

# CHIP Utilization in South Texas: *A Prospective Longitudinal Study of the Children's Health Insurance Program*

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## ABSTRACT

This pilot study examined the use of health services by families with children on CHIP and Medicaid. The project focused on how families in Mission, a small city in South Texas near the border with Mexico, used the programs. The study found increasingly efficient use of health services over time, including a statistically significant drop of nearly 80% in the use of the emergency room from the first to the second year of the study. Preventive care was used regularly by most families in the study as measured through rates of visiting the dentist and getting an eye examination; however, those rates fell immediately and drastically after the state legislature cuts in CHIP came into effect in the fall of 2003. The study presents evidence supporting the following conclusions: (1) Parents rely on CHIP and Children's Medicaid to meet the needs of their children; (2) Parents are using CHIP and Children's Medicaid appropriately and efficiently; (3) Use of the emergency room decreases dramatically when children have health insurance. Low-income families thus rapidly came up to speed on using health services efficiently, and they and healthcare providers demonstrated exquisite sensitivity to policy changes by responding rapidly to CHIP program cuts. The savings in emergency room services include state indigent care funds provided to the county and additional county monies.