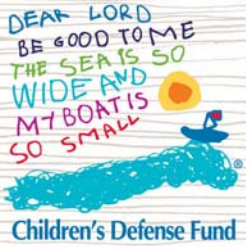
Children's Defense Fund

Health Reform Legislation Must Include Priorities for Children



Health reform for everyone in America is a priority for the Obama Administration and leaders in the 111th Congress. Children are not little adults; in crafting health reform, it is critical that Congress address the distinct developmental needs of children. Health reform is an important opportunity to make long term investments in children that will strengthen the health and productivity of our nation. No matter what the final legislation looks like, it must incorporate the following three principles to ensure that every child in America is covered by high quality, affordable health coverage:

Coverage Must Be *Affordable*:

The current children's health care system – Medicaid and the Children's Health Insurance Program (CHIP) – provides affordable health coverage to more than 34 million children. But even under the CHIP Reauthorization, millions of children will be uninsured and millions more will remain underinsured.

- *Current System:* Each state sets its own income eligibility level for Medicaid and CHIP within broad federal guidelines, creating a lottery of geography for children.
- *Example:* If a child in a family in Washington state making $44,100 per year moves to neighboring Oregon, that child will no longer be eligible for coverage.
- *Recommendations for Reform:* All states should be required to cover children up to 300 percent of the poverty level with no cost sharing, and families with incomes above that level should contribute on a sliding scale.

Benefits Must Be *Comprehensive*:

Growing children have special developmental health needs. Regular screenings help identify and treat problems preventively to ensure a child's well-being, healthy development, and school-readiness. Because health and cognitive development in childhood lay the foundation for adult achievements, investing in children's health care is urgent and necessary.

- *Current System:* The CHIP program does not require coverage of all medically necessary services in the way that the Medicaid program does.
- Under CHIP, children may be denied necessary mental health services because parity will only apply if mental health services are offered in the first place. Even then, CHIP programs and private insurers can limit mental health services so long as they are the same limits they put on physical health services. Under EPSDT, children get whatever mental health services they need and they are not limited to a certain number of visits.
- *Recommendations for Reform:* States should be required to provide all children enrolled in publicly sponsored coverage with the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit which guarantees access to "all medically necessary services" that are crucial to every child's health and development.

The System Must Be *Simple*:

Currently, approximately two-thirds of uninsured children are eligible for health coverage under Medicaid or the Children's Health Insurance Program (CHIP) but are not enrolled; excessive enrollment barriers are often the cause.

- *Current System:* Some states have adopted procedures, like face-to-face interviews, that make it more difficult for families to enroll their children in CHIP or Medicaid, and to keep them enrolled.
- *Example:* A mother in Montana cannot enroll her daughter, who has a cleft palate, in the state's CHIP program because she has $2,000 in an IRA and the state has a strict asset test for eligibility.
- *Recommendations for Reform:* States should be required to eliminate administrative barriers that make enrollment and retention of children in CHIP and Medicaid more difficult, and must be required to adopt procedures such as automatic enrollment to ensure that all children get and keep health care.

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