

Top Health Policy Issues in 2017

Keeping Medicaid and Children's Health Insurance Program Strong for Children



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Keeping Medicaid and CHIP Strong for Children



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American Academy of Pediatrics
DEDICATED TO THE HEALTH OF ALL CHILDREN®



American Academy of Pediatrics

- Represents over 66,000 pediatricians: including primary care pediatricians and pediatric medical and surgical subspecialists
- Dedicated to the optimal physical, mental, and social health and well-being for all infants, children, adolescents, and young adults
- All children should have:
 - affordable health care coverage,
 - insurance with pediatric-appropriate benefits,
 - access to timely and affordable primary and subspecialty pediatric care and mental health services, and
 - receive comprehensive, family-centered care in a medical home

Why Is Health Coverage Important for Kids with Rare Diseases?

- Screenings help detect and treat disease early
- Treatments can be very expensive
- The healthier children are, the more likely they are to:



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



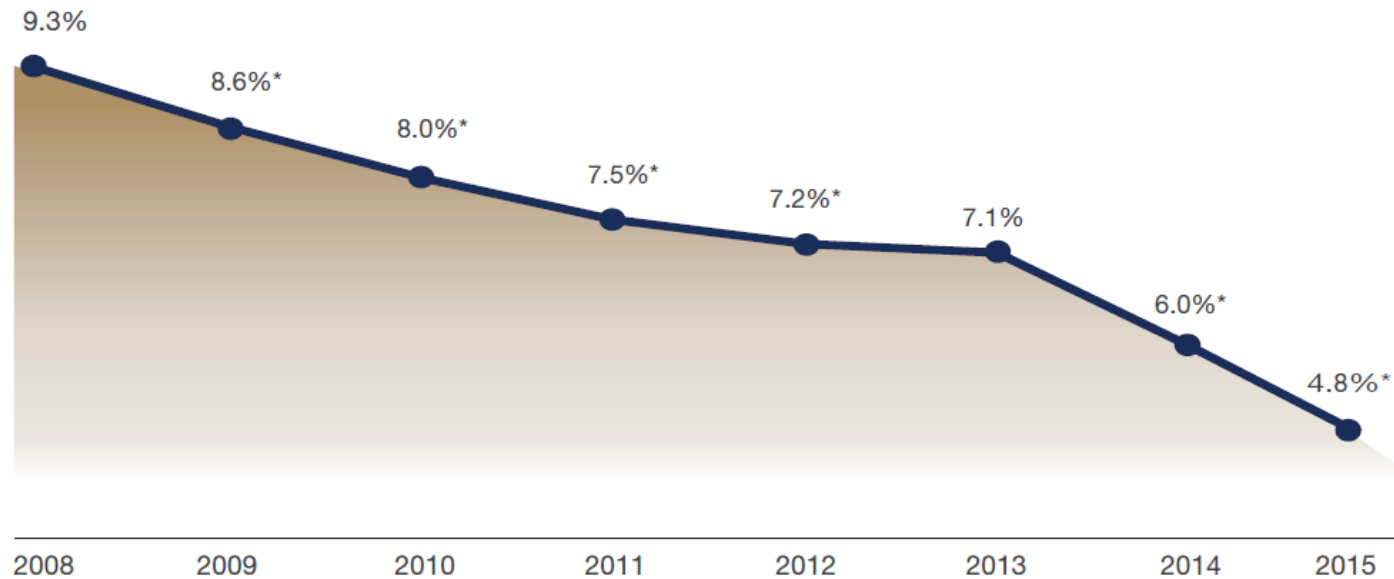
Earn higher wages



Pay more in taxes

Historic Rate of Insurance for Children

Figure 1. Rate of Uninsured Children, 2008-2015

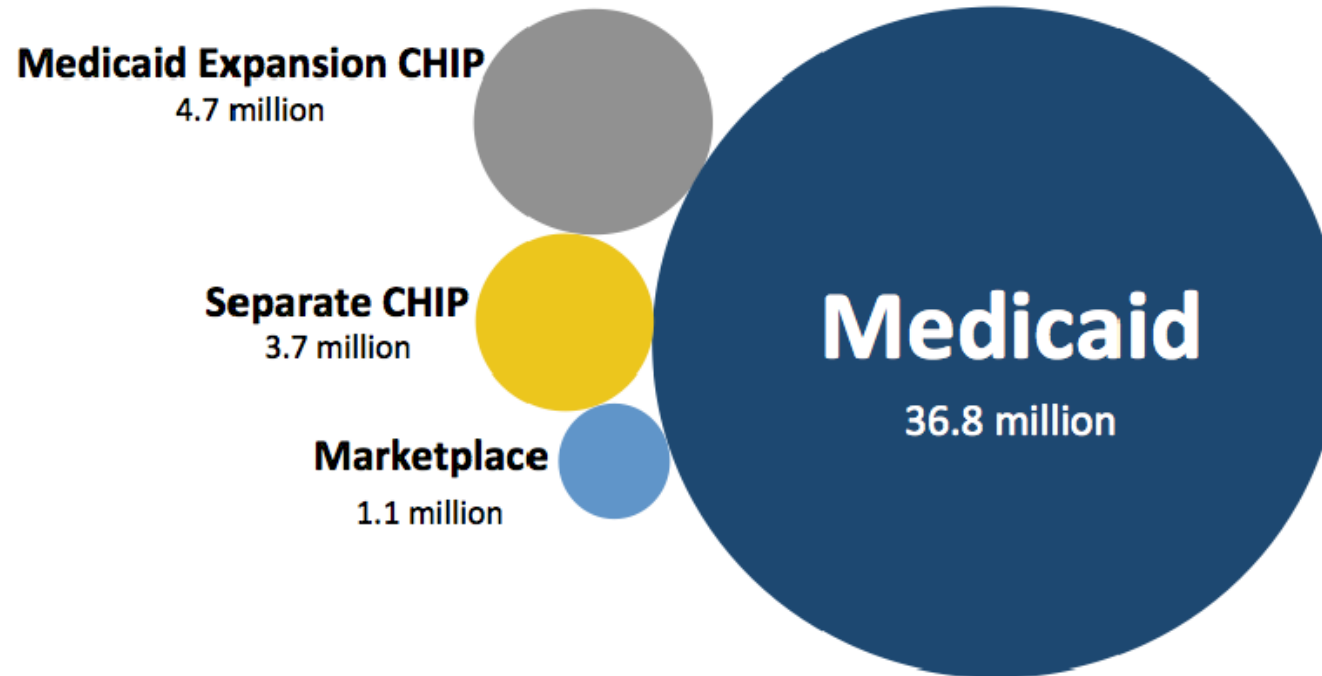


* Change is significant at the 90% confidence level. 2013 was the only year that did not show a significant one-year decline in the national rate of uninsured children. The Census began collecting data for the health insurance series in 2008, therefore there is no significance available for 2008

How Are Children Covered?



Public Coverage for Children



Medicaid



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What is Medicaid?

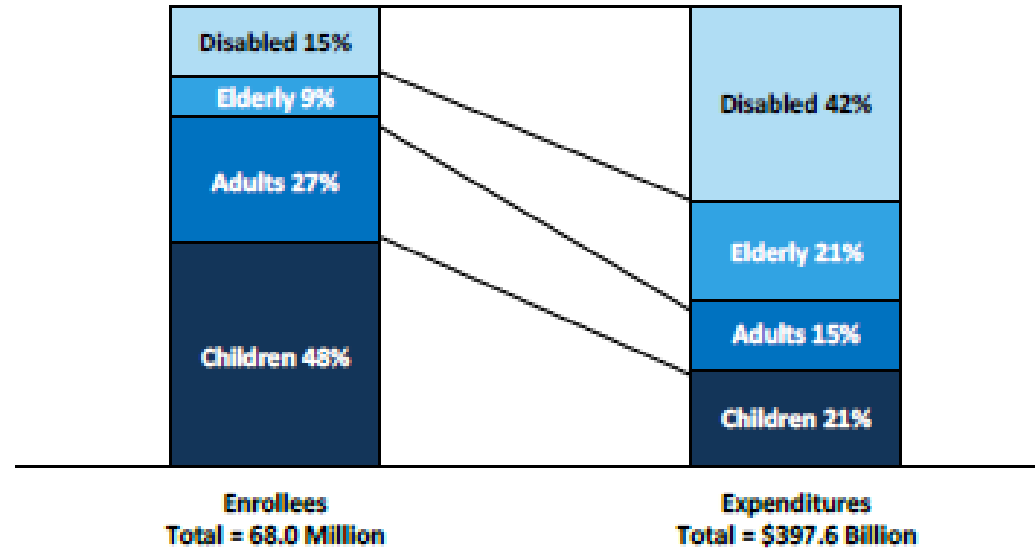
- Enacted in 1965 as companion to Medicare
- State/federal partnership
- Created for the most vulnerable (children, pregnant women, disabled, and elderly)
- Includes a child-specific benefit: Early, Periodic Screening, Diagnostic, and Treatment (EPSDT)

What is EPSDT?

- Requires that medically necessary services are covered including: preventive care, physician and hospital visits, well-child visit, immunizations, dental, vision, and hearing services
- Created in response to the Vietnam War when there was a growing awareness of the importance of preventive health care
