

United States Medicaid Facts



The Medicaid program provides health insurance for more than 24 million low-income children under age 21 in the United States. Medicaid is essential to low-income children's access to basic medical care.

Did You Know?

- **Over 30% of U.S. children are enrolled in Medicaid.**
- **It costs Medicaid just \$1,590 per year, on average, for each Medicaid eligible child - compared to the average cost per adult Medicaid enrollee of \$6,153.**
- **It's estimated that more than one in eight children and young adults (through age 21) - 12.5 million - are uninsured.**
- **States will lose at least \$10 in federal funding for every \$10 they cut from their state Medicaid budget.**
- **More than half (55 %) of all Medicaid enrollees across the country - 24.2 million - are children.**

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WHAT IS MEDICAID?

Medicaid provides health insurance for three in every ten American children, making it the largest children's health program in the country. It is also the primary source of health care for low-income families and elderly and disabled people. One in seven Americans under age 65 is insured through Medicaid. Medicaid covers a broad range of health care services with few costs paid by the family. More than half of all Medicaid enrollees are children, and most of them live in a household where at least one parent works.

HOW IS MEDICAID DIFFERENT FROM MEDICARE?

Medicaid is a joint program with costs shared by both federal and state governments, while Medicare is paid for entirely by the federal government. Medicaid mainly serves low-income families, while Medicare covers elderly and disabled people who receive Social Security, regardless of their income. Medicaid also covers many services for low-income elderly and disabled people that Medicare does not pay for. Both programs are individual entitlements, which means that you qualify if you meet certain criteria. In Federal Fiscal Year 2000, Medicaid had 44 million people enrolled, including more than 24 million children. Medicare enrollment for 2001 was 40 million. Under broad federal guidelines, each state establishes its own standards for Medicaid eligibility, benefits package, and provider payment rates, although they must meet certain minimum standards and benefits. In 2003, federal government contributions ranged from 50% to 77% of expenditures, depending on the state.

WHY IS MEDICAID IMPORTANT TO CHILDREN?

By far the nation's largest public provider of children's health insurance, Medicaid is a critical health care safety net for millions of low-income children. It covers all services that a doctor or other health care professional identifies as "medically necessary," including physician and hospital visits, well-child care, health screenings, vision care and dental services. Without Medicaid, most—if not all—of these children would have no health insurance.

HOW DOES MEDICAID HELP CHILDREN IN THE UNITED STATES?

Over 30% of U.S. children are enrolled in Medicaid. Although they make up over 50% of the Medicaid population, they account for only 22.9% of total Medicaid payments.

WHY ARE PEDIATRICIANS IMPORTANT TO CHILDREN ON MEDICAID?

Pediatricians provide the care children need, including routine check-ups, immunizations, and treatment for problems found during health screenings. Between 1994 and 1999, pediatricians and pediatric subspecialists provided 51% of all office visits to children on Medicaid. More than two-thirds of pediatricians accept all Medicaid patients who seek care. Plus, more than a third of pediatricians help enroll additional eligible children. Unfortunately, low Medicaid reimbursement rates place an unfair burden not only on pediatricians, but also on children and their families. On average, Medicaid pays just 65% of what Medicare pays for the same service. By law, children covered by Medicaid must have access to the same care and services as children with private insurance. Without consistent payments and decreased paperwork, fewer physicians may be able to participate in Medicaid, threatening children's access to quality health care.

WHY ARE CHILDREN'S HOSPITALS IMPORTANT TO CHILDREN ON MEDICAID?

Committed to serving all children regardless of ability to pay, children's hospitals are essential to the health of all children, especially low-income children. They provide 40% of all inpatient hospital care for children on Medicaid, devoting almost half their inpatient care (47% of inpatient days) to children assisted by Medicaid. Virtually all children's hospitals are termed "disproportionate share hospitals" (DSH) by their state Medicaid programs—a designation reserved for hospitals that serve a disproportionate share of Medicaid patients, which provides these hospitals additional Medicaid funds. But state Medicaid payments to children's hospitals are already low, covering only 76% to 84% of what it actually costs to provide care. It's getting worse: many states, facing budget shortfalls, have further reduced Medicaid payment rates. If Congress does not act this year, federal Medicaid DSH funds will be dramatically reduced, increasing the burden on children's hospitals and other hospitals serving Medicaid patients.

WHY DO CHILDREN ON MEDICAID NEED YOUR HELP?

Medicaid faces serious financial threats that endanger the health of children in the United States. An estimated 12.5 million U.S. children—more than one in eight—are uninsured. If Medicaid funding is cut at the federal and/or the state level, the number of uninsured will grow dramatically.

For More Information Contact:

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