



New Carsey Institute Report Finds That Over One-Third Of Rural Children Rely On SCHIP And Medicaid

Rural Children More Dependent On Public Health Care Coverage Than Those In Cities

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May 10, 2007

Durham, N.H. – A higher percentage of children in rural areas depend on Medicaid or the State Children's Health Insurance Program (SCHIP) for health insurance than children in urban areas, a new study by the Carsey Institute at the University of New Hampshire finds.

The Carsey Institute found that in 2005, 32 percent of children in rural areas relied on SCHIP or Medicaid compared to 26 percent of children in cities. The report also found more rural children living in economically vulnerable families, with 47 percent of rural children living in low-income families in 2005, compared with 38 percent of urban families.

Nationwide, approximately 28 million children receive health insurance from Medicaid, with an additional six million covered by SCHIP. Enacted in 1997, SCHIP serves children in low-income families that generally earn too much to qualify for Medicaid, but too little to afford private health care coverage.

"SCHIP plays a vital role in the health of rural children," said Mil Duncan, director of the Carsey Institute at the University of New Hampshire. "Every year, public health insurance becomes increasingly important to low-income families as employers drop private coverage or jobs are lost due to changes in the rural economy."

From 1996 to 2005, the number of children covered by private health insurance steadily declined, while those covered by SCHIP and Medicaid steadily increased. This trend was found in both urban and rural America. In rural communities, the steady loss of manufacturing jobs has contributed to the loss of private health insurance coverage.

"Among rural children living in low-income families, we saw private-sector insurance coverage fall from 45 percent to 37 percent between 2000 and 2005," said William O'Hare, report author and senior fellow at the Carsey Institute. "These families have little option but to seek government-funded coverage for their children. This shift away from employer-based insurance is likely to continue, resulting in increased reliance on SCHIP and Medicaid."

The U.S. Congress is due to reauthorize the SCHIP program in 2007. Under consideration are proposals to expand coverage to more families and increase funding.

"This year Congress has a historic opportunity when it reauthorizes the SCHIP program to expand health coverage to America's nine million uninsured children," said Ron Pollack, executive director of Families USA. "Both the Senate and House of Representatives have passed a budget resolution setting aside \$50 billion in additional funding for SCHIP over the next five years. This report demonstrates how important it is to expand coverage to uninsured

children in rural communities."

"Above all, today's report reinforces the fact that SCHIP must be reauthorized and its funding must be increased," said Bruce Lesley, president of First Focus, a bipartisan organization dedicated to advocating sound healthcare policies to protect America's children. "With trends showing a continuing decline in the number of children covered by private sector health insurance, urgent attention must be given to America's rural communities, as they have become the neediest in the country. As the study points out, more children in rural communities are relying on SCHIP and Medicaid than those in urban regions, underscoring the need to increase the number of kids eligible for SCHIP and to expand outreach and enrollment efforts in all areas across the nation."

While Medicaid and SCHIP are covering more children each year, more than eight million children under 18 still lack health insurance. In rural America, the Carsey study found that a majority of uninsured children – 54 percent – live in families where the head of the household works full-time year-round.

Studies have found that as many as 20 million children live without health insurance at some point in the year. This is especially true in families in which a parent is employed in seasonal or cyclical work, which can be more prevalent in rural areas.

"There are a number of reasons why eligible children are living without health coverage," said Mil Duncan. "In some cases, families are unaware that their children qualify or don't know how to apply. In rural areas, many people have to travel long distances to apply, which isn't an option for many low-income families. It's clear that solutions are needed in rural America, including making private insurance more affordable and expanding public health insurance programs."

The Carsey Institute at the University of New Hampshire conducts research and analysis on the challenges facing rural families and communities in New Hampshire, New England, and the nation. The Carsey Institute sponsors independent, interdisciplinary research that documents trends and conditions affecting families and communities, providing valuable information and analysis to policymakers, practitioners, the media, and the general public. Through this work, the Carsey Institute contributes to public dialogue on policies that encourage social mobility and sustain healthy, equitable communities. The Carsey Institute was established in May 2002 with a generous gift from UNH alumna and noted television producer Marcy Carsey.

