

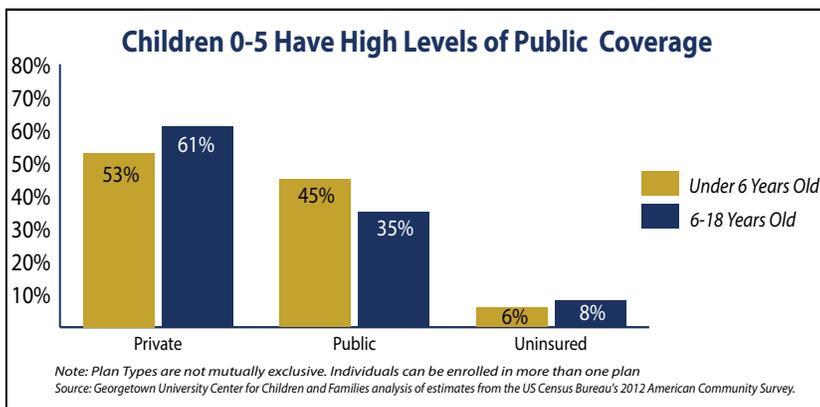


Medicaid's Role in Improving Early Childhood Outcomes

Overview

Since 1997, Medicaid and the Children's Health Insurance Program (CHIP) have helped cut the uninsured rate for children in half from 14 percent to 7 percent. Today, over 27 million children are insured through Medicaid and CHIP, and for children age zero to five, Medicaid plays an outsized role.¹ More than 45 percent of children under age 6 are publicly insured, compared to nearly 35 percent of children between the ages of 6 and 18. Almost one in five Medicaid beneficiaries nationwide is a child under the age of six.²

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A major benefit of Medicaid's coverage for young children is the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) benefits package. Notably, EPSDT provides coverage for health screening and care recommended by the American Academy of Pediatrics' Bright Futures standards.⁵ EPSDT broadens the definition of medical necessity for children, stating that services must be offered not just to improve or eliminate a condition, but also "to correct or ameliorate defects and physical and mental illnesses and conditions."⁶ This requirement promotes the early discovery and treatment of health problems that may impede a child's development.⁶ While there is work to be done to ensure EPSDT is implemented correctly, its potential for children ages zero to five is unparalleled.

Medicaid provides comprehensive coverage

Health insurance is vital to successful outcomes for children, particularly for those eligible for Medicaid – the most vulnerable children. More than 88 percent of children aged zero to five covered by Medicaid receive one or more preventive medical visits, as compared to 63 percent of uninsured children.³ Children's health insurance goes beyond immediate health access; it impacts the long-term health and development of a child and increases the likelihood of higher educational attainment. Tied closely to these outcomes is the potential for public coverage to reduce pervasive health and socioeconomic disparities.⁴

Children in low-income families are at greater risk for ill health

Children in poor families are nearly seven times more likely to be in poor or fair health compared to children in high-income families.⁷ Children born to mothers of low income are at a higher risk to be premature or of low birth weight – conditions that increase the possibility of future health and development complications.⁸ Research has shown, however, that as public insurance has



become more widely available, the rate of low-weight births has declined.⁹

Depression is also tightly linked to lower income. More than 50 percent of poor infants have a mother with depression; 10 percent have a mother with severe depression.¹⁰ Children of depressed mothers are more likely to develop emotional and behavioral disorders, to experience neglect, and to be born with some type of complication (e.g. low birth-weight, premature).¹¹

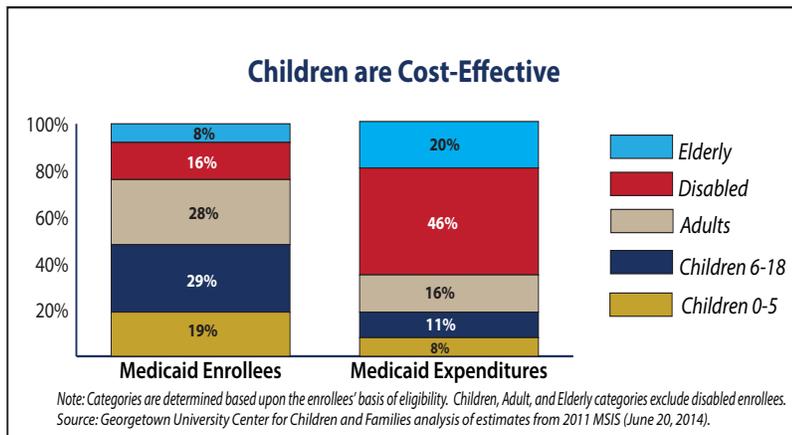
Children’s early health affects future development

More than 30 percent of publicly insured children from ages zero to five are at moderate to high risk of developmental, behavioral, or social delays.¹² Publicly insured children report health screenings at a rate (32%) that is 28 percent higher than uninsured children, and similar to privately insured children (31%).¹³ A child with untreated health problems is more likely to experience cognitive, behavioral, or physical disabilities as a child, and to develop future conditions such as high blood pressure, heart disease, and diabetes.¹⁴ Screening is essential to early interventions. Early childhood screening, made possible through EPSDT, leads to earlier, more effective care that can preempt complicated treatments and education services later in childhood.¹⁵

Early childhood programs promote higher educational attainment, which is closely associated with adult health. A recent study from the National Bureau of Economic Research found that Medicaid expansions have positively affected educational attainment. A 10 percentage point increase in average Medicaid eligibility for children led to a 5 percent decrease in the high school dropout rate and greater than a 3 percent increase in the four-year college attainment rate.¹⁶

Medicaid for young kids is cost-effective

Children are the largest group of Medicaid beneficiaries but they do not account for most spending. Children zero to five constitute 19 percent of Medicaid enrollees, however they only account for 8 percent of Medicaid spending.¹⁷



Endnotes

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