

# Threats to the ACA and Medicaid: What's at Stake for Children



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# Health Insurance Coverage Benefits Children and Their Parents

- Access to health care is a basic ingredient for children's healthy development and well-being.
- Prior to passage of the Affordable Care Act (ACA), many low-income parents lacked access to affordable health coverage.
- Currently, the ACA and Medicaid are being threatened.



# Why the ACA Matters for Early Childhood

- Affordable health insurance coverage
  - For children
  - For parents
  - For providers
- What can you do?
  - Roles for early childhood providers and advocates





# Affordable Health Insurance Coverage

# Access to health care is a fundamental need for children.

- Children with health insurance are generally healthier and more likely to get necessary treatment when sick or injured; and get preventative care.
- Most young children are already covered.
  - 95% of children ages 0-5 have health insurance coverage.
  - 45 million children receive health insurance through Medicaid or CHIP.

# Parents' Access to Health Care Matters Greatly for Children.

- Low-income parents are covered in Medicaid expansion states
  - Among low-income parents, 37% lacked coverage in 2007.
- High need for health and mental health coverage
  - Only 40% of parents report good or excellent health.
  - 20% experienced major depression in the past 12 months.
  - 46% in their lifetimes

# Parents' Access to Health Care Matters Greatly for Children.

- Parents' access to health care has lasting consequences for their children
  - Research finds significant associations between poor maternal health and child behavior problems and health.
  - Treating physical and mental health problems supports effective parenting.
  - Parent coverage is associated with better access to care for children.
  - Health insurance promotes parents' access to care and financial security.

# Coverage for Caregivers Matters, too.

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- Caregivers spend a significant amount of time with children
- Many child care workers have low incomes and were able to access insurance through Medicaid or the exchanges.
- Access to health insurance allows caregivers to be healthy and access treatment when necessary leading to better outcomes for themselves and the children they care for.



# Affordable health insurance leads to access.

- Coverage, whether through Medicaid or private insurance, is associated with improvements in health care access and utilization.
- Compared to uninsured adults, adults with Medicaid coverage are more likely to have a usual source of care, visit a doctor for a checkup, and access specialty care.

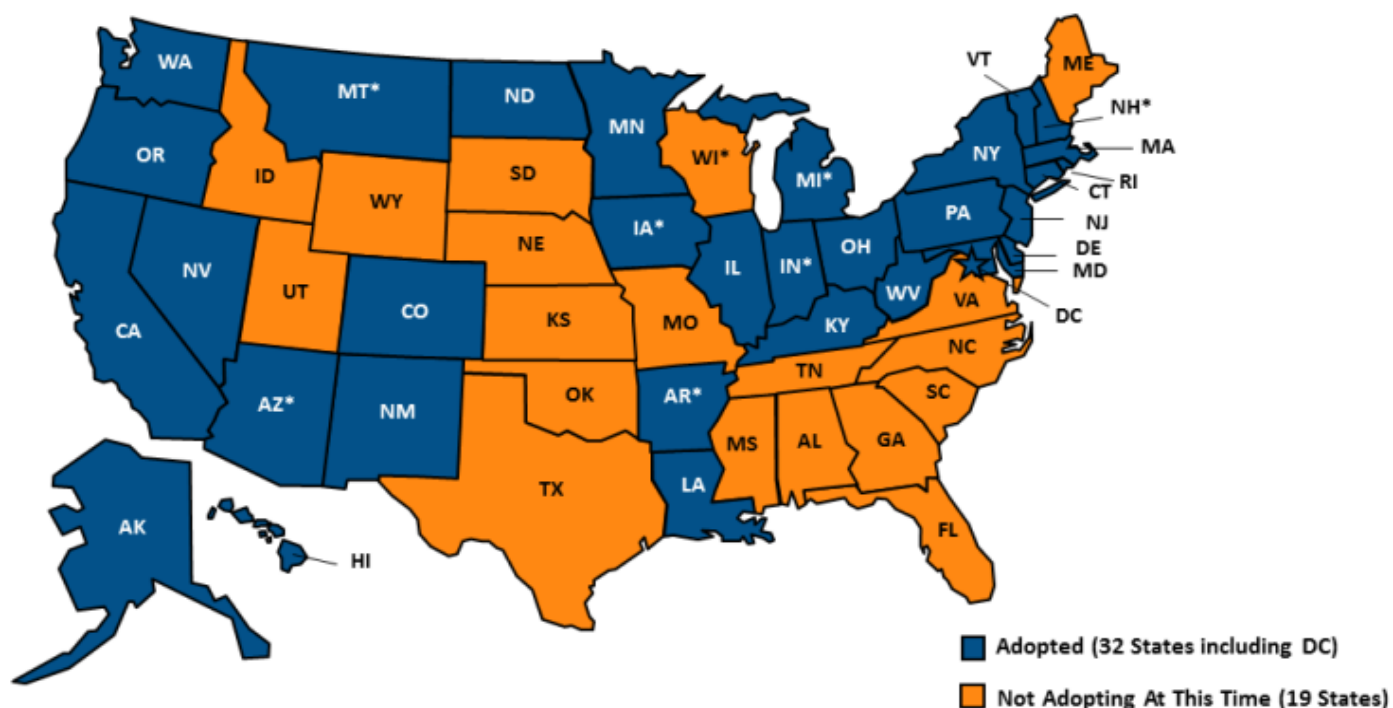


# Access to health insurance provides children a healthy start in life.

- Children who get help from Medicaid in their early years not only do better in childhood but also have better health, educational, and employment outcomes many years later, into adulthood.
- Medicaid coverage improves access to care and overall health, and reduces mortality rates.

