The effects of premium changes on ALL Kids, Alabama's CHIP program.

published by admin on Mon, 09/08/2014 - 7:42am
Title The effects of premium changes on ALL Kids, Alabama's CHIP program.
Publication Type Journal Article
Year of Publication 2012
Authors Morrisey, MA, Blackburn, J, Sen, B, Becker, D, Kilgore, ML, Caldwell, C, Menachemi, N
Journal Medicare Medicaid Res Rev
Volume 2
Issue 3
Date Published 2012
ISSN 2159-0354
Keywords Alabama, Child, Cost Sharing, Female, Humans, Insurance, Insurance, Health, Male, Models, Statistical, Poverty

Abstract
OBJECTIVE: Describe the trends in enrollment and renewal in the Alabama Children's Health Insurance Plan (CHIP), ALL Kids, since its creation in 1998, and to estimate the effect that an annual premium increase, along with coincident increases in service copays, had on the decision to renew participation.

BACKGROUND: Unlike many other CHIP programs, ALL Kids is a standalone program that provides year long enrollment and contracts with the state's Blue Cross and Blue Shield program for its network of providers and its provider fee structure. In October 2003 premiums for individual coverage were increased by $50 per year and copays by $1 to $3 per visit.

POPULATION STUDIED: This study is based upon a sample of 569,650 person-year observations of 230,255 children enrolled in the ALL Kids program between 1999 and 2009.

STUDY DESIGN: The study models enrollment as a time series of cross section renewal decisions and specifies a series of linear probability regression models to estimate the effect of changes in the premium shift on the decision to renew. A second analysis includes interaction effects of the premiums shift with demographics, health status, income and previous enrollment to estimate differential response across subgroups.

PRINCIPAL FINDINGS: The increases in premiums and copays are estimated to have reduced program renewals by 6.1 to 8.3 percent depending upon how much time one allows for families to renew. Families with a child who has a
chronic condition were more likely to renew coverage. However, those with chronic conditions, African-Americans and those with lower family incomes were more price-sensitive.

**CONCLUSIONS:** An increase in annual premiums and visit copays had a modest impact on program reenrollment with effects comparable to those found in Florida, New Hampshire, Kansas and Arizona, but smaller than those in Kentucky and Georgia.

DOI: 10.5600/mmrr.002.03.a01
Alternate Journal: Medicare Medicaid Res Rev
PubMed ID: 24800149
PubMed Central ID: PMC4006389