

# Protecting Medicaid for Children

- **Medicaid and the State Children's Health Insurance Program (SCHIP) are the critical safety net programs for children, and children must be protected.** Medicaid alone provides health insurance to nearly one-third of American children.<sup>i</sup> Together with SCHIP, 30 million low-income children have access to otherwise unaffordable health insurance.<sup>ii</sup> Furthermore, Medicaid plays a vital role in providing coverage for children with special health care needs, currently covering one in every three children with a special health care need.<sup>iii</sup>
  - **The entitlement to Medicaid should be protected to ensure the health and well-being of millions of children.** The Medicaid law guarantees eligible children access to coverage. Capping federal Medicaid funding would undermine the entitlement nature of the program. Health care for children will suffer.
  - **Cuts to the Medicaid program run counter to bipartisan efforts for outreach and enrollment of uninsured children who are eligible, but not enrolled.** 6.3 million uninsured children, over two-thirds of all uninsured children in America, are currently eligible for either Medicaid or SCHIP, but unenrolled.<sup>iv</sup> Dramatic cuts to the Medicaid program, or limits on federal spending, will force states to limit enrollment or benefits in order to meet the cap. Coverage efforts for children will suffer.
  - **Children's coverage is not driving the increases in overall Medicaid spending.** Only 15% of the spending growth between 2001 and 2002 was attributable to children, compared to 57% of spending growth on the elderly and disabled.<sup>v</sup>
  - **Health care for children is inexpensive.** While children represent over 50% of all Medicaid enrollees, they account for less than 25% of all Medicaid expenditures - including expenditures for children with special needs.<sup>vi</sup>
  - **Preventive care is necessary, cost-effective, and should not be cut.** Preventive care is the cornerstone of pediatrics. Through the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program, Medicaid guarantees low-income children access to critical preventive services. Two recent studies have shown that adherence to well-child care recommended visits are effective at lowering the risk of emergency department (ED) usage and the risk of avoidable hospitalization.<sup>vii</sup>
  - **Efforts to ensure the continued success of the Medicaid program for low-income families should include:** policies to strengthen outreach, enrollment and retention of eligible beneficiaries; implementation of quality performance measures that address access to care, utilization, and effectiveness; establishment of appropriate incentives for both Medicaid plans and providers to deliver high-quality services; and critically, policies that remedy the woefully inadequate Medicaid payment for physicians who care for children.
  - **Inadequate Medicaid payment rates threaten the ability of health care providers to ensure the access to health care children need.** On average, Medicaid reimburses pediatricians at only 68% of the rate that would be paid under Medicare,<sup>viii</sup> and only 56% of commercial rates for an office visit.<sup>ix</sup> The AAP strongly recommends ensuring equitable payment for providers of pediatric care.
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- i AAP Division of Health Policy Research. 2000 Medicaid State Reports. May 2003.
- ii American Academy of Pediatrics Division of Health Policy Research analysis of Medicaid Statistical Reports (MSIS/2082 Reports) for Federal Fiscal Year 2000. Available at: <http://www.cms.gov/medicaid/msis/msis99sr.asp>. Accessed February 10, 2003. Fiscal Year 2002 Number of Children Ever Enrolled in SCHIP - Preliminary Data Summary. Jan 2003 CMS report. Available at: <http://www.cms.gov/schip/schip02.pdf>. Accessed April 9, 2003.
- iii M Krauss et al. The Family Partners Project: The Health Care Experiences of Families of Children with Special Health Care Needs. The Effect of the Child's Medicaid Enrollment Upon Parental Rankings of Health Plan Performance and Use of Services - A Fact Sheet on Findings. 2000. Available at: <http://www.familyvoices.org/YourVoiceCounts/medicaid.html>. Accessed 4/9/2003.
- iv Children's Health Insurance Status and Medicaid /SCHIP Eligibility and Enrollment, 2003. American Academy of Pediatrics, September 2004.(URL:<http://www.aap.org/research/2004cps.pdf>)
- v Smith V, Ellis E, Gifford K, Ramesh R. Medicaid Spending Growth: Results from a 2002 Survey. Kaiser Commission on Medicaid and the Uninsured. September 2002. Available at: <http://www.kff.org/content/2002/4064/4064.pdf>. Accessed January 22, 2003.
- vi AAP Division of Health Policy Research. 2000 Medicaid State Reports. May 2003.
- vii Hakim R, Bye B. Effectiveness of Compliance with Pediatric Preventive Care Guidelines Among Medicaid Beneficiaries. *Pediatrics*. 2001; 108:90-97. Available at: <http://www.pediatrics.org/cgi/content/full/108/1/90>. Accessed January 27, 2002.
- viii Hakim R, Ronsaville D. Effect of Compliance with Health Supervision Guidelines Among US Infants on Emergency Department Visits. *Archives of Pediatrics and Adolescent Medicine*. 2002; 156: 1015-1020.
- ix Berman et al. Factors That Influence the Willingness of Private Primary Care Pediatricians to Accept More Medicaid Patients. *Pediatrics*, Aug 2002; 110: 239 - 248
- ix 2002 Pediatric Medical Cost Model, conducted by Reden & Anders for the American Academy of Pediatrics. Available from: URL: <http://www.aap.org/research/pedmedcostmodel.cfm>