronic conditions harder," Agrawal said. "This is a vulnerable population, and when the downturn hit, these families were more likely to not be able to work and maintain private insurance."

Angela Mattie, an associate professor of management and chair of the [health care management](#) and organizational leadership program at Quinnipiac University, in Hamden, Conn., said the numbers could be seen as a success story for Illinois' Medicaid program, showing that it worked as intended and helped the children who needed help most.

"The fact there is a safety net is a wonderful thing, especially if you have a kid who has a chronic condition," Mattie said. "You can exacerbate these conditions if patients don't have ongoing care with a pediatrician and access to medication."

The research team performed its study on Illinois children on Medicaid or CHIP between 2007 and 2010. They specifically looked at kids younger than 19 participating in fee-for-service care.

The biggest growth occurred among recipients who had episodic chronic conditions like asthma or depression, Agrawal said, followed by kids suffering from cancer or from complex progressive conditions such as cerebral palsy.

Agrawal noted that families with a chronically ill child typically have more difficulty maintaining employment and making ends meet, and often are dealing with increased levels of stress.

These families face higher medical bills as well. "If you have a child with a chronic illness, they're going to have more co-pays and it's going to be a greater expense," he said.

Overall government spending on Medicaid increased during this period, but the researchers found that the amount spent on each person's care actually declined, on average.

For example, the cost to treat episodic chronic illnesses fell about 17 percent between 2007 and 2010. Costs for all Medicaid kids fell about 12 percent.

The authors speculated this could be due to improvements in pediatric care, or tighter administrative control of spending.

It also could be that the kids coming into Medicaid from private insurance were healthier, with better controlled chronic illnesses, Mattie said.

"These kids have had pretty good care on the outside to maintain these conditions," she said. "We know people without health insurance, their conditions exacerbate because they aren't receiving care."

Switching to Medicaid from private insurance likely had both benefits and drawbacks. Prior to the Affordable Care Act, federal law required that Medicaid cover services for children with special needs that many private insurance plans wouldn't, such as private nursing care or durable medical equipment, Agrawal said.

On the other hand, it can be hard for Medicaid patients to find a doctor, he said. The program historically has paid less for medical services than either Medicare or private insurance, causing many doctors to decline to serve people on Medicaid.

The authors noted that the impact of their findings is limited to Illinois, since every state has its own unique Medicaid program.

They also could not say whether the economic recovery or the Affordable Care Act has caused any of these children to transition back to [private insurance](#).

"It will be interesting to see what has happened after the recession, and at some point we will do that," Agrawal said.

More information: For more information on the Children's Health Insurance Program, visit the [U.S. Centers for Medicare and Medicaid Services](#).

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