# Medicaid Expansion gave many low-income parents access to health services for the first time.

## Current Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. \*AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

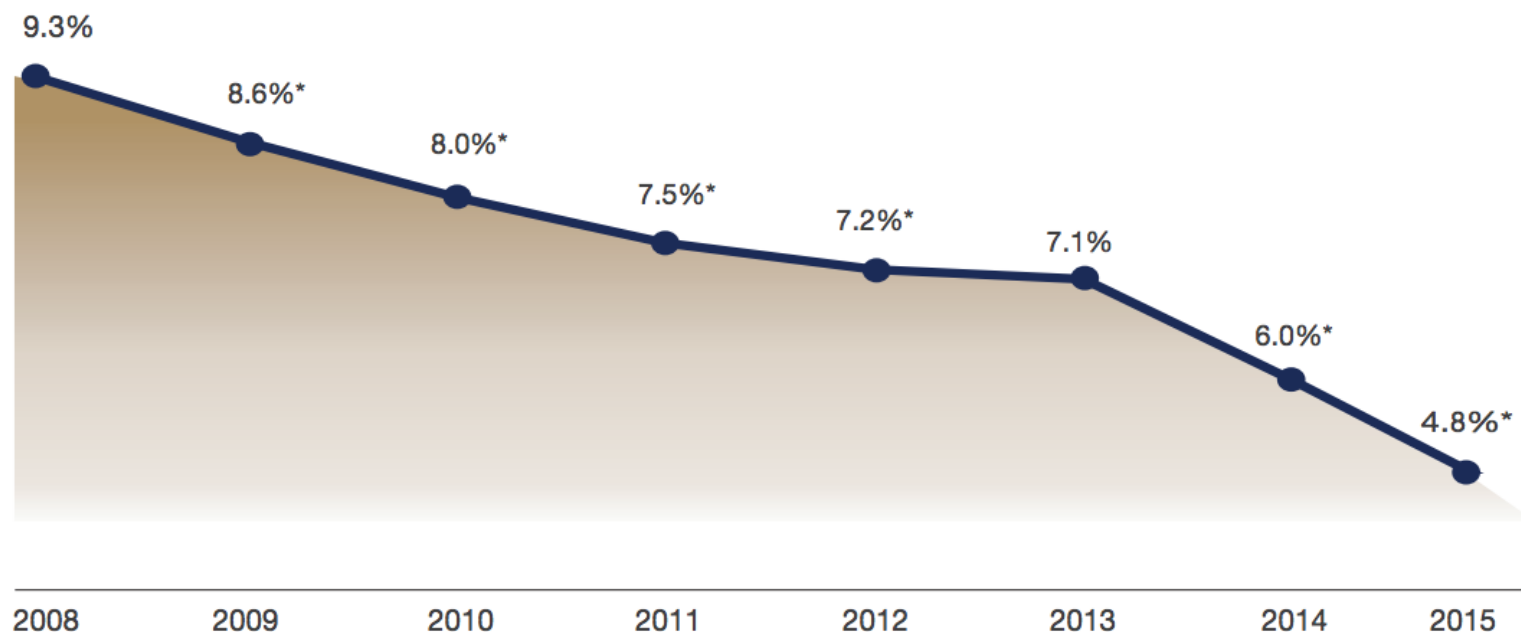
SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 1, 2017.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>



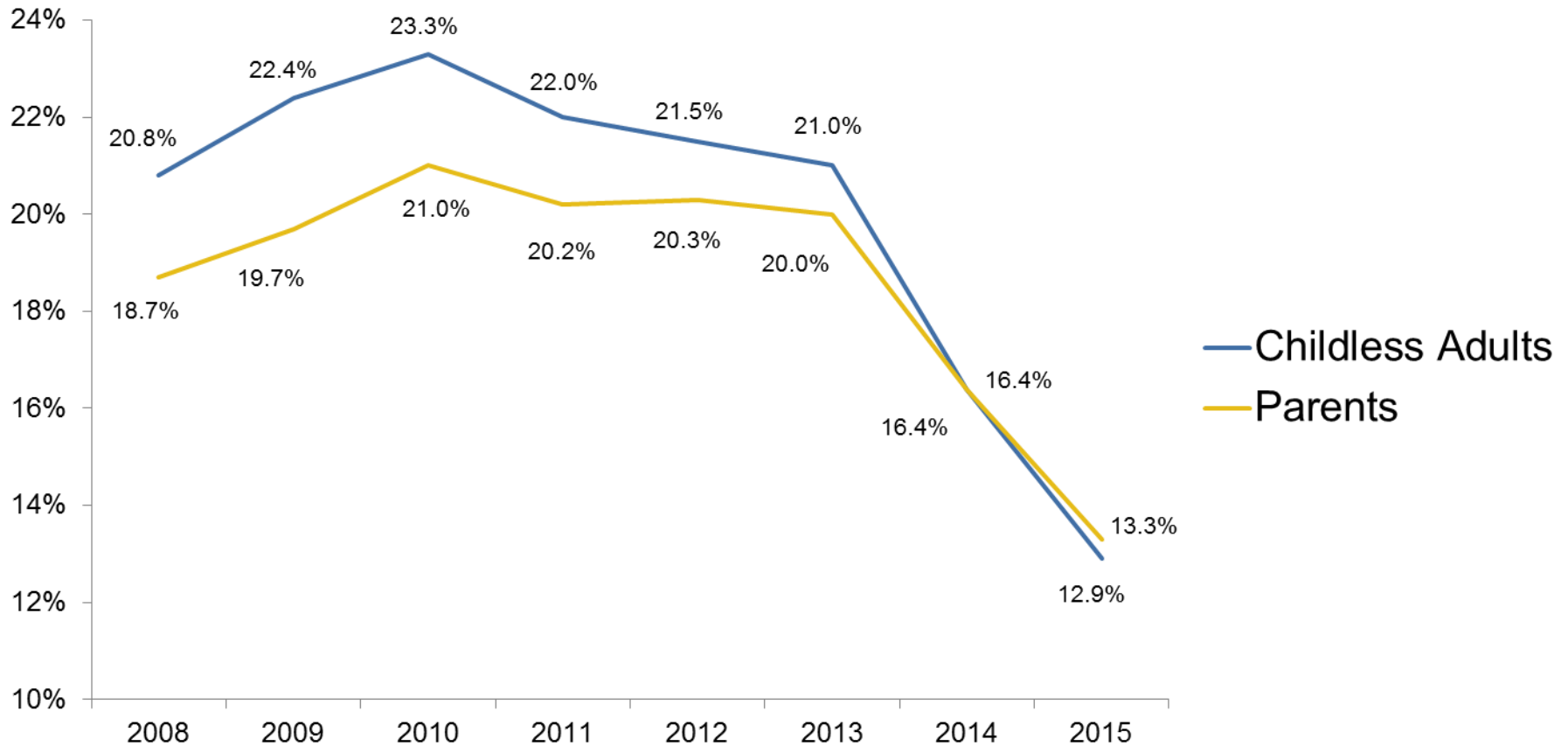
# Where Children's Coverage Stands Today, Impacts of Federal Proposals