- Considered the “gold standard” pediatric benefit by the AAP

The Cost of Children in Medicaid

Distribution of Medicaid Spending by Eligibility Group



SOURCE: KCMU/Urban Institute estimates based on data from FY 2011 MSIS and CMS-64. MSIS FY 2010 data were used for FL, KS, ME, MD, MT, NM, NJ, OK, TX, and UT, but adjusted to 2011 CMS-64.



MEDICAID AND CHILDREN WITH SPECIAL HEALTHCARE NEEDS

- Children with special healthcare needs are “at increased risk for chronic physical, developmental, behavioral, or emotional conditions and also require health and related services of a type or amount beyond that required by children generally”
- Medicaid and CHIP cover nearly half (44%) of children with special healthcare needs
 - 36%: Sole source of coverage
 - 8%: Public coverage supplements private coverage



Children's Health Insurance Program (CHIP)

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What is CHIP?

- Provides coverage for children who do not qualify for Medicaid but lack access to other forms of insurance
- Enacted in 1997, reauthorized in 2009, funding extended in 2015
- Financing: Block grant allotments to states
- States have flexibility to design CHIP benefits, but most are based on Medicaid

Legislative Outlook

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CHIP

- Funding expires September 2017
- AAP supports a long-term extension of CHIP, for at least 5 years
- States must have certainty in state budgets or they may begin to dis-enroll children from CHIP
- Broad bipartisan support

Medicaid

- Congress is exploring fundamental changes to the structure of Medicaid
- Under current law, eligible individuals are guaranteed coverage without a pre-set limit on federal funds to the state
- Block grants: a pre-determined allotment to the state to distribute
- Per-capita cap: Funds are capped per enrollee

Concerns with New Funding Proposals

- Block grants and per capita caps will cut Medicaid and shift costs to states
- Medicaid is a counter cyclical program: more people enroll when the economy does poorly
- Without a guarantee that additional federal funds will be available, states may be forced to choose amongst already vulnerable populations
- Unlikely that any state could make up the difference

Protect Medicaid and CHIP for Children!



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