

Medicaid Works for Children



Medicaid provides health coverage to [37 million children](#), along with the nearly 9 million kids covered under the Children's Health Insurance Program (CHIP). Medicaid covers a full range of medical services for children, including essential screening services that catch health problems early and in-school services that help children excel in school. And Medicaid works: kids covered by Medicaid not only gain access to needed care but also experience long-term health and economic gains as adults, such as better [health status](#), higher [educational attainment](#), and greater [earnings](#).

Cutting Medicaid or radically changing its financing structure — for example to a per capita cap as in recent congressional Republican proposals to repeal the Affordable Care Act (ACA) — would threaten the essential services that children need. Instead of cutting and capping Medicaid, federal policymakers should support positive state innovations that improve coverage for children.

Medicaid Provides Crucial Services for Children

- **Medicaid and CHIP provide essential care for millions of kids.** Nationally, 95.5 percent of all children had health coverage in 2016, and the number of uninsured children has been cut by nearly half since 2009 — driven largely by greater enrollment in Medicaid and CHIP. Medicaid and CHIP also cover 44 percent of the nearly 11.2 million children with special health care needs in the United States.
- **Medicaid pays for nearly half of all U.S. births.** Expansions of Medicaid coverage for low-income pregnant women during the 1980s and early 1990s led to an 8.5 percent reduction in infant mortality and a 7.8 percent reduction in the incidence of low birth weight.
- **Medicaid provides children with essential services and supports** through the Early Periodic Screening Diagnostic and Treatment benefit, which provides children and young adults with comprehensive and preventive health services. Those services include regular well-child exams; hearing, vision, and dental screenings; and other services to treat physical, mental, and developmental illnesses and disabilities.
- **Medicaid helps schools help kids.** As part of their special education plans, schools must provide medical services that are necessary for students with disabilities to get an education. Medicaid [pays](#) for these services, such as speech and occupational therapy, for eligible children. Medicaid also pays for health services that all children need, such as vision and dental screenings, when they are provided in schools to Medicaid-eligible children.

Medicaid Improves Access to Care and Provides Benefits Beyond Health

- **Medicaid improves children's health in the short and long term.** Kids with Medicaid [have comparable access](#) to health care as those with private insurance, and significantly greater access to care than those who are uninsured. That care makes a lasting difference: Medicaid eligibility in childhood is associated with better [overall health](#) in adulthood, including a 22 percent reduction in high blood pressure, reduced likelihood of hospitalization, and reduced [mortality](#).
- **Medicaid improves education outcomes for students.** Children eligible for Medicaid for longer periods under eligibility expansions are [less likely](#) to drop out of high school and likelier to earn a bachelor's degree. The positive impacts of these expansions are on par with the benefits from other education reforms such as reducing elementary school class sizes and adopting school-wide performance standards.
- **Medicaid improves financial outcomes for children later in life.** Children with Medicaid were found to [earn higher incomes](#) and contribute more in taxes through age 28 for each additional year they were likely Medicaid-eligible as children. Researchers estimate that the increased amount of taxes contributed would allow the federal government to recoup 56 cents of every dollar spent on Medicaid during childhood.

State Innovations Help Meet the Needs of Children

- **Wisconsin uses federal grant funding to integrate health services for children with medical complexities enrolled in Medicaid.** A team of providers and care coordinators [works](#) with children, their families, and their community-based providers to avoid unnecessary hospitalizations and support families as children transition between places they receive care. An early [evaluation](#) of the model showed that inpatient hospital days and costs decreased by more than 50 percent after children enrolled in the program.
- **Through its Accountable Care Collaborative Program, Colorado delivers comprehensive, coordinated care to kids enrolled in Medicaid.** The program connects children with a medical home, where a primary care provider takes the lead on medical care, and Regional Care Collaborative Organizations connect families to support services. Children who were in the program for more than six months were almost twice as likely to receive well-child visits as children just beginning the program, an [evaluation](#) found. Pregnant women enrolled in the program were also more likely to receive prenatal care.

Medicaid Cuts Would Jeopardize Coverage for Children

Millions of Medicaid enrollees would lose coverage, and hundreds of billions of dollars in federal Medicaid funding would be cut, under congressional proposals to repeal the ACA and impose a rigid, arbitrary, and increasingly inadequate cap on federal funding for state Medicaid programs. Such proposals would effectively end states' option to expand Medicaid under the ACA — threatening health care for large numbers of low-income Medicaid beneficiaries and leaving children with special needs at risk of being uninsured or going without needed care.

Such Medicaid cuts would:

- **Jeopardize coverage for the most vulnerable children.** Many children with special health care needs receive coverage through the Katie Beckett and Medicaid buy-in options, eligibility pathways that states can choose to adopt. States could scale back these eligibility pathways to cope with federal funding shortfalls.
- **Leave states holding the bag.** A cap on federal Medicaid funding would leave states responsible for 100 percent of the costs above their arbitrary, inadequate federal funding cap, including higher-than-expected costs stemming from new treatments, public health emergencies (like the current opioid crisis), or changing demographics.
- **Threaten existing services when new costs arise.** As new treatments emerge or as demand for treatment increases, states might cover these added costs by further scaling back services that children now rely on.
- **Lead many parents to lose coverage, which would harm children.** Low-income children with parents enrolled in Medicaid are 29 percentage points likelier to get an annual well-child visit. Coverage for parents also leads to other benefits for children, including increased Medicaid enrollment among eligible children, increased children's use of other health services, and reduced child poverty.

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