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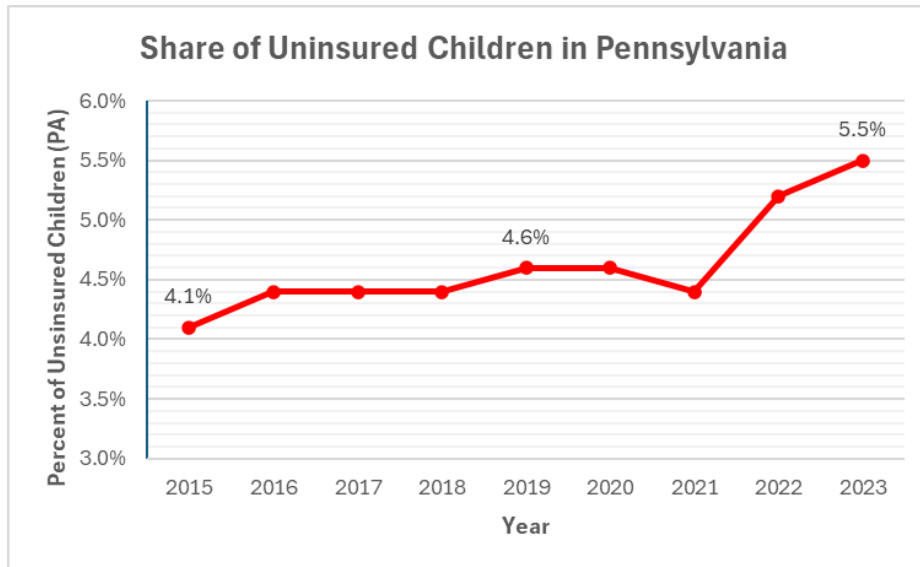
**PA HOSPITALS LOSE NEARLY \$400 MILLION CARING FOR UNINSURED KIDS**

July 1, 2024 – The financial statements for eight out of ten Pennsylvania’s hospitals show that **hospitals are bleeding red in part due to a troubling spike in the share of children without health insurance** coverage. Lawmakers have a simple option for helping cure what’s ailing the financial condition of hospitals by making sure every child in the Commonwealth is insured so when patients under 18 are treated, hospitals can get paid for their care.

The Commonwealth paid hospitals nearly \$1 billion (\$966 million) in Medicaid funds to cover a portion of uncompensated care for individuals without any sort of health insurance coverage based on the latest available data. Forty percent of those payments are associated with the care for uninsured children according to the new analysis conducted by Children First.\* Children First’s research found that 40% of hospital charges for uncompensated care charges are a result of hospital inpatient and outpatient care for 9,800 children (under 18 years old) among the 158 hospitals in the state. As a result, nearly \$400 million (\$386 million) in uncompensated care payments made by the Commonwealth to hospitals was paid to cover a portion of the costs of caring for uninsured children.

The Children First analysis finds that the rising share of children without health insurance coverage is contributing to financial stress on hospitals. The latest data, as of March 2024, finds the share of uninsured children rose steadily in the last three years. The current number of uninsured children is estimated to be [145,000](#) or 5.5% of all children. This new high watermark in the share of uninsured children places Pennsylvania 5<sup>th</sup> highest in the nation. Meanwhile the state can follow the lead of other states to close the gap in children’s health insurance coverage.

A significant factor associated with the spike in the share of uninsured children is new requirements associated with Medicaid enrollment that went into effect when the pandemic emergency was ended. During the pandemic, the federal government suspended the standard requirement that families demonstrate proof of eligibility every six months to continue Medicaid coverage. As a result, the Pennsylvania Department of Human Services [data](#) shows 128,881 children have lost Medicaid coverage since April 2023.



The Commonwealth must shore up the financial safety net for our healthcare system by ensuring every low-income child is eligible for Medicaid coverage and enable their families to enroll them quickly and efficiently. This can be accomplished by 1) automatically enrolling children in Medicaid for health insurance when they are already enrolled in other public benefits; 2) putting resources into navigators to find uninsured children and help their parents with enrollment; and 3) ensuring every child who is medically or financially eligible for Medicaid has no barriers to enrollment.

Commenting on the situation, Nicole Stallings, President and CEO of The Hospital and Healthsystem Association of Pennsylvania (HAP) said, “We know that when children have health insurance coverage, they are more likely to receive routine and preventative care,” said. “HAP and Pennsylvania hospitals support expanding insurance coverage to keep Pennsylvania children healthy and sustain access to care they depend on.”

Kaiser Family Foundation cites [several studies](#) demonstrating that when uninsured children contract common childhood illnesses and injuries and do not receive the same level of care as others, they are at higher risk of hospitalization and missed diagnoses that lead to serious health conditions. The data shows that the later any sick child receives care, the more likely it is that the cost of treating a child will be more expensive and could likely end up in a hospital setting.

Annette Myarick, Executive Director of the Pennsylvania Chapter of the American Academy of Pediatrics sees this dynamic play out all the time in health settings. She states, “When children are sick or injured, and uninsured their parents/caretakers may delay seeking care due to the inability to afford treatment, which may make an illness or injury worse, and they may end up in a higher cost setting like the emergency room or inpatient in a hospital.”

“The PHC4 data was sobering in that we now see the tremendous financial impact that uninsured children have on a stressed healthcare system. The Commonwealth can take steps to resolve this problem by making a greater effort to help families access coverage their children are entitled to and enacting reforms that enable every child who is low-income is deemed eligible for coverage. Covering all children would alleviate this burden for families and health care systems alike,” said Diana McWilliams, Health Policy Director at Children First.

Dr. Renee Turchi, pediatrician for St. Christopher’s Hospital for Children, states "As a pediatrician in one of the state’s few safety net hospitals for children, I treat children regularly who are uninsured and for which I know we will not get paid. Thankfully, the Commonwealth is poised to increase resources so we can meet the needs of the children we treat who are insured. Measures to reduce the share of uninsured children will both increase our capacity to care for every child and more importantly give every child the opportunity to grow up healthy."

Children First’s [Smart Money](#) provides the analysis that demonstrates that by closing the health insurance coverage gap for children, the Commonwealth can improve the financial stability of the health care system, increase child well-being outcomes and produce additional tax revenues for the Commonwealth. Access the Smart Money brief [here](#).

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\*Children First obtained data from the database maintained by the PA Healthcare Cost Containment Council (PHC4) that disaggregated uncompensated care by hospital and age of patient for in-patient and outpatient care the state covering the period of July 2021 – June 2022. This data analysis represents the first time the extensive data reporting system managed by PHC4 was asked to release uncompensated care costs, disaggregated by age. The uncompensated care estimates included in this analysis are conservative, as this data only includes inpatient and outpatient care provided by care hospital and does not include uncompensated care provided in other healthcare settings.

Insure Every Child is a Pennsylvania statewide coalition that advocates for health insurance coverage for every child in the Commonwealth. Members include: Asian Americans United, CASA Youth Advocates/Voices for Children Coalition, Children First, Centro Nueva Creación, Children’s Hospital of Pennsylvania (CHOP), Community Legal Services, Delco CASA, Episcopal Community Services, Health Federation of Philadelphia, HIAS Pennsylvania, Hospital & Healthsystem Association of PA (HAP), Indochinese American Council, Jefferson Health, Just Strategies, Little People's Village, PA American Academy of Pediatrics, PA Association of Community Health Centers, PA Coalition for Oral Health, PA Youth Vote, Pennsylvania Health Access Network, Pennsylvania Partnerships for Children, Public Health Management Corporation, UPMC, Urban Affairs Coalition, and Wellspan.