

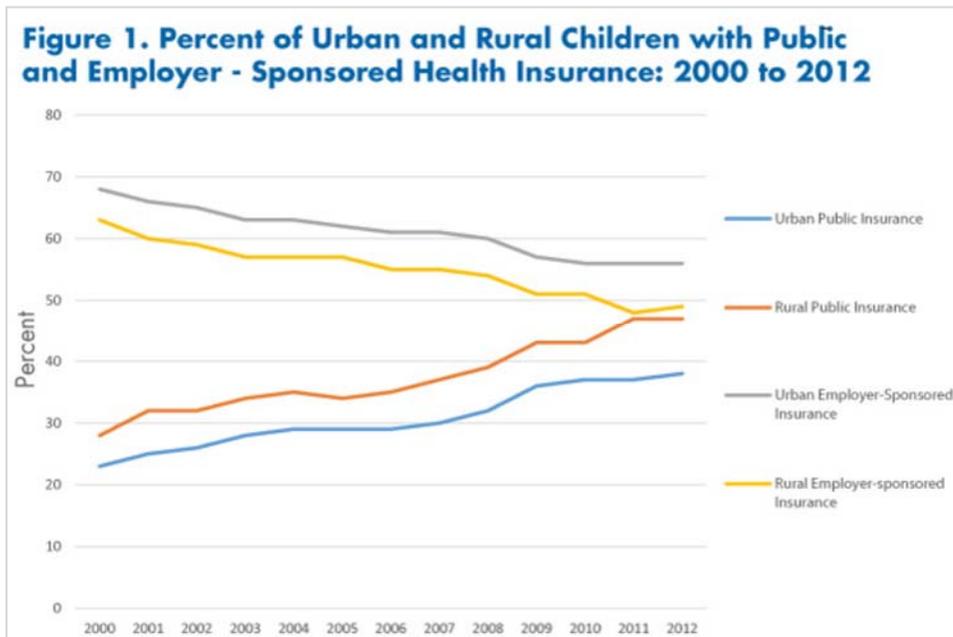
In 1997 the Children's Health Insurance Program (CHIP) was enacted by a bipartisan group of lawmakers. CHIP was designed to provide funding to states to improve coverage for and reduce the numbers of uninsured children in low-income, working families whose incomes are above the Medicaid eligibility threshold in their state. For almost two decades, together with Medicaid, CHIP has performed beyond expectations – reducing the number of uninsured children by more than half and ensuring parents can enroll their children in affordable, quality care that meets their children's needs.

Of the 78.5 million children in the U.S., approximately 40 million get their health coverage through CHIP and Medicaid at some point during the year, with nearly 8 million children enrolled in CHIP and 32 million enrolled in Medicaid. A new report, [*Rural Children Increasingly Rely on Medicaid and Child Health Insurance Programs for Health Insurance*](#), takes a closer look at children's coverage data to discern how coverage sources differ across the nation, with a focus on rural and urban trends. The report, authored for First Focus by William O' Hare, finds that, at an increasing rate, children in rural areas are relying more heavily on public coverage programs like CHIP and Medicaid for their health insurance and the share of rural children who get covered through CHIP and Medicaid is larger than the share of urban children who rely on these programs.

Key findings from the report include:

- While the rate of uninsurance is similar for children in rural and urban areas (9 percent), a greater proportion of rural children are covered through CHIP or Medicaid compared with children in urban areas. In 2012, 47 percent of children living in rural areas were covered through CHIP or Medicaid, compared to 38 percent of urban children.
- In 2012, the states with the lowest rates of uninsured children in rural areas were Massachusetts (1.7%), Vermont/Illinois (3.5%), and Connecticut (4.0%). The states with the highest percent of rural children who were uninsured were Nevada (17.3%), Arizona (17.1%), Alaska (15.4%), and Texas (14.9%).
- Of the fifty counties nationwide with the highest uninsured rates for children, 45 are rural counties.
- The share of rural children who rely on Medicaid or CHIP has been climbing rapidly in recent years, increasing from 28 percent in 2000 to 47 percent in 2012.
- In nearly every state, rural children depend on public coverage more than urban children. The states with the highest Medicaid/CHIP coverage rates for rural children were Arkansas (56%), New Mexico (55%), Mississippi/Louisiana (53.5%) and Alabama (48.8%).
- At the same time Medicaid and CHIP coverage has been on the rise in rural areas, fewer families are gaining access to employer-based coverage. The rate of employer-based coverage in rural America has decreased significantly from 63 percent covered by employer-based insurance in 2000 to 49 percent in 2012. If this trend continues CHIP and Medicaid will soon be the most prevalent types of insurance coverage used by children in rural areas.

CHIP and Medicaid are essential sources of coverage for our nation's children, including children in rural America. These programs have a proven track record of providing high quality, cost-effective coverage for low-income children in working families. With child poverty rates in rural America estimated at 26.7 percent, CHIP and Medicaid serve as critical lifelines for rural families, who continue to struggle to recover from the recession. Because of CHIP and Medicaid the numbers of uninsured children have been reduced to record lows, even during the economic crisis that began in 2008.



CHIP enjoys strong bipartisan support with voters, as well as policymakers. A poll conducted on the eve of the 2012 presidential election found that 83 percent of voters (93 percent of Democrats, 78 percent of independents, and 75 percent of Republicans) said extension of CHIP funding was important to them. Another recent poll found that 88 percent of adults (99 percent of Democrats, 87 percent of independents, and 78 percent of Republicans) agree that every child in their state should have health insurance.

Funding for CHIP is currently set to expire on September 30, 2015. Congress must take action this year to secure CHIP's future. Because CHIP is implemented at the state level, governors are now forming their budgets for next year. Congressional action this year is critical to give states the certainty of funding necessary to continue their programs. Inaction by Congress would disrupt coverage for the eight million kids who rely on CHIP for their health care. Now is not the time to reverse course on the tremendous progress that CHIP has ensured over the last two decades, especially for children in rural America who increasingly rely on CHIP for their coverage. Children, families, and states need to be sure that CHIP will continue to be available.

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