



Children's Health Care Access Would Improve Under Universal Coverage Plans

By Madeline Twomey June 12, 2019

Medicaid and the Children's Health Insurance Program (CHIP) serve as lifelines for low- and moderate-income children. Both programs provide expansive, child-focused benefits that ensure that children enrolled in them have access to essential health care services. Coverage under Medicaid and CHIP has not only contributed to better health outcomes for children, but it has also increased their families' financial stability and improved enrolled children's educational attainment and future earnings.¹

While the United States has significantly improved children's access to health insurance in recent years—particularly through coverage gains made under the Affordable Care Act (ACA)—children's health care is currently under attack.² Uninsured rates among children are increasing:³ An estimated 828,000 children lost Medicaid or CHIP coverage in 2018 due to Trump administration policies and conservative states' efforts to impose burdensome costs and paperwork requirements.⁴ As of 2017, approximately 4 million children remain uninsured in the United States and are unable to get the care they need.⁵

However, Medicare for All proposals seek to close this gap and ensure that all people—including children—have access to comprehensive health insurance that cannot be undermined by future sabotage. In 2018, the Center for American Progress released Medicare Extra for All, which, like other Medicare for All proposals, would continue the child-centered benefits of Medicaid and CHIP while also adding features that would make children's health care coverage more secure.⁶

This issue brief outlines Medicaid and CHIP's critical role in providing health care access for children as well as some of the barriers that children currently face in gaining coverage. Universal coverage proposals—including CAP's Medicare Extra—provide an opportunity to ensure comprehensive health insurance for all children, without the threat of political sabotage or funding cuts. When children have consistent access to health insurance, the benefits are immense and reach far beyond the scope of the health care system.

Medicaid and CHIP's history of success

Established in 1965, Medicaid provides health coverage to low-income adults, children, pregnant women, elderly adults, and people with disabilities.⁷ While both states and the federal government finance Medicaid, states administer the program.⁸ As a result, there is a fair amount of flexibility in program design, and eligibility and benefits can vary by state. However, every state must cover certain groups of children and provide Early and Periodic Screening Diagnostic and Treatment (EPSDT) services.⁹

EPSDT is an expansive benefit for all children under the age of 21 that requires coverage of periodic physical, mental, developmental, vision, hearing, and dental screenings in addition to all services that are medically necessary to detect and treat any physical and behavioral health conditions—regardless of whether or not the benefits are covered under the state plan.¹⁰ The goal of EPSDT is to catch health issues early in order to prevent any conditions from becoming serious or disabling. Research from Families USA found that, even when compared with large commercial plans, Medicaid's health benefits—including EPSDT—are the “gold standard” of children's health coverage.¹¹

CHIP was created in 1997 to provide low-cost health coverage to children in families that earn too much money to qualify for Medicaid.¹² Like Medicaid, it is also jointly financed by states and the federal government. Since its implementation, CHIP has expanded coverage to approximately 9 million children.¹³ States can administer CHIP through their Medicaid programs or through separate programs. Similar to Medicaid, CHIP eligibility, benefits, and cost-sharing requirements can vary by state. As a result, some states have more generous eligibility standards than others. According to the Henry J. Kaiser Family Foundation, 19 states offer coverage to children with family incomes that are more than 300 percent of the federal poverty line, while two states—Idaho and North Dakota—limit coverage to those with family incomes that are below 200 percent of the federal poverty line.¹⁴ Other states fall somewhere in the middle. While separate CHIP programs are not required to provide EPSDT benefits, several states have opted to provide this type of coverage, resulting in approximately two-thirds of CHIP-eligible children receiving EPSDT services nationally.¹⁵

The ACA improved children's coverage further by increasing the federal matching rate for CHIP and expanding Medicaid eligibility for children.¹⁶ As of 2017, nearly 37 million children were enrolled in Medicaid and more than 9 million were enrolled in CHIP.¹⁷ Additionally, high levels of adult enrollment spurred a “welcome mat” effect for their children, where Medicaid expansion for adults was associated with higher levels of coverage for children.¹⁸ As a result, there was a historic decrease in the rate of uninsured children after the ACA's implementation.¹⁹ In 2016, more than 95 percent of children had health insurance.²⁰

Access to both Medicaid and CHIP have significant benefits for children and their families alike. First, research has shown that, in addition to receiving essential health services, children in low-income families with access to Medicaid experience long-term benefits, including better health status, greater academic achievement, and increased future earnings.²¹ CHIP and Medicaid also help address racial disparities in health care, with African American and Hispanic children making up 58 percent of children covered by these programs.²²

