Georgetown University
Health Policy Institute
CENTER FOR CHILDREN
AND FAMILIES

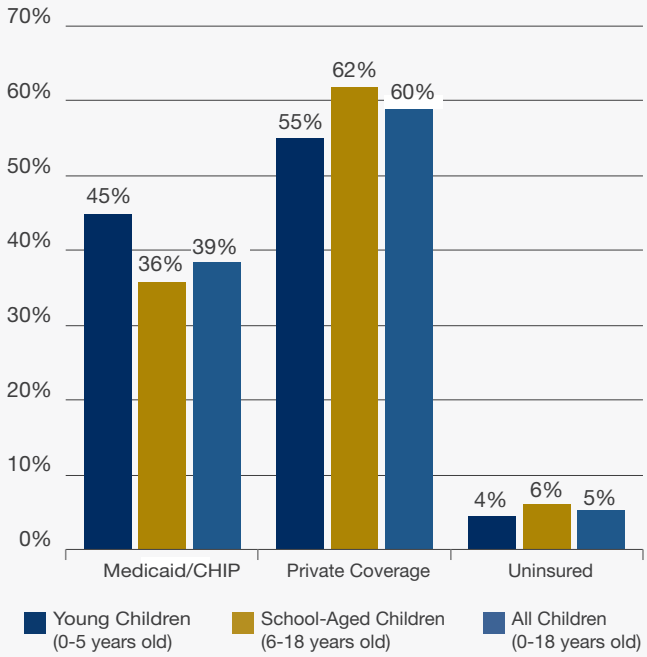
Medicaid's Role for Young Children

Today, more than 45 million children have coverage through Medicaid and the Children's Health Insurance Program (CHIP).[1] For the nation's youngest children, Medicaid and CHIP play an outsized role, covering 45 percent of children under the age of six, compared to 36 percent of children between the ages of six and 18.[2] (See Figure 1.) The percentage of young children with health care coverage has increased over the past two decades, reaching historic highs after the Affordable Care Act (ACA) was fully implemented. By 2015, just 4 percent of children under the age of six remained uninsured in the United States.[3] *The majority of young, uninsured children (about 71 percent, 617,000 children) are eligible for Medicaid or CHIP but are not enrolled.*[4]

Medicaid covers the vast majority of young, low-income children. For the nearly one out of every four (23 percent) children under the age of six living in poverty, Medicaid plays an important coverage role.[5] As detailed in Figure 2, Medicaid and CHIP provide coverage for most young children (from birth through the age of 5) with family incomes near the Federal Poverty Level (FPL).[6] Under federal law, state Medicaid programs are required to cover children in families with income up through 138 percent of the FPL ($27,821 annual income for a family of three in 2016). Most states have expanded Medicaid eligibility beyond federal income floors to serve children at higher family income levels. The median upper income eligibility limit for Medicaid and CHIP across the states is 255 percent of the FPL ($51,408 for a family of three).[7]

For the nation's youngest children, Medicaid and CHIP play an outsized role, covering 45 percent of children under the age of six.

Figure 1. Medicaid and CHIP Are Important Sources of Coverage for Young Children, 2015