# The Children's Uninsured Rate has Declined To Historic Lows

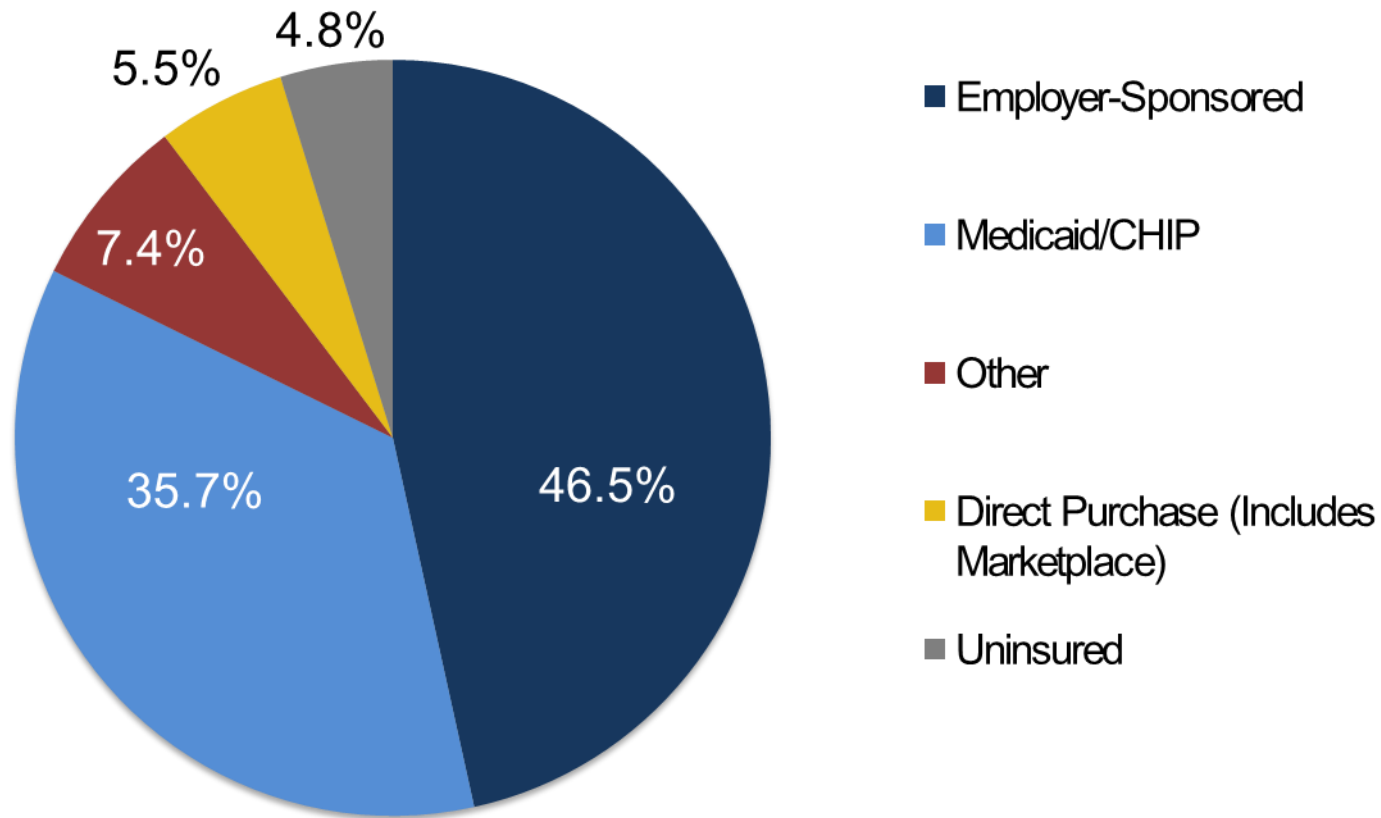


\* Change is significant at the 90% confidence level. 2013 was the only year that did not show a significant one-year decline in the national rate of uninsured children. The Census began collecting data for the health insurance series in 2008, therefore there is no significance available for 2008

