

Medicaid's Role in Children's Health

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The Issue

Medicaid and its smaller companion program, the Children's Health Insurance Program (CHIP), cover more than 46 million children, including almost half of all children under the age of six.¹ While medically complex adults drive much of the program's costs, Medicaid plays an outsize role for children, particularly young children and children with special health needs. Through their Medicaid programs, state policymakers have substantial opportunity to affect the health—and future well-being and productivity—of their youngest residents.

Why It's Important

Medicaid pays for nearly half of all births in the country and covers a full range of services for children after birth, from essential screenings to critical treatments and supports for children with special needs. Medicaid also funds health services for children outside the traditional health care system.

Beyond providing access to needed care and services, Medicaid coverage offers long-term health and economic benefits:

- Medicaid is critical in helping to identify and provide treatment for developmental disabilities in children.
- Medicaid enrollment during childhood is associated with better health in adulthood.⁴
- Expanded access to Medicaid leads to lower high school dropout rates, increased college attendance, and more bachelor's degrees.⁵

Considerations for State Policymakers

States are implementing a number of strategies in Medicaid to maximize the health and well-being of children. New state policymakers will want to assess current state policy to determine if these strategies are being or should be pursued.

Ensure Robust Coverage. One of the most effective ways to improve child health is to maximize Medicaid eligibility and coverage. Policies that promote coverage include continuous eligibility, streamlined enrollment and renewal processes, and targeted outreach. Notably, policies that constrain coverage for parents—such as waivers that interrupt or otherwise reduce coverage for adults—can negatively impact the coverage status of their children.

Strengthen Access to Comprehensive Care. States can take meaningful steps to promote children's health and well-being through strengthening care that serves the "whole child."

- **Support interventions to improve birth outcomes**, such as Medicaid-funded [home visitation programs](#) and ["centering" group care initiatives](#) that enhance prenatal, postnatal and infant care, particularly for at-risk families.
- **Implement the comprehensive benefits available to children through Medicaid.** Federal law requires states to provide comprehensive health services for all Medicaid-covered

BY THE NUMBERS: CHILDREN'S COVERAGE

Driven largely by gains in Medicaid and CHIP enrollment, the nationwide children's uninsurance rate has dropped dramatically—from 14% in 1997, the year CHIP was signed into law, to 5% in 2017.

In 2016, 94% of eligible children were enrolled in Medicaid or CHIP.²

In 2017, the number of uninsured children in the U.S. increased for the first time in nearly a decade. Most children who lost coverage in 2017 reside in states that did not expand Medicaid.³

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children, as medically necessary, under a provision known as [Early and Periodic Screening, Diagnostic and Treatment \(EPSDT\)](#). States can set clear requirements for their plans and providers and strengthen their oversight of the delivery of these benefits.

- **Enhance access to specialty pediatric services**, with a focus on vulnerable populations.⁶ States can develop quality metrics on access to specialty pediatric care, set and monitor compliance with strong network adequacy and access standards, and consider payment enhancements, use of telehealth and other initiatives to improve access to specialists.
- **Address the community around the child.** Social and economic factors, such as food insecurity, homelessness and transportation—often referred to as *“social determinants of health”*—play a huge role in children’s health. Medicaid is uniquely positioned to identify nonmedical but health-related needs and link children to services that can address those needs. (See Medicaid Brief #5 for more details on social determinants of health.)

Develop a Health Care Delivery System That Rewards High-Value Care for Children.

Delivery and payment systems serving children should align with children’s social, emotional, physical, and mental health needs, rather than rely on systems designed for adults. Children with special needs require intense care coordination and case management across child-serving systems.

- **Deploy a “medical home” model focused on children** that includes well child visits and primary care services, care coordination, case management, and other needed services—such as effective linkages to services that address children’s social needs.
- **Tailor financing and payment models and risk adjustment programs** so they are designed to address the longer-term “return on investment” of pediatric interventions.
- **Pursue two-generation approaches** that shift the traditionally singular focus on children’s health care needs to children and parental health.
- **Leverage federal opportunities to reform delivery systems serving children**, such as the Center for Medicare and Medicaid Innovation [Integrated Care for Kids \(InCK\)](#) Model.⁷

For more information on Medicaid’s role and examples of strategies discussed above, please refer to the resources below.

