Public Coverage for Children in an Era of Reform

Joan Alker, Co-Executive Director, Georgetown University, Health Policy Institute, The Center for Children and Families

Washington, DC
November 17, 2011

The National Landscape

- Remarkable progress in covering children
- Despite budget challenges, nearly all states holding steady in Medicaid and CHIP coverage; a number of states continuing to move forward
  - Support families getting back on their feet after tumultuous economic times
  - Initiatives aimed at increasing coverage and achieving administrative efficiencies
- 13 States expanded eligibility
- 14 states made improvements to enrollment and renewal procedures

Unprecedented Progress in Covering Children

Uninsured children in the U.S. have dropped to their lowest level since the census began collecting data in 1987.

Children Are Uninsured At Lower Rates Than Adults

Children: 9.3% in 2008, 8.6% in 2009, 8.0% in 2010.
Adults: 19.3% in 2008, 20.6% in 2009, 21.4% in 2010.

Eligible but Unenrolled


WHAT WILL HEALTH REFORM MEAN?
Health Reform Expected to Result in 32 Million Covered

Newly Covered through Medicaid and Exchanges

Health Reform and Children in the Foster Care System

- Medicaid expanded to former foster care children up to age 26;
- $1.5 billion over 5 years for home visiting program;
- Develop medical homes that lead to greater coordination of comprehensive care

MEDICAID UPDATE

Children in the Foster Care System

- All children in foster care are categorically eligible for Medicaid
- Represent only 3.7% of non-disabled children enrolled in Medicaid, but account for 12.3% of expenditures for this group
- Mental health service use is 8-15 times greater for children in foster care than for other low-income, high-risk children enrolled in Medicaid
- Much more likely to use psychotropic medications than other children who qualify for Medicaid
  * Prescribed psychotropic medications at a rate 2-3 times higher than other children.

Revenue Decreases and Medicaid Increases

- Important to remember relative to magnitude of budget deficits
- FY 2008-2009:
  * Total Medicaid spending only increased by 7.6%
  * There was a 30% decline in state revenues (Enhanced FMAP funds were vital in addressing state budget shortfalls during that time)

Sources:
Average Annual Medicaid Spending Growth Versus Growth in Health Spending, 2000-2009


Change in Annual State Revenues and Medicaid Spending, from SFY 2008 - SFY 2009

MANAGED CARE

As of October 2010, all states and DC (except AK, NH, and WY) using comprehensive Medicaid Managed Care

Nearly 66% of all Medicaid beneficiaries enrolled in managed care
* Rate varies from under 50% to 80%

At Most 17 States have Statewide Capitated Managed Care For Foster Children

Breadth of Medicaid Managed Care

States mandating more populations of beneficiaries move into managed care, including those previously exempt or excluded, like kids in foster care.

Benefits, like behavioral health, are being carved back in.

Likely managed care will expand with increase of Medicaid eligibility under health reform.

Foster Children and Managed Care

- Waivers to do managed care are necessary
- Challenges to accessing quality services
  - Restrictions on number, types of therapies
- Benefits packages
  - “Benchmarks” vs. EPSDT
  - Essential health benefits package in ACA

Opportunities and Challenges

- More coverage
- Budget pressures and new tools
  - More emphasis on “managing care”
- Can be positive, but budget cutting environment poses risks for high-needs children
- Changes in benefits package

For more information

Joan Alker:
jca25@georgetown.edu

Our website:
ccf.georgetown.edu

Say Ahhh! Our child health policy blog:
www.theccfblog.org/