Second, families with access to Medicaid and CHIP are less likely to experience financial insecurity and to have medical debt or file for bankruptcy.²³ And when parents are covered by Medicaid, children also experience the benefits. Research suggests that children's health is directly influenced by the health of their parents and caregivers, with healthy parents contributing to positive childhood development.²⁴ Moreover, when parents gain coverage, children are more likely to be covered as well.²⁵ In states that expanded Medicaid to low-income nonelderly adults under the ACA, higher numbers of children enrolled in Medicaid and/or CHIP. A 2017 study published in *Health Affairs* estimated that between 2013 and 2015, 710,000 children in low-income families gained coverage because of Medicaid expansion.²⁶

The current threats to children's health coverage

Despite the high-water mark of children's health coverage after the ACA's implementation, President Donald Trump has consistently tried to undermine access to health care, including for children. President Trump and his allies in Congress have notoriously made several attempts to repeal the ACA, with most of these proposals including funding caps for Medicaid.²⁷ Following these efforts' failures, President Trump has continued to work tirelessly to dismantle key components of the ACA and undermine access to Medicaid. Several Trump-endorsed policies have added confusion and administrative hurdles for getting covered and, as a result, children have lost coverage.²⁸

The Georgetown Health Policy Institute Center for Children and Families (CCF) estimated that children's enrollment in Medicaid and CHIP decreased by more than 2 percent in 2018.²⁹ Despite claims from the Trump administration that coverage losses were a result of a strong economy, experts at the CCF found that declining enrollment could be attributed to the administration and conservative allies' efforts to harm health care access.³⁰

The following policies under the Trump administration have contributed to losses in children's coverage.

First, the Trump administration has undermined Medicaid access by approving waivers that allow states to impose barriers to accessing coverage. Section 1115 waivers—named after the relevant section of the federal Social Security Act—allow states to waive certain federal requirements and test new approaches to delivering Medicaid.³¹ Some 1115 waivers can be positive, such as waivers supporting efforts to cover substance abuse treatments. However, the Trump administration continues to approve harmful waivers, including imposing work requirements for parents, charging premiums and other cost sharing, and eliminating retroactive coverage. These initiatives often include onerous paperwork requirements, which impose additional barriers to gaining coverage such as requiring enrollees to have internet access to log working hours.³² This has proven to result in otherwise eligible individuals losing coverage.

Efforts to impose administrative hurdles in Medicaid enrollment only serve to harm children and families. For example, a recent work requirement proposal in Florida would threaten the coverage of more than 100,000 low-income parents, which would undoubtedly affect the well-being of their children.³³ In Texas, more than 4,000 children per month are being removed from Medicaid due to frequent—and oftentimes erroneous—eligibility checks.³⁴ Some states are even seeking Medicaid waivers that would take away EPSDT coverage from adolescents over the age of 18 despite the current mandate that all children under 21 receive these benefits.³⁵

Second, after failing to repeal the ACA and slash funding for Medicaid legislatively, President Trump and his administration have repeatedly sought to undermine these programs through administrative action. In lieu of full repeal, the Trump administration has continued to work to sabotage the ACA by signing a tax bill that eliminated the individual mandate, cutting funding for enrollment assistance, and shortening enrollment periods.³⁶ These efforts have caused confusion among enrollees, with individuals unsure of if they qualify for public coverage or if they can even enroll in marketplace plans. As a result, children's coverage gains under the ACA are reversing.

Third, the Trump administration's budget and regulatory priorities reveal an anti-children's health agenda. In 2017, President Trump proposed cutting CHIP by 20 percent.³⁷ In 2018, the Trump administration once again proposed slashing CHIP—this time by \$7 billion. In 2019, the president's budget included a nearly \$1.5 trillion cut to Medicaid over 10 years. Most recently, the Trump administration issued a proposal for changing the methodology for updating the federal poverty line, using a lower measure of inflation which would reduce eligibility for Medicaid and cut financial assistance for families enrolled in marketplace plans.³⁸

With the support of the Trump administration, Congress has also impeded access to health care coverage for children. Due to CHIP's block grant financing structure, there is no entitlement to coverage, and states can freeze or cap enrollment or require waiting periods.³⁹ Additionally, CHIP's funding is not permanent and must be reauthorized. In September 2017, Congress failed to extend funding for CHIP, and states went without federal funding for 114 days.⁴⁰ While Congress eventually reauthorized funding for the program in 2018, it is clear that funding for CHIP remains at risk under President Trump.

