What is Medicaid?

Medicaid is the single largest health insurer for children. It is also the primary source of health care for low-income parents and other non-elderly adults, the elderly and people with disabilities. The Affordable Care Act (ACA) gives states the option to expand Medicaid eligibility for non-elderly adults earning up to 138 percent of the federal poverty level; even prior to the ACA, states generally provided Medicaid coverage to children with family income levels around or above this level.

Why is Medicaid important to children?

Medicaid is a critical health care program for low-income children and children with special health care needs.

- **Medicaid is a vital program for children.** Medicaid covers over 30 million children nationwide.¹
- **Medicaid covers children who need care the most.** Approximately 20 percent of children have special health care needs, and 44 percent of them are covered by public insurance.²
- **Medicaid is a lifeline for working families.** 64.5 percent of children enrolled in Medicaid and the Children’s Health Insurance Program (CHIP) live in a family with at least one full-time worker.³
- **Children are not the cost driver of Medicaid spending.** Children represent 43 percent of all Medicaid enrollees, but they account for 19 percent of Medicaid spending.¹

How is Medicaid different from Medicare?

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<thead>
<tr>
<th>MEDICAID</th>
<th>MEDICARE</th>
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<tr>
<td><strong>STRUCTURE</strong></td>
<td>A joint federal and state program. Each state establishes its own standards for Medicaid eligibility, benefits and provider payment rates under broad federal guidelines that establish certain minimum standards.</td>
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<td><strong>FINANCING</strong></td>
<td>Costs shared by both the federal and state governments.</td>
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<td><strong>ELIGIBILITY</strong></td>
<td>Serves low-income and disabled children, parents, pregnant women and the elderly, as well as other disabled adults. Since 2014, states may expand Medicaid to low-income adults who had not been previously eligible.</td>
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<tr>
<td><strong>BENEFITS</strong></td>
<td>Provides the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit, which ensures children covered by Medicaid receive all medically necessary care, including physician and hospital visits, well-child visits and treatment, immunizations, dental, vision, and hearing services.</td>
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</table>
Cost of Medicaid-eligible children:

- Number of children covered: Medicaid provides health insurance for 355,000 low-income children in Massachusetts. Children make up 29.6 percent of Massachusetts' Medicaid population.

- Cost of Medicaid-eligible children: Each Medicaid-eligible child costs Massachusetts just $4,162 per year, on average, compared to average costs per adult Medicaid enrollee of $4,461.

- Number of eligible but unenrolled children: An estimated 16,000 – or 1.1 percent – of Massachusetts’ children under 18 are uninsured. Nationally, 89.8 percent of uninsured children are eligible for Medicaid or CHIP but not enrolled.

- Federal funding for Massachusetts: Massachusetts will lose $1.00 in federal matching funds for every $1.00 in state money it cuts from its Medicaid budget.

- Medicaid family income levels: In general, eligibility for Medicaid has some relation to age. For families of four in Massachusetts, children under 1 are eligible for Medicaid with family income up to $37,665. Nationally, 89.8 percent of uninsured children are eligible for Medicaid or CHIP but not enrolled.

Sources


xiii Children’s Hospital Association Annual Benchmark Report, 2015.


**Unless otherwise noted, data referenced in this document refer to Medicaid only and non-disabled children younger than age 19.**