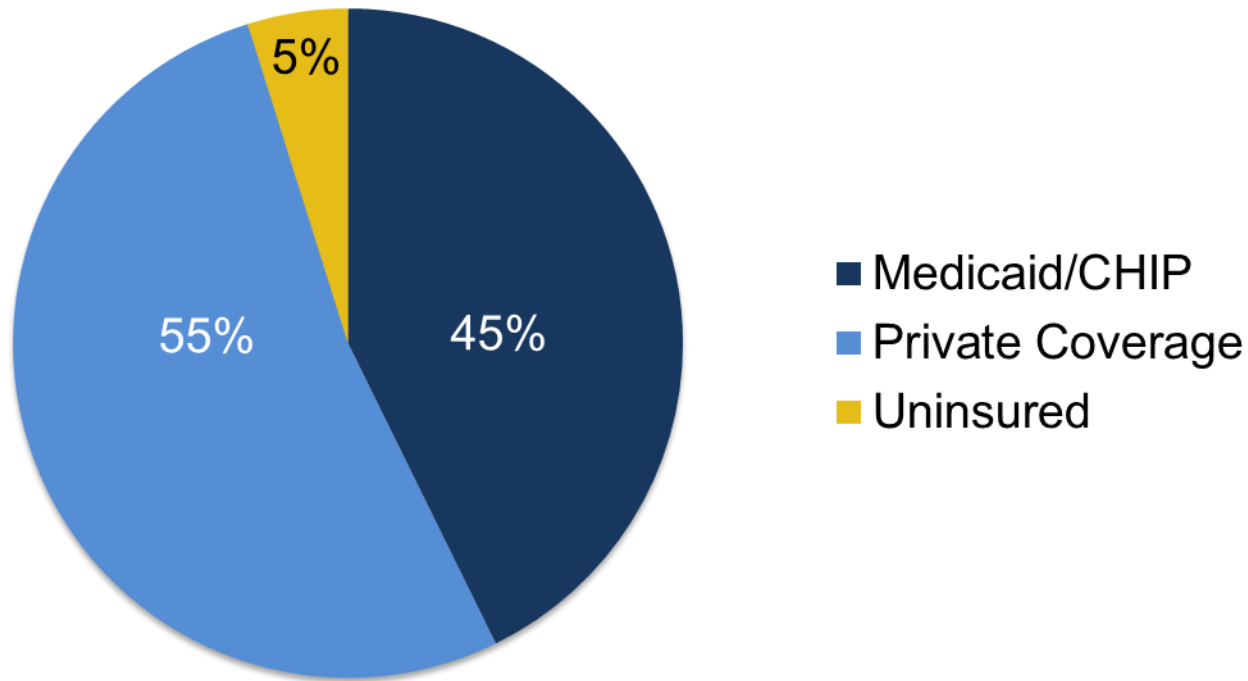
# Parent Coverage Has Improved Too



# How are Children Covered?

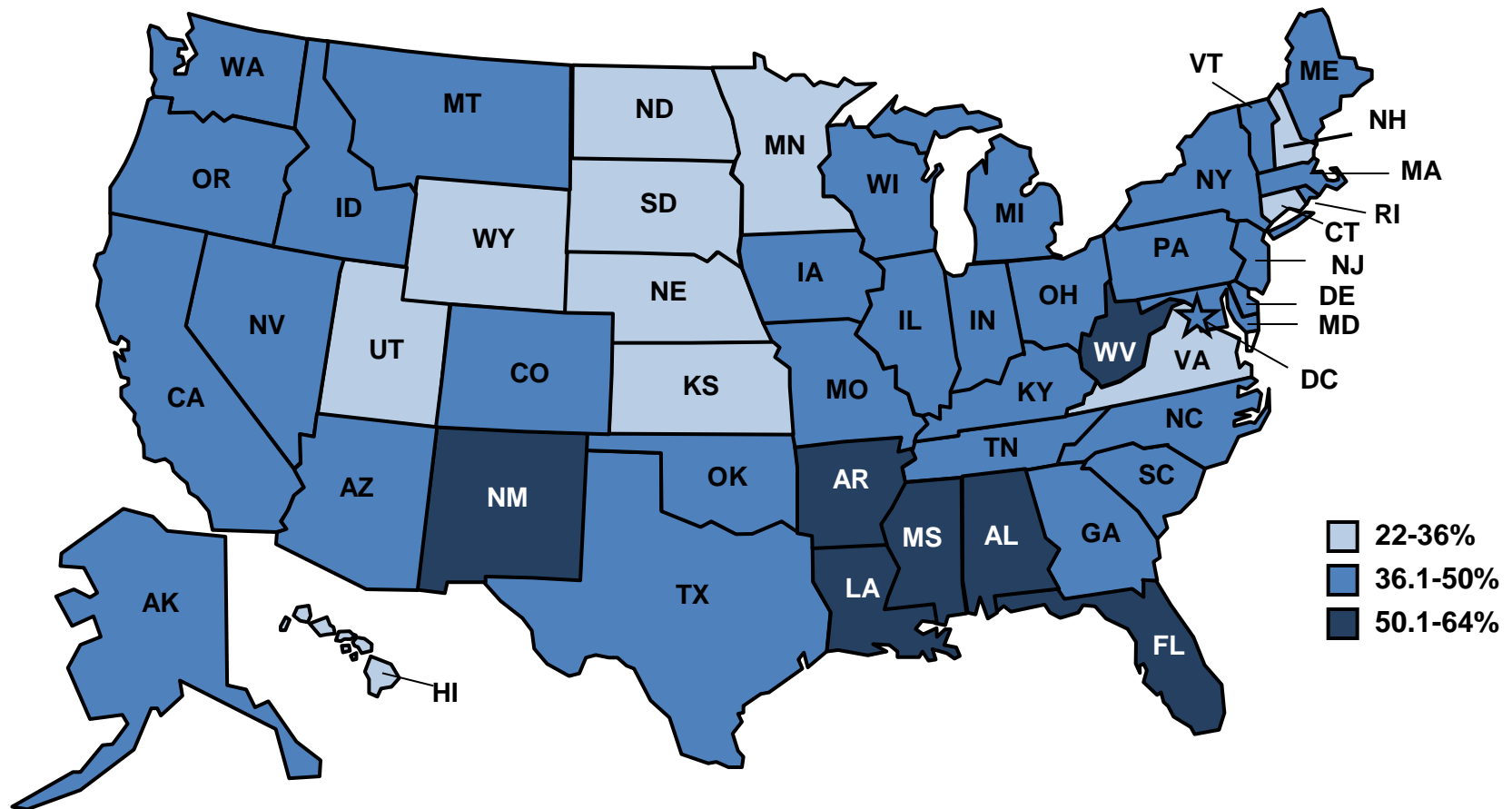


# Medicaid/CHIP Cover Nearly Half of Children Under Age Six

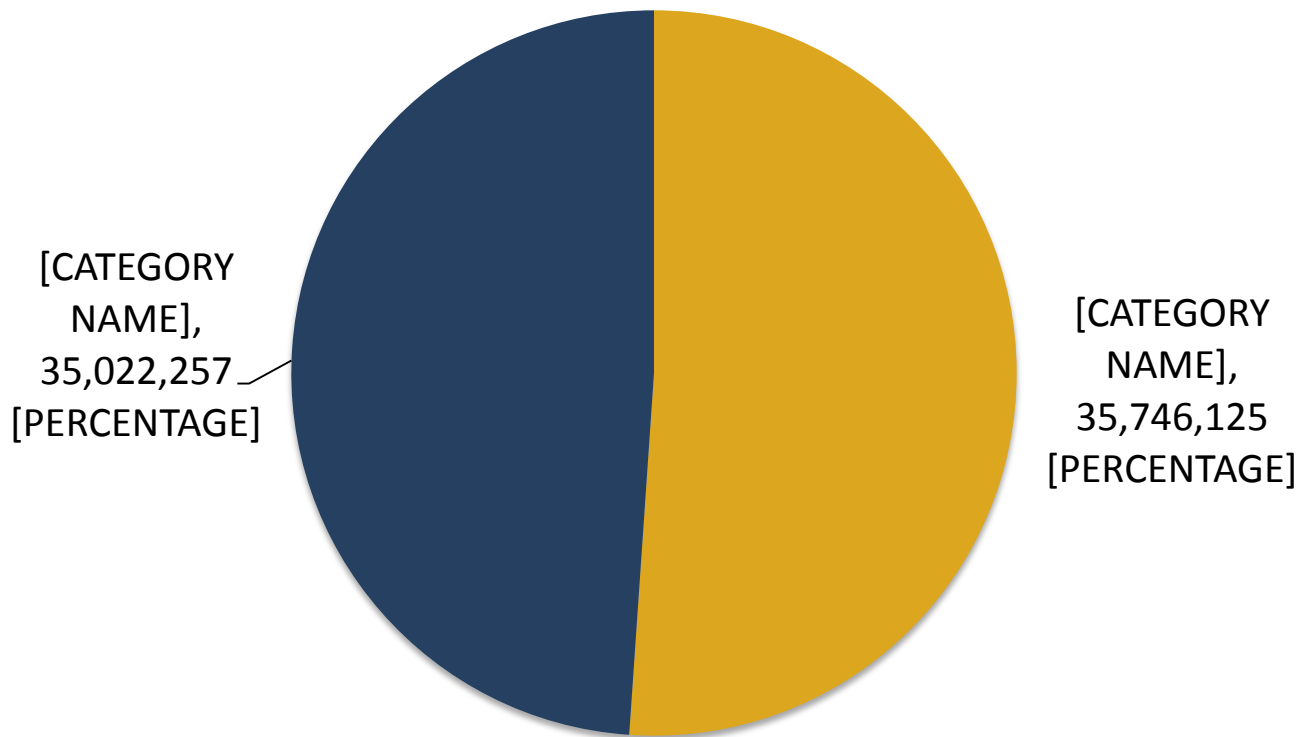




# Percent of Children Under 6 With Medicaid/CHIP Coverage



# Children Are the Largest Group of Medicaid Beneficiaries



Includes data from 48 states that report both adult and child enrollment. Excludes enrollment data from AZ, DC and TN.

# Long-Term Effects of Childhood Medicaid Coverage

Medicaid helps children grow up to reach their full potential.  
Children enrolled in Medicaid:



