



Medicaid Works for Children: Cutting and Restructuring Medicaid Should Not Be Part of Deficit Reduction

Medicaid is a vital part of the safety net for the children and youth in the child welfare system. Children receiving Title IV-E foster care and adoption assistance are categorically eligible for Medicaid. Additionally, all states currently extend Medicaid benefits to non-IV-E eligible children in foster care.

- Children in foster care are at higher risk for physical and mental health issues, stemming from the maltreatment that led to their placement or from preexisting health conditions and unmet long-term health care needs. Medicaid covers their basic health care needs and serves as the major source of coverage for special services. These include rehabilitative services, targeted case management, and in-patient psychiatric services.
- Federal law and regulations require states to provide Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services to Medicaid eligible children under the age of 21. The EPSDT program is an essential element of providing health care to children in foster care and screens children to uncover physical challenges, mental health problems, developmental delays, and dental needs.

Children in foster care account for a disproportionately high share of Medicaid expenditures when compared to other children in the Medicaid program.

- For example, although children in foster care represent only 3.7% of the nondisabled children enrolled in Medicaid, they account for 12.3% of total expenditures and 25 to 41% of Medicaid mental health expenditures.

The Super Committee should not cut Medicaid, restructure it into a block grant, impose an arbitrary federal spending cap, implement a blended rate, or make changes to current rules governing eligibility and enrollment (including lifting the Medicaid and CHIP “maintenance of effort” requirements) – ALL would disproportionately harm children.

- An analysis by the Congressional Budget Office (CBO) found that if the MOE were repealed, two thirds of those who would lose coverage would be children. Further, CBO estimates that by 2016, half the states would eliminate their CHIP programs altogether.
- Children who make up more than half of Medicaid beneficiaries would be disproportionately affected by cuts to program eligibility, benefits, or provider reimbursement, resulting in compromised access to care and poorer child health outcomes.
- Cuts to Medicaid would disproportionately impact low income children, children with disabilities, and children in communities of color who are more likely to suffer from poor health.

Medicaid and CHIP keep health coverage stable for children during tough economic times.

- During the recent recession, Medicaid and CHIP worked as intended, covering children who lost their health coverage as families economic circumstances worsened. Even as employer-based health coverage eroded and the uninsured rate for adults has risen, today there are fewer uninsured children than ever before.