Additional Resources

Ensure Robust Coverage

- Honsberger, K., Normile, B., Schwalberg, R., et al. How States Structure Medicaid Managed Care to Meet the Unique Needs of Children and Youth with Special Health Care Needs. National Academy for State Health Policy. April 2018. <https://nashp.org/wp-content/uploads/2018/04/How-States-Structure-Medicaid-Managed-Care.pdf>
- Smith, S., Granja, M., Ekono, M., et al. Using Medicaid to Help Young Children and Parents Access Mental Health Services. National Center for Children in Poverty. March 2017. www.nccp.org/publications/pdf/text_1164.pdf

Strengthen Access to Comprehensive Care

- CMS. EPSDT—A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents. DC: HHS; 2014. www.medicaid.gov/medicaid/benefits/downloads/epsdt_coverage_guide.pdf
- National Conference of State Legislatures. Home Visiting: Improving Outcomes For Children. April 2018. www.ncsl.org/research/human-services/home-visiting-improving-outcomes-for-children635399078.aspx
- Normile, B., VanLandeghem, K., Agrawal, A. State Strategies for Medicaid Quality Improvement for Children and Youth with Special Health Care Needs. National Academy for State Health Policy. November 2017. <https://nashp.org/wp-content/uploads/2017/11/MQM.pdf>
- Silow-Carroll, S., Brodsky, K., Rodin, D., et al. Access to Care for Children with Special Health Care Needs: The Role of Medicaid Managed Care Contracts. DC: Medicaid and CHIP Payment and Access Commission (MACPAC); 2016. www.macpac.gov/wp-content/uploads/2016/02/managed-care-contracts-access-for-children-with-special-needs.pdf
- Steinberg, A. Chang, D. Medicaid and Head Start: Opportunities to Collaborate and Pay for Upstream Prevention. Nemours. March 2018. www.academyhealth.org/sites/default/files/medicaid_head_start_may2018.pdf
- Tyler, T., Hulkower, R., Kaminski, J. Behavioral Health Integration in Pediatric Primary Care: Considerations and Opportunities for Policymakers, Planners, and Providers. Milbank Memorial Fund. March 2017. <https://www.milbank.org/publications/behavioral-health-integration-in-pediatric-primary-care-considerations-and-opportunities-for-policymakers-planners-and-providers/>

Develop a Health Care Delivery System That Rewards High-Value Care for Children

- Aspen Institute website. WHAT IS 2GEN? <http://ascend.aspeninstitute.org/two-generation/what-is-2gen/>
- Cobb, G., Ponder, K. The Nuts and Bolts of Building Early Childhood Systems through State/Local Initiatives. BUILD Initiative. January 2014. www.buildinitiative.org/Portals/0/Uploads/Documents/NutsandBoltsNBFINAL.pdf See also: Support for State and Local Leaders. BUILD Initiative website. www.buildinitiative.org/OurWork/StateandLocal.aspx
- Johnson K., Bruner C. A Sourcebook on Medicaid's Role in Early Childhood: Advancing High Performing Medical Homes and Improving Lifelong Health. Child & Family

Policy Center. October 2018. https://www.cfpciowa.org/documents/filelibrary/medicaid_finance/section_pdfs/Introduction_8D6E8F3FB002C.pdf

- National Conference of State Legislatures. Two-Generation Approaches to Addressing Poverty: A Toolkit for State Legislators. July 2018. www.ncsl.org/Portals/1/Documents/cyf/2Gen_toolkit_f04_1.pdf
- Normile, B., VanLandeghem, K. State Strategies to Advance Medical Homes for Children and Youth with Special Health Care Needs. National Academy for State Health Policy. June 2018. <https://nashp.org/wp-content/uploads/2018/06/SIA-Report.pdf>