Miss fewer school days due to illness or injury



Do better in school



Are more likely to graduate high school and attend college



Grow up to be healthier as adults

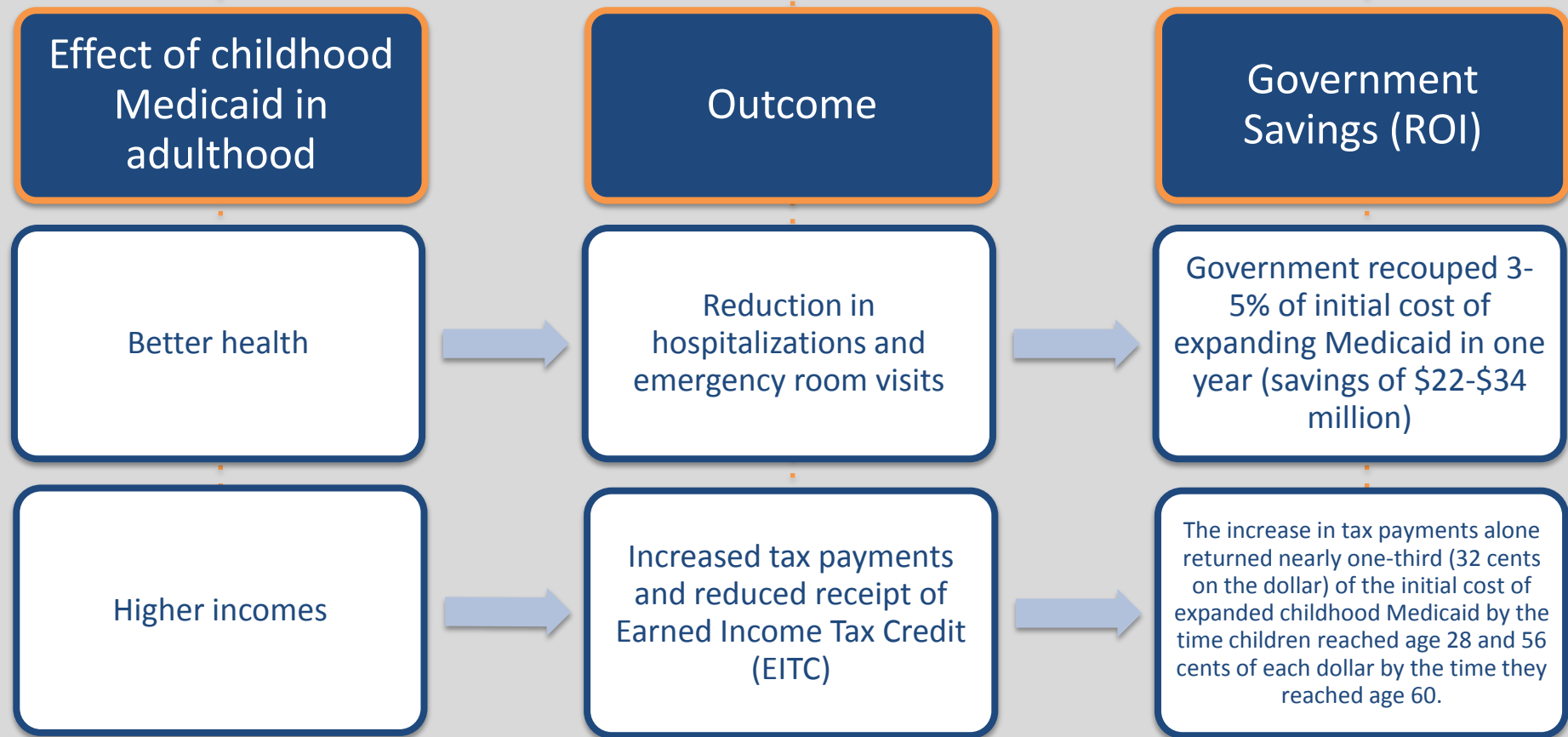


Earn higher wages



Pay more in taxes

# Childhood Medicaid Yields Strong Government Return on Investment



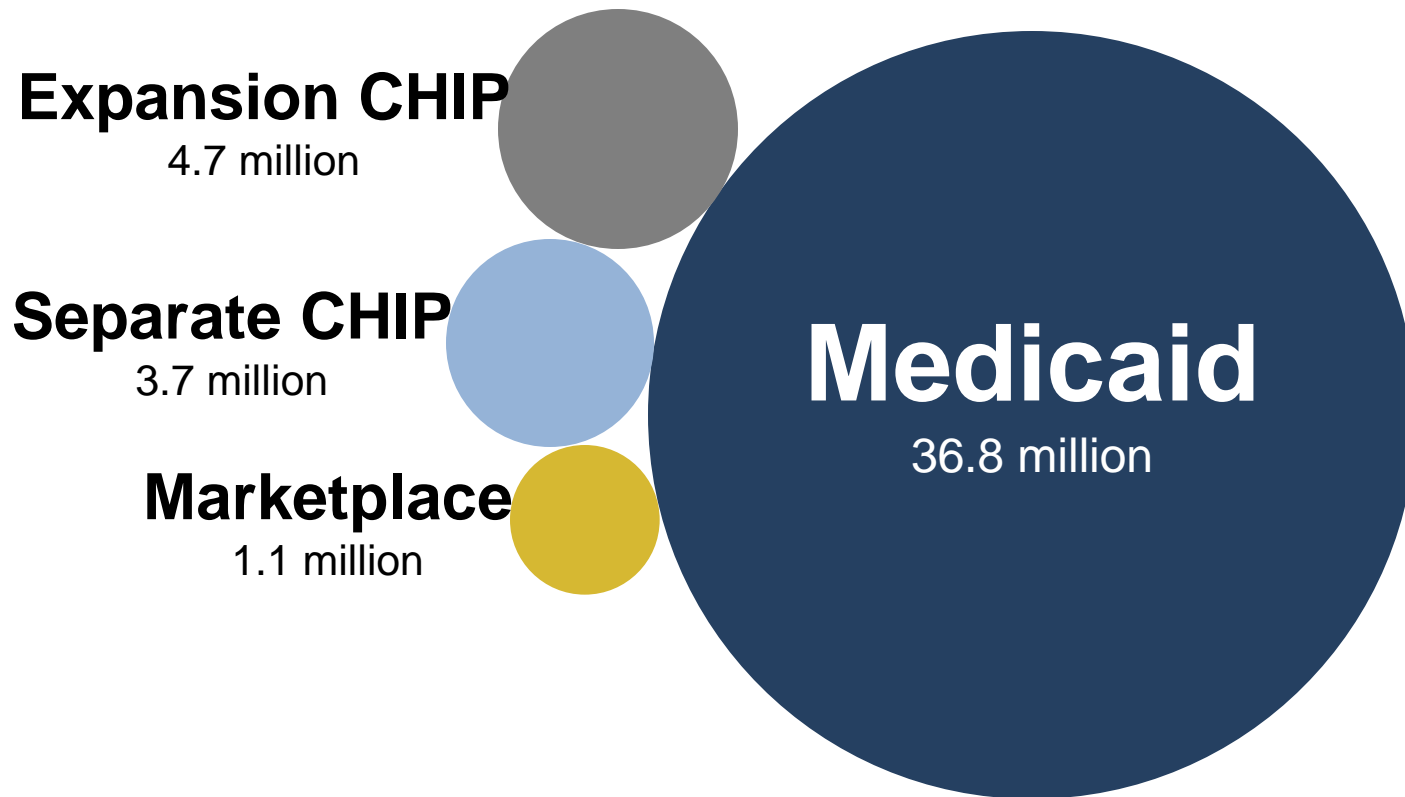
# Medicaid

- Created in 1965 as a companion to Medicare
- Permanently authorized with guaranteed federal funding
- An entitlement: federal government matches state spending on an open-ended basis.
- Federal government pays 50% to 75% of benefit costs, with no cap
