Medicaid and CHIP serve California’s most vulnerable children.

A large share of at-risk children rely on public coverage, as reflected by the percentage of California children in each group below that depend on Medicaid and CHIP for health care they need to thrive:

- **83%** children living in or near poverty.
- **48%** Infants, toddlers, and pre-schoolers during the early years that are key to their healthy development and school readiness.
- **42%** Children with disabilities or other special health care needs such as juvenile diabetes, congenital heart conditions, or asthma.
- **100%** Children in foster care who face poverty, family dysfunction, neglect, and abuse that result in high rates of chronic health, emotional, and developmental problems.
- **50%** Newborns in families to assure a healthy delivery and strong start during their critical first year of life.

How Medicaid, CHIP, and the ACA Cover Children

**How Kids Are Covered**

**Medicaid** is a primary source of coverage for children. Each state has the flexibility to design its program within federal guidelines and receives federal matching funds. For children, Medicaid provides guaranteed coverage, pediatrician-recommended services, and cost-sharing protections.

**The Children’s Health Insurance Program (CHIP)** builds on the foundation of Medicaid to cover children in working families who are not eligible for Medicaid and lack access to affordable private coverage. Each state designs its program within federal parameters but all CHIP programs provide affordable coverage with pediatric-appropriate benefits and networks. Nearly half (24) of all states provide Medicaid benefits to all children enrolled in CHIP.

**The Affordable Care Act (ACA)** established marketplaces where families can purchase health insurance and receive financial assistance. Marketplace plans provide essential health benefits, including pediatric services like dental and vision care.

**Sources of Children’s Coverage in California**

- **Medicaid and CHIP**: 41%
- **Employer-Sponsored Insurance**: 43%
- **Purchased directly from an Insurer, including Marketplace plans**: 6%
- **Other including Medicare, Tricare, VA**: 7%
- **Uninsured**: 3%
Medicaid and CHIP are critical to children’s healthy development and success in life.

Medicaid covers preventive services including well-child check-ups, immunizations, and dental care. Through the program’s definitive standard of care for children—known as Early and Periodic Screening, Diagnostic and Treatment (EPSDT)—Medicaid provides children with access to the care they need at a cost their parents can afford. EPSDT covers a comprehensive array of services for children, including developmental, vision and hearing screenings, so that health problems and developmental delays can be diagnosed and treated as early as possible, or averted altogether.

Medicaid provides affordable access to the care children need.

Administrative costs in Medicaid at the national level are half the rate typical in private insurance. In 2015, children accounted for 41 percent of individuals enrolled in Medicaid nationwide but represented only 19 percent of Medicaid spending, with an average annual expenditure per child of $3,389.

What’s at Stake?

Medicaid helps children grow up to reach their full potential.

Children enrolled in Medicaid:

- Miss fewer school days due to illness or injury
- Do better in school
- Are more likely to graduate high school and attend college
- Grow up to be healthier as adults
- Earn higher wages
- Pay more in taxes

Protect Children’s Coverage

The ACA enacted critical protections that also benefit children and young adults covered by private insurance:

- Young adults between the ages of 19 and 26, an age group with the highest uninsured rates before the ACA, are able to stay on their parents’ health plan.
- Children with asthma, cancer, or disabilities cannot be excluded from coverage due to their pre-existing condition.
- Insurance companies cannot impose annual or lifetime benefit limits, which would be especially hard on families with children who have special health care needs.

Keep Medicaid Strong

Medicaid is a federal-state partnership that guarantees coverage for the most vulnerable children, and covers 35 million children in the U.S. Restructuring Medicaid with reduced federal funding will force states to pit children’s needs against other vulnerable groups, including individuals with disabilities and the elderly. Currently federal matching funds to states expand or shrink as the number of individuals enrolled or the cost of providing services changes based on need. Proposals like block grants or per capita caps that set limits on federal Medicaid funding—which accounts for 58 percent of all federal funding received by California—will shift financial risk to the state to fill the gaps.

Support CHIP Funding

CHIP funding expires at the end of fiscal year 2017. CHIP works because it stands on the shoulders of Medicaid. CHIP funding must be extended to provide certainty and stability for families who depend on it.

58% of total federal funds received by California is for Medicaid.