Case Studies and Example Initiatives

- Brundage, S. Seizing the Moment: Strengthening Children's Primary Care in New York. United Hospital Fund. January 2016. <https://uhfnyc.org/publications/publication/seizing-the-moment-strengthening-childrens-primary-care-in-new-york/>
- Child First Model website. www.childfirst.org/. Note: This model seeks to heal young children and families from the effects of trauma and adversity.
- Colorado Children's Healthcare Access Program website. <https://cchap.org/>. Note: Colorado's Medical Homes for Children
- First 1,000 Days on Medicaid: Proposal Descriptions. New York State Department of Health. December 2017. www.health.ny.gov/health_care/medicaid/redesign/1000_days/docs/2017-12-01_proposal_desc.pdf
- Health Homes: Rhode Island's Development of a Pediatric Health Home Model. Community Catalyst, New England Alliance for Children's Health. November 2012. <http://neach.communitycatalyst.org/issue/affordable/asset/RI-Health-Homes.pdf>
- HealthySteps website. www.healthysteps.org/. Note: Pediatric primary care program committed to healthy early childhood development and effective parenting.
- Help Me Grow National Center website. <https://helpmegrownational.org/>. Note: System designed to help states leverage existing resources to identify vulnerable children, link families to community-based services, and empower families to support child development.
- Project DULCE website. <https://dulcenational.org/>. Note: Medical-Legal partnership model focused on child's first 6 months of life.
- Reach Out & Read website. www.reachoutandread.org/resource-center/medical-providers/. Note: Early literacy promotion program to advance early childhood development.

Endnotes

1. In federal fiscal year (FY) 2017, Medicaid and CHIP financed coverage for 36.9 million and 9.5 million children respectively. Most CHIP-funded children are enrolled in their state's Medicaid program, rather than in a separate CHIP program. Because of the close connections between the two programs, the impacts and opportunities described here generally apply to Medicaid and CHIP together. Sources: Centers for Medicare & Medicaid Services (CMS). 2017 Number of Children Ever Enrolled Report. DC: Department of Health and Human Services; 2018. www.medicaid.gov/chip/reports-and-evaluations/index.html; Medicaid's Role for Young Children. Georgetown University Health Policy Institute Center for Children and Families. December 2016. <https://ccf.georgetown.edu/wp-content/uploads/2017/02/MedicaidYoungChildren.pdf>
2. Haley, J., Kenney, G., Wang, R., et al. Medicaid/CHIP Participation Reached 93.7 Percent Among Eligible Children In 2016. *Health Affairs*, 37(8), 1194-1199; 2018. <https://doi.org/10.1377/hlthaff.2018.0417>
3. Alker, J., Pham, O. Nation's Progress on Children's Health Coverage Reverses Course. Georgetown University Health Policy Institute Center for Children and Families. November 2018. <https://ccf.georgetown.edu/2018/11/21/nations-progress-on-childrens-health-coverage-reverses-course/>
4. Medicaid Works for Children. Center on Budget and Policy Priorities. January 2018. www.cbpp.org/sites/default/files/atoms/files/1-19-18health-factsheet-children.pdf
5. Cohodes, S., Grossman, D., Kleiner, S., et al. The Effect of Child Health Insurance Access on Schooling: Evidence From Public Insurance Expansions. National Bureau of Economic Research. May 2014. www.nber.org/papers/w20178.pdf. Note: Researchers found that 10 percentage point increase in Medicaid eligibility among children led to a 5.2% decline in high school dropouts, a 1.1% increase in college attendance, and a 3.2% increase in completing bachelor's degrees.
6. Vulnerable populations may include children in foster care; children with disabilities or medically complex conditions; children with serious emotional disturbance; youth with substance use disorder; and victims of trauma.
7. Integrated Care for Kids (InCK) Model. Center for Medicare & Medicaid Innovation website. <https://innovation.cms.gov/initiatives/integrated-care-for-kids-model/>. Updated December 2018. Accessed December 19, 2018.