- States administer program and can determine eligibility, benefits, cost-sharing, provider payments above federal minimums

# Children's Health Insurance Program (CHIP)

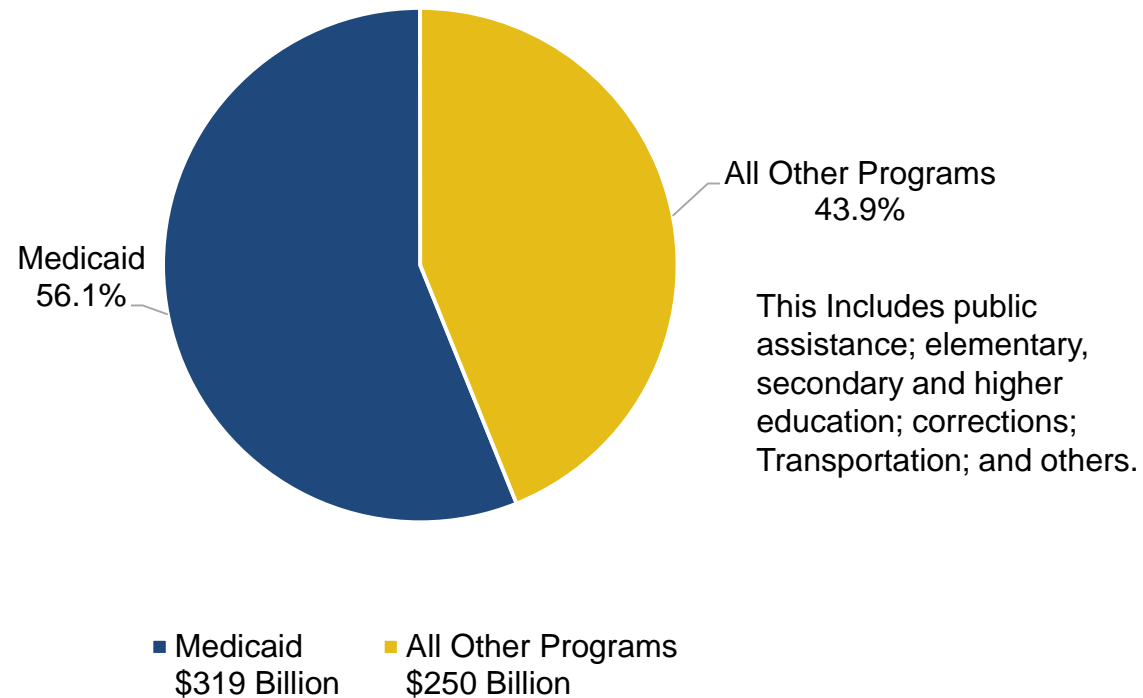
- Passed in 1997 to help states provide coverage to uninsured children who do not qualify for Medicaid
- Block grant with capped annual allotments to states
- Federal government pays 65% to 85% of costs (E-FMAP); with a 23% percentage point bump in 2016-17 up to annual allotment
- States administer and have flexibility to design eligibility, benefits, cost-sharing, payments beyond federal minimums