As it currently stands, slight shifts in parents' incomes can disrupt coverage and push children and their families off Medicaid and CHIP. Even children who are covered by their parent's private employer-based coverage are subject to policy changes and cost increases—and strict income requirements can leave them without access to these programs.

Medicare for All proposals expand access to health care for children

Considering the uncertain future of health care access for children and families under the Trump administration, progressive policymakers have put forward new approaches to protect and expand access to health coverage. Medicare for All proposals generally set out to integrate public programs in addition to strengthening existing benefits.⁴¹ For example, unlike traditional Medicare, Rep. Pramila Jayapal's (D-WA) Medicare for All and Rep. Rosa DeLauro's (D-CT) Medicare for America legislation both guarantee coverage for vision, hearing, and dental benefits.⁴²

Importantly, these proposals also maintain benefits that are essential to children's health, including pediatrics and the full EPSDT benefit. These plans also include maternal health benefits, guaranteeing consistent access to comprehensive coverage throughout pregnancy and after birth. The structure of these universal coverage proposals includes automatic enrollment, which further protects children and their families from onerous paperwork requirements, and benefits and eligibility would not vary by state. All of the prominent universal coverage proposals offer similar benefits for children and their families, but the following section outlines how CAP's proposal would specifically ensure access to comprehensive care.

Medicare Extra and Medicare for America

In 2018, CAP released Medicare Extra, a plan that would guarantee universal coverage for all Americans.⁴³ Under Medicare Extra, newborns, individuals enrolled in Medicaid, and those purchasing insurance through the individual market would automatically be moved into a public program that builds on Medicare's current benefits. Individuals with an offer of employer-sponsored coverage that they like would be able to choose between that plan and Medicare Extra. Cost sharing and premiums would be limited and would vary by income.

Benefits under Medicare Extra

Per CAP's 2018 report, "Medicare Extra for All: A Plan to Guarantee Universal Health Coverage in the United States," Medicare Extra would provide comprehensive benefits, including free preventive care, free treatment for chronic disease, and free generic drugs. The plan would guarantee the following benefits:

- Primary and preventive services
- Hospital services, including emergency services
- Ambulatory services
- Prescription drugs and medical devices
- Laboratory services
- Maternity, newborn, and reproductive health care
- Mental health and substance use disorder services
- Habilitative and rehabilitative services
- Dental, vision, and hearing services
- **Early and periodic screening, diagnostic, and treatment services for children**

CAP's plan has since been developed into legislation, titled "Medicare for America," which was introduced by Reps. DeLauro and Jan Schakowsky (D-IL).⁴⁴ Like other universal coverage proposals, Medicare for America would build on the progress of Medicaid and CHIP by guaranteeing continuity of coverage for children and their parents regardless of income, age, or health status. Children enrolled in Medicaid and CHIP would automatically be transitioned into Medicare for America, and families with private insurance who face costs or coverage barriers would also have the option to transition to the new program. Individuals with incomes of up to 200 percent of the federal poverty level—including families currently enrolled in Medicaid—would have no cost-sharing requirements or premiums. There would be no administrative hurdles or paperwork requirements in order to receive coverage. Moreover, states that currently have more generous benefits than current federal standards would be required to provide wraparound coverage to ensure that additional costs are not imposed on families.

Medicare for America also increases payments to providers by linking them to Medicare rates, which are higher than Medicaid payment amounts. The plan also increases funding for primary care and other nonprocedural services, which children are more likely to utilize. Payment increases would subsequently work to increase provider participation. Research has shown that when Medicaid rates increase, more pediatricians agree to treat children covered by the program.⁴⁵ After the implementation of the ACA, Medicaid payments for primary care increased, and the number of primary care pediatricians accepting Medicaid patients grew.⁴⁶

Given the significant portion of the population that Medicare Extra would cover, providers would have a greater incentive to cover these patients. And with more providers to choose from, children and their families could more easily access the care they need. It is important to note, however, that during the implementation of any universal coverage program, all stakeholders—including physicians and patient advocates—must be included in determining payment rates for services for children that are not currently enrolled in the Medicare program.

Conclusion

Children’s health must be a priority in any major health care reform. While Medicaid and CHIP are widely seen as a leading standard for providing children’s health insurance, Medicare for All proposals, including Medicare Extra and Medicare for America, would build on the programs’ success by guaranteeing coverage for everyone—regardless of income, age, health status, or state of residence. With all children and families gaining access to comprehensive health care coverage, these proposals would improve the health care system for everyone.

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