

## American Academy of Pediatrics (AAP) Medicaid and SCHIP Update August 16, 2004

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### New and Noteworthy

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### New and Noteworthy

1. New CSHSC Report Highlights Importance of Medicaid and SCHIP for Children

A new report of the Center for Studying Health System Change (CSHSC) and the Robert Wood Johnson Foundation highlights the importance of Medicaid and SCHIP in maintaining health insurance coverage for children from 2001-2003. The report, "Trends in US Health Insurance Coverage, 2001-2003" examines coverage trends for children and adults, and finds that the proportion of non-elderly (under 65) Americans covered by employer-sponsored health insurance fell from 67% to 63% over this time frame. Among children, employer coverage declined from 63.4% to 59.5%. However, an increase in coverage through Medicaid and SCHIP forestalled a significant increase in the uninsured rate. The proportion of Americans under 65 who lacked health insurance increased slightly over this timeframe, from 14.1% to 15%, which was not quite statistically significant. With children 18 and younger, public insurance enrollment increased from 17.6% in 2001 to 24.1% in 2003. Low-income (< 200% of the federal poverty level (FPL)) children benefited most from Medicaid and SCHIP – between 2001 and 2003, the proportion of low-income children enrolled in public insurance grew from 37.9% to 49.3%, representing an increase of almost 5 million children. This report can be found online at:

<http://www.rwjf.org/research/researchByArea.jsp?detailID=1412&title=>

2. Urban Institute Report Examines Care for Uninsured Children

A new report of the Urban Institute and the Robert Wood Johnson Foundation studies three key measures of access to find whether or not children are obtaining the care they need: a regular source of medical care, regular checkups, and having medical needs met in a timely fashion. The study examined 12,500 children from the 2002 National Health Interview Survey (NHIS). The authors found that while 26% of insured children did not receive a well-child checkup in the past year, 48% of uninsured children did not receive a well-child checkup. Only 3% of insured children lacked a usual source of care, but almost nine times that number of uninsured children, or 26%, similarly lacked a usual source of care. Uninsured children are more than five times as likely to have an unmet health need. For example, 25% of uninsured children with asthma experienced an unmet medical need, about five times the rate of insured children with asthma. This report can be found online at:

<http://www.rwjf.org/research/researchByArea.jsp?detailID=1413&title=>

3. New Study Shows Medicaid Reimbursement Still Too Low

A new study published in the June issue of Health Affairs examines changes in Medicaid physician reimbursement from 1998-2003. The report finds that despite increases in Medicaid fees, largely in primary care, reimbursement under Medicaid continues to remain low and lag Medicare reimbursement considerably. While the report does find that reimbursement for primary care services increased in many states between 1998-2003, sometimes by a considerable percentage, often times these rate increases were in states that already reimbursed at very low rates. For example, the average Medicaid fees for

primary care services rose 41.2% between 1998-2003. However, a closer look at the data suggests that these increases were large because the rates in place in 1998 were often times very low. When states are grouped according to their relative Medicaid fees in 1998, the seven states with the lowest fees, as a group, increased their primary care fees by 39% between 1998 and 2003. In contrast, all other states raised primary care rates by only approximately 18%.

Medicaid reimbursement for obstetric care and other specialty services did not increase as greatly over this time. All rates, however, continue to lag behind Medicare fees. In 2003, primary care services were approximately 62% of Medicare fees (up from 56% in 1998), obstetric services were approximately 84% of Medicare fees (up from 82% in 1998), and reimbursement for other services were approximately 73% of Medicare fees (up from 68% in 2003).

While the increases in Medicaid rates nationally did not increase physician participation in Medicaid, participation did rise for primary care physicians in states with the largest rate increases, consistent with the concept that raising rates does increase physician participation in Medicaid. This report can be found online at:

<http://content.healthaffairs.org/cgi/content/full/hlthaff.w4.374/DC1>

#### 4. Study Indicates Access to Care for Children in Colorado Medicaid Dwindling

A new study released by the Children's Hospital in Denver indicates that the number of pediatricians in Colorado who accept Medicaid patients decreased by nearly 50% between 2000 and 2003, forcing many patients to seek treatment in emergency departments or public clinics, or forego care altogether. The survey, conducted by Steve Berman MD, FAAP and James Todd MD, FAAP, revealed that 83% of pediatrician respondents in 2003 believed that low Medicaid payments do not cover overhead costs. This number is up from 57% of pediatrician respondents in 2000. The survey found that 63% of children enrolled in Medicaid do not have an assigned physician – a number that increased from 40% in 2000. A reported 38% of physicians said they will drop more Medicaid patients if the state does not raise reimbursement rates, and only 25% said they are currently accepting all Medicaid patients, down from 84% in 2000.

The complete study can be accessed through the Children's Hospital Web site, online at:

<http://www.thechildrenshospital.org/pro/news/news.cfm?RecordID=1295>

#### 5. Report: Urban Parents Unaware of Managed Care

A new Commonwealth Fund publication describes an article published in the April issue of Medical Care, which examined urban parents' understanding of and practices regarding managed care. This study sought to examine knowledge of managed care, knowledge of specific managed care features, and parental practices concerning prior approval for emergency care of minor childhood illnesses. The report found that only 12% of parents knew that managed care was a type of health insurance. Moreover, more than ½ of parents in the survey gave wrong or "do not know" answers to 10 of 11 questions regarding specific managed care features. At least 2/3 of parents surveyed said they would bring their child to the emergency department without prior approval for treatment of four minor childhood illnesses. The Commonwealth Fund report on the article can be found online at:

[http://www.cmwf.org/programs/minority/736\\_Flores\\_urban\\_ITL.pdf](http://www.cmwf.org/programs/minority/736_Flores_urban_ITL.pdf)

#### 6. Covering Kids and Families "Back-to-School" Launch

On August 3, 2004, Covering Kids and Families launched the 2004 "Back-to-School" campaign. This campaign uses paid advertising, earned media, and corporate, organizational, and media partnerships to get the word out to working families that they may be eligible for health coverage programs, like Medicaid

and SCHIP. Back-to-School reminds parents that enrolling children in health care coverage should be at the top of the back-to-school checklist, right up there with buying notebooks and school shoes. The AAP joined the campaign as a partner organization, and used the national kick-off on August 3 to call for federal support of Medicaid and SCHIP.

To learn more about the "Back-to-School" campaign, please see:

<http://coveringkidsandfamilies.org/communications/bts/>

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SUB schip Joe Smith

To subscribe to the update, also use the above SUB commands.

#### ABBREVIATIONS and ACRONYMS

AAP - American Academy of Pediatrics  
CSHSC – Center for Studying Health System Change  
FPL – federal poverty level  
HHS – Health and Human Services, US Department of  
NHIS – National Health Interview Survey  
SCHIP - State Children's Health Insurance Program

The Division of State Government Affairs sends the Medicaid and SCHIP e-mail update to the Academy's Executive Committee, Board of Directors, District Vice-Chairs, Chapter Presidents, Committee on State Government Affairs, Committee on Federal Government Affairs, Chapter Executive Directors, other interested AAP members and staff, and other subscribers. Send comments or questions to [SCHIP@aap.org](mailto:SCHIP@aap.org) or contact Dan Walter at the American Academy of Pediatrics at (800) 433-9016 ext 4086.

Previous updates are available on the AAP Web site at:

<http://www.aap.org/advocacy/schiprep.htm>

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