# Public Coverage for Children in U.S.



# Medicaid is the Largest Source of Federal Funds for States

## Federal Fund Expenditures, FY 2015





# What do we know ACA repeal and efforts to restructure Medicaid?



# ACA Repeal: Key Provisions Impacting Kids and Families

- Loss of parent expanded coverage and impact on:
  - Parent health
  - Family economic security
  - Welcome mat effect on child enrollment
- Coverage for former foster youth up to age 26
- Maintenance of Effort requirement through 2019 (MOE)
- 1.1 million kids lose marketplace coverage

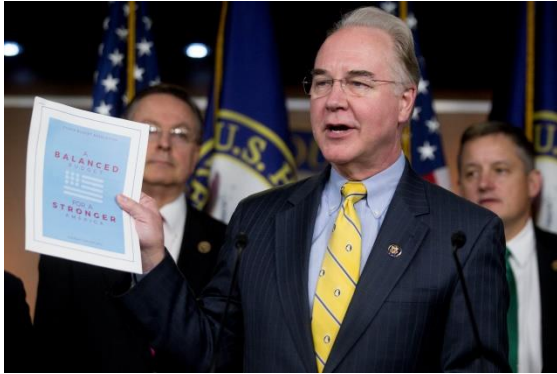


# ACA Repeal: Impact on Kids and Families

Repeal bill vetoed in January 2016 would:

- More than double the # and % of uninsured children
- More than double the # and % of uninsured parents
- Removal of ACA's Maintenance of Effort provision (MOE) and/or failure to extend funding for the Children's Health Insurance Program (CHIP) accelerate these losses

# Federal Proposals to Restructure Medicaid Financing: What to Expect?



## Block Grants

Sets a specific amount for each state

Fundamental change in entitlement and financing structure

Would have major implications for beneficiaries, providers, managed care plans, states and localities

