

Children's Health Care Coverage

At Issue:

- Reauthorizing and adequately funding the State Children's Health Insurance Program (SCHIP) by Oct. 1, 2007.
- Protecting and strengthening Medicaid for children and adolescents.
- Reversing those Medicaid provisions in the Deficit Reduction Act of 2006 that created barriers to children's coverage, benefits and care.
- Providing appropriate physician payment within Medicaid and SCHIP to ensure children receive access to care.
- Securing quality health care coverage in a medical home for every child and adolescent.
- Strengthening child health quality improvement activities within the federal government, including funding the development of child-specific health quality and performance measures, and a model electronic health record for children.
- Improving mental health services for children, including equitable treatment of mental health problems as compared to other medical conditions.
- Eliminating health disparities.

Need For Action:

- There are approximately 9 million uninsured children in the United States.
- From 2004 to 2005, the percentage of uninsured children under 18 years of age increased from 10.8 to 11.2%.
- Most uninsured children, including children in low-income homes, have parents who work. Across the country, 75 percent of uninsured children live with someone who works full-time.
- Hispanic and African American children are disproportionately represented among the ranks of the uninsured. More than 22% of Hispanic children and approximately 13% of African American children are uninsured.
- Of the 9 million uninsured children below age 19, approximately 6 million are eligible but not enrolled in either SCHIP or Medicaid.
- Uninsured children are nearly five times more likely than insured children to have at least one delayed or unmet health care need.
- Medicaid is the largest children's health program in the country, providing coverage to 28 million low-income children.
- As a national average, Medicaid pays only 70% of the Medicare value for pediatric services, and only 56% of commercial rates for an office visit. For many services and in many states, payment can be even lower. Without consistent payments, fewer physicians may be able to participate in Medicaid, threatening children's access to health care.
- Children have different illnesses, conditions and health care needs than adults. To date, however, most initiatives aimed at improving the quality of care in the United States have focused on adults.

continued on back

American Academy of Pediatrics

DEDICATED TO THE HEALTH OF ALL CHILDREN™



601 Thirteenth Street, NW • Suite 400 North • Washington, D.C. 20005

202.347.8600 • 800.336.5475 • fax: 202.393.6137 • email: kids1st@aap.org • www.aap.org

Children's Health Care Coverage

AAP Position:

Every child and adolescent in this country deserves health insurance coverage and access to quality care in a medical home. A medical home is defined as primary care that is accessible, continuous, comprehensive, family centered, coordinated, compassionate and culturally effective.

The American Academy of Pediatrics is deeply committed to protecting the guaranteed coverage and benefits provided to low-income children through Medicaid and the State Children's Health Insurance Program (SCHIP). The AAP has specific recommendations for Congress in reauthorizing SCHIP, including:

- Providing \$12 billion annually over 5 years in new funding for SCHIP and Medicaid;
- Offering states new options to expand coverage;
- Extending new tools and financial support to states seeking to enroll more eligible children in coverage;
- Promoting care that fosters children's healthy development; and
- Keeping current coverage strong.

Medicaid must be protected and strengthened. "The Deficit Reduction Act" (DRA) of 2006 made significant changes to Medicaid, the largest health care program for children. The DRA, for example, requires enrollees to document their citizenship and identity, which has created barriers to care. Tens of thousands of

children have lost Medicaid coverage since this documentation requirement took effect. The DRA Medicaid provisions negatively impacting children must be reversed.

While Medicaid and SCHIP are critical to those who are eligible, the AAP has long endorsed federal legislation to insure every child from birth through age 22. The "MediKids Health Insurance Act" would automatically enroll children in a new national child health program called MediKids, and their parents would pay an income-adjusted premium. Parents could choose to cover their children with another equivalent insurance program, private or public. No more enrollment hoops to jump through or daunting paperwork. The only criterion for getting insurance coverage is being younger than age 22. The MediKids legislation should be introduced in the 110th Congress soon.

With respect to physician payment, the Academy recommends payment rates for pediatric services be set at least 100% of Medicare rates, if not more. The AAP also supports the establishment of a Medicaid Payment Advisory Commission to monitor and analyze Medicaid and SCHIP payment rates. Low Medicaid and SCHIP payments do not cover costs, and increasingly force pediatricians to make difficult business decisions of continuing to treat patients at a financial loss, or limiting their participation in Medicaid or SCHIP, which impacts patient access to care.

Some children and adolescents struggle with mental health issues. The AAP supports mental health parity legislation requiring businesses that offer mental health insurance to provide equal coverage for both physical and mental health services.

AAP Available Resources:

- **The American Academy of Pediatrics' Principles to Insure America's Children**, March 2007.
- **SCHIP Achievements, Challenges, and Policy Recommendations**, AAP policy statement, 2007.
- **High-Deductible Health Plans and the New Risks of Consumer-Driven Health Insurance Products**, AAP policy statement, March 2007.
- **The State Children's Health Insurance Program**, testimony by Jay E. Berkelhamer, MD, FAAP before the U.S. House Energy and Commerce Committee, February 2007.
- **The Future of CHIP: Improving the Health of America's Children**, AAP statement for the U.S. Senate Finance Committee, February 2007.
- **State-by-State Medicaid Fact Sheets**, AAP and National Association of Children's Hospitals, January 2007.
- **AAP Quality Improvement and Management Web site:** www.aap.org/visit/qualityimppublic.htm.
- **SCHIP: 10 Years of Covering Children**, AAP statement for the U.S. Senate Finance Health Care Subcommittee, July 2006.
- **Scope of Health Care Benefits for Children from Birth to Age 21**, AAP policy statement, March 2006.
- **Medicaid Policy Statement**, AAP policy statement, July 2005.
- **Ensuring Culturally Effective Pediatric Care: Implications for Education and Health Policy**, AAP policy statement, December 2004.