



## Medicaid Provides Vital Health Care and Long-term Economic Benefits to Children

### Medicaid is critical for children

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- Medicaid covers over 70 million Americans, or one in five people, and has been accepting people with preexisting conditions for more than 50 years.
- Nearly 36 million children nationwide are enrolled in Medicaid or the Children's Health Insurance Program (CHIP), the federal program assisting children above the Medicaid income threshold.<sup>1</sup> In Illinois, nearly 1.47 million children (or approximately half of all Illinoisans enrolled in Medicaid) have health coverage through Medicaid (which for children in Illinois is called the "All Kids" program).<sup>2</sup> Therefore, major funding reductions and changes to the Medicaid program will have their largest effect on children.
- Our nation reached a historic high of 95% of children with coverage in 2015, due in large part to the success of Medicaid and CHIP.<sup>3</sup> Illinois's current uninsured rate for children is just 2.5%.<sup>4</sup>
- Medicaid coverage is affordable. Current Federal laws limit cost-sharing to less than 5% of family income, including premiums, deductibles, copayments, and any other out-of-pocket costs, with no cost-sharing permitted for children in families with incomes below 150% of the federal poverty level.<sup>5</sup>
- Medicaid coverage provides Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)—a comprehensive array of preventive and ameliorative care, including vision, hearing, and dental screenings and services, that is broadly recognized as the definitive standard for children's health.<sup>6</sup> EPSDT requires states to cover all appropriate and medically-necessary services to correct and ameliorate health conditions—whatever the child needs to grow and thrive.
- Medicaid is of critical importance to children with special health care needs such as Down syndrome, cerebral palsy, and autism. A recent report from the Kaiser Family Foundation describes the role of Medicaid for these children, and finds that Medicaid and other sources of public coverage are the primary source of insurance for nearly half (44%) of all children with special health care needs.<sup>7</sup>

### Cuts to Medicaid or repeal of Medicaid expansion will hurt children

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- The American Health Care Act (AHCA) effectively eliminates the ACA's Medicaid expansion and establishes a cap on federal spending for the entire Medicaid program, causing children and their parents to have even fewer choices, and less access to care and peace of mind if it were to become law. Capping Medicaid will damage the nation's largest health insurer for children, the children it covers, their parents and families, and the providers that serve them.
- The AHCA's Medicaid cut, according to the non-partisan CBO, is a reduction of \$834 billion over ten years. When cuts of this magnitude are made to the program, states will be forced to make choices, resulting in harm to children and families. Cutting Medicaid would reduce coverage and benefits protections will be lost. Given that children make up almost one-half of the Medicaid beneficiaries, they can't possibly be protected if cuts of this magnitude are enacted. Services necessary for children's positive health and development are at risk.

- A recent analysis commissioned by the Children’s Hospital Association, focused on the impact of the Medicaid cap on children without disabilities and finds that federal funding for Medicaid services for non-disabled children would be reduced by a total of \$43 billion over the next 10 years, with the cuts growing deeper every year. Additionally, federal spending cuts “will be even more dramatic” when children with disabilities are taken into account.<sup>8</sup>
- Cuts to Medicaid would affect services provided through Early Intervention for children birth to age three as well as Special Education services provided in schools, which include speech, occupational, and physical therapy.<sup>9</sup>
- States electing the AHCA’s block grant option for children and parents would no longer be required to cover EPSDT services for children.

### Medicaid provides long-term benefits for children

- A large body of research<sup>10</sup> shows that access to Medicaid in childhood results in improved health, educational, and economic outcomes. It leads to longer, healthier lives, a better chance to graduate high school and college, and more prosperous futures for our children.
- Research shows the economic benefit of investing in children's health early. Children enrolled in Medicaid have shown to earn higher wages as adults. The government recoups much of its investment in Medicaid for children over time in the form of higher future tax payments.<sup>11</sup>
- Children enrolled in Medicaid live longer and are more likely to go to college.<sup>12</sup>

<sup>1</sup>Medicaid.gov website, Medicaid Child and CHIP total enrollment for March 2017, available at: <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/child-and-chip-enrollment/index.html>

<sup>2</sup> HFS Illinois website, Budget Briefing FY2018, available at: <https://www.illinois.gov/hfs/SiteCollectionDocuments/FY2018BUDGETBRIEFING02-15-17.pdf>

<sup>3</sup> Georgetown Center on Children & Families, available at: <http://ccf.georgetown.edu/2016/10/26/childrens-health-coverage-rate-now-at-historic-high-of-95-percent/>

<sup>4</sup> Georgetown Center on Children & Families, available at: <http://ccf.georgetown.edu/state-childrens-health-facts/>

<sup>5</sup> Georgetown Center on Children & Families, available at: <http://ccf.georgetown.edu/2017/05/15/proposed-medicaid-changes-would-put-medical-decisions-for-kids-in-hands-of-states-instead-of-parents-and-pediatricians/>

<sup>6</sup> Georgetown Center on Children & Families, available at: <http://ccf.georgetown.edu/2016/03/04/what-is-epsdt-medicaid-benefit-big-idea/>

<sup>7</sup> Georgetown Center on Children & Families, citing “Medicaid and Children with Special Health Care Needs,” Kaiser Family Foundation, 1/31/17, available at: <http://kff.org/medicaid/issue-brief/medicaid-and-children-with-special-health-care-needs/>

<sup>8</sup>Per Capita Caps Could Reduce Funding for Children Covered by Medicaid,” Avalere Health, 5/18/17, available at:

<http://avalere.com/expertise/managed-care/insights/per-capita-caps-could-reduce-funding-for-children-covered-by-medicaid>

<sup>9</sup> Center for American Progress, available at: <https://www.americanprogress.org/issues/early-childhood/reports/2017/05/03/431766/cuts-medicaid-harm-young-children-disabilities/>

<sup>10</sup>“Medicaid Research Shows Positive Impact on Health & Financial Stability,” Georgetown CCF, available at: <http://ccf.georgetown.edu/2016/08/03/medicaid-research-rapidly-growing-number-studies-show-positive-effects-coverage-childrens-lives-parents-safety-net-providers/>

<sup>11</sup>“Medicaid as an Investment in Children, National Bureau of Economic Research, January 2015, available at: <http://www.nber.org/papers/w20835.pdf>

<sup>12</sup>“Medicaid as an Investment in Children, National Bureau of Economic Research, January 2015, available at: <http://www.nber.org/papers/w20835.pdf>

Protect Our Care Illinois is a statewide coalition of health care advocates, providers, consumers, and workers, standing together to protect and expand access to quality affordable health care provided by the Affordable Care Act and Medicaid.

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