To achieve federal savings, states would receive less funding

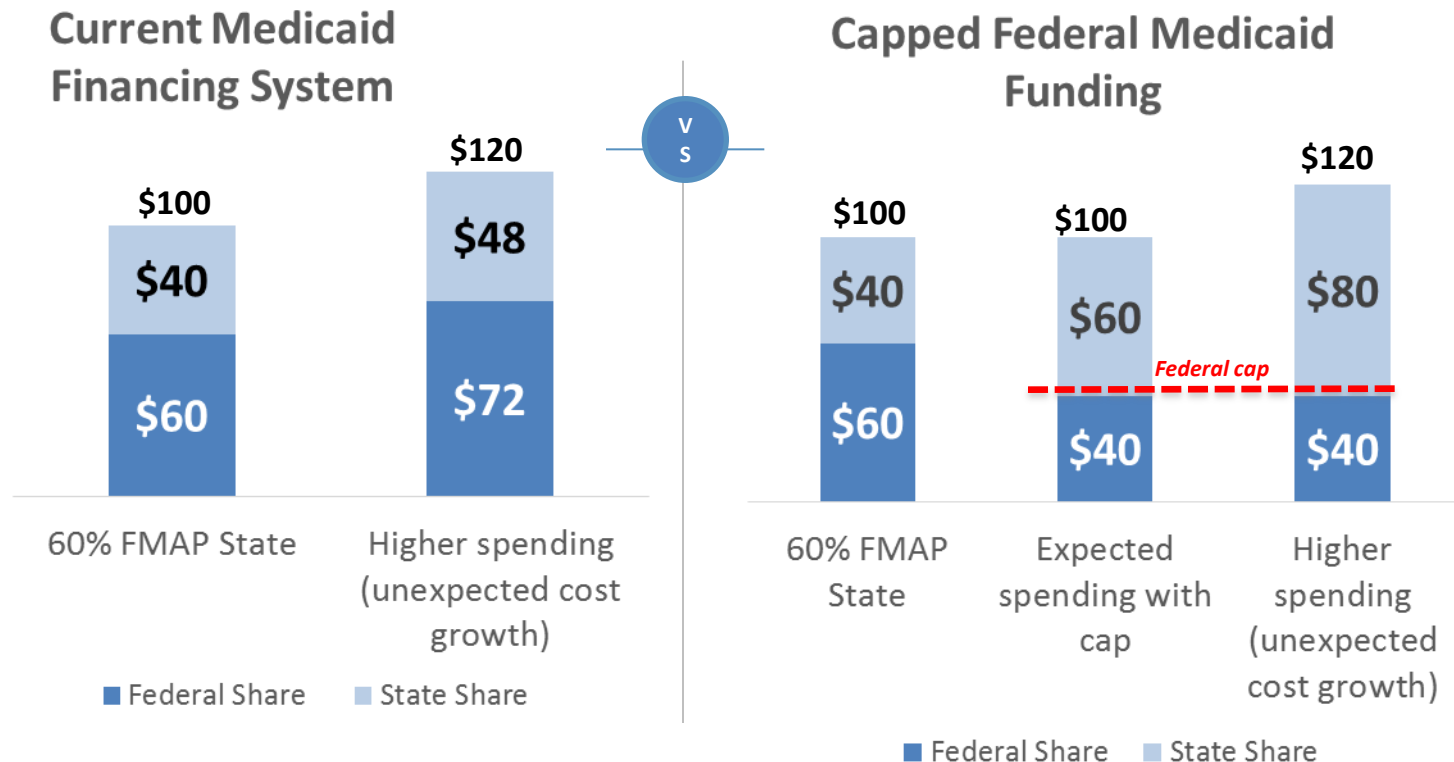
## Per Capita Caps

Would set amount states are reimbursed per enrollee

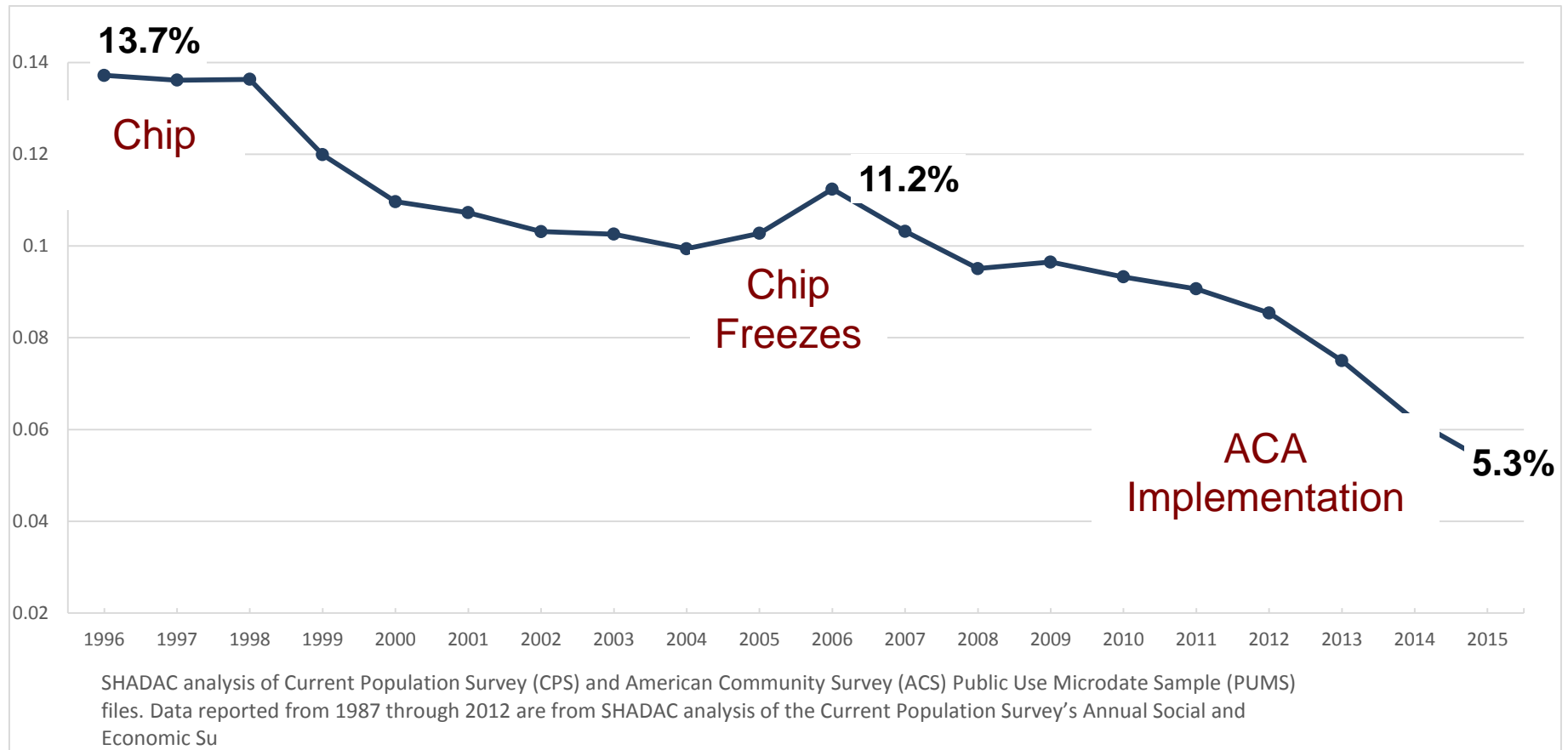
Protects states if enrollment grows but does not protect against other risks (e.g. formula doesn't account for new treatments or epidemics)

If costs exceed cap, states, providers and/or enrollees will make up the difference

# Block Grants/Per Capita Caps Shift Costs to States



# Uninsured Rate Rose with CHIP Freezes



# State Flexibility May Sound Promising but... Most Proposals Involve Cuts



**Enrollment caps  
or closed**

**More red tape  
and beneficiary  
requirements**



**Reduced  
Benefits**

**Increased Cost-  
Sharing**





# Early Periodic Screening, Diagnostic and Treatment (EPSDT)

- Core benefits package for children in Medicaid
- States are required to cover all appropriate and medically necessary services needed to correct and ameliorate health conditions
- Caps make it harder for states to meet requirement
- New state flexibility in federal proposals could remove this protection



# Timeline for Proposals

- ACA repeal – procedural votes started process, goal of March, timeline slipping
- Medicaid financing changes –part of replacement package, or could show up as part of 2018 budget negotiations (if not before or part of replace)
- No new CHIP funding after September 30, 2017. Unclear where and how extension will fit into larger ACA/Medicaid plans.



# ACA Repeal and Medicaid Caps: Threats for Children

1. Millions of children, parents, caregivers lose health coverage.
2. No coverage guarantee in Medicaid.
3. No children's benefit guarantee (EPSDT).
4. Added costs and barriers to care for families.
5. Added pressure on other state-funded programs that serve children and families.



# Action Steps

# What can you do?

- Contact your Senators and Representatives and Governors
- Tell a story
- Get plugged in with child advocacy and health consumer advocacy groups.
- Stay up to date
  - Get connected with CLASP and CCF



Questions?





# Resources

# Resources

## Georgetown Center for Children and Families

- [ccf.georgetown.edu](http://ccf.georgetown.edu)
- [Say Ahhh!](#) Our child health policy blog
- [State Child Coverage Snapshots](#)

## CLASP

- [www.clasp.org](http://www.clasp.org)
- [For Medicaid and ACA resources:](#)  
<http://www.clasp.org/issues/work-supports>
- [For Child Care and Early Ed resources:](#)  
<http://www.clasp.org/issues/child-care-and-early-education>

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