

Keep Medicaid Strong: The Importance of Medicaid for Children

Medicaid provides essential health benefits to vulnerable children.

- Medicaid is a lifeline for children from low-income families and children with special health care needs.
- Specifically, Medicaid includes Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) as a required benefit. EPSDT includes early recognition and diagnosis of preventable health conditions through screenings and vision, hearing, and dental services.
- EPSDT saves long-term health care costs by paying for the screening, diagnosis, and treatment of complex health conditions in their earliest stages.

Children are not the cost driver in Medicaid spending.

- Children make up more than half of all Medicaid enrollees, but account for less than one quarter of all Medicaid costs.
- In 2007, Medicaid spent just \$2,309 per child compared to \$7,022 per adult and \$10,860 per senior.
- In general, pediatricians serve more Medicaid patients than do other primary care physicians; approximately 30% of a pediatrician's patients are covered by Medicaid, on average.

Block-granting Medicaid will hurt children.

- The Fiscal Year 2012 Budget Resolution passed by the House proposes to block-grant Medicaid. Doing so would shift costs from the federal government onto already financially burdened states by reducing the federal share of funding for Medicaid.
- According to the Congressional Budget Office (CBO), the magnitude of these federal Medicaid spending reductions would make it difficult for states to maintain their current Medicaid programs.
- Under a block-grant structure, states could cut Medicaid costs by limiting benefit packages, restricting eligibility, or further reducing Medicaid payment rates, which are already only 66% of Medicare rates for primary care services.
- These changes would not only leave millions of families and children without access to health services they depend on, but would also drive even more providers, including pediatricians, from the market.

Repealing Medicaid and CHIP stability protections will hurt children.

- More than 14 million children are protected by the maintenance of effort (MOE) provisions in current law. If these protections are repealed, the CBO has estimated that 300,000 children will lose health insurance coverage.
- The CBO also estimates that MOE repeal would leave up to 400,000 people per year uninsured; two out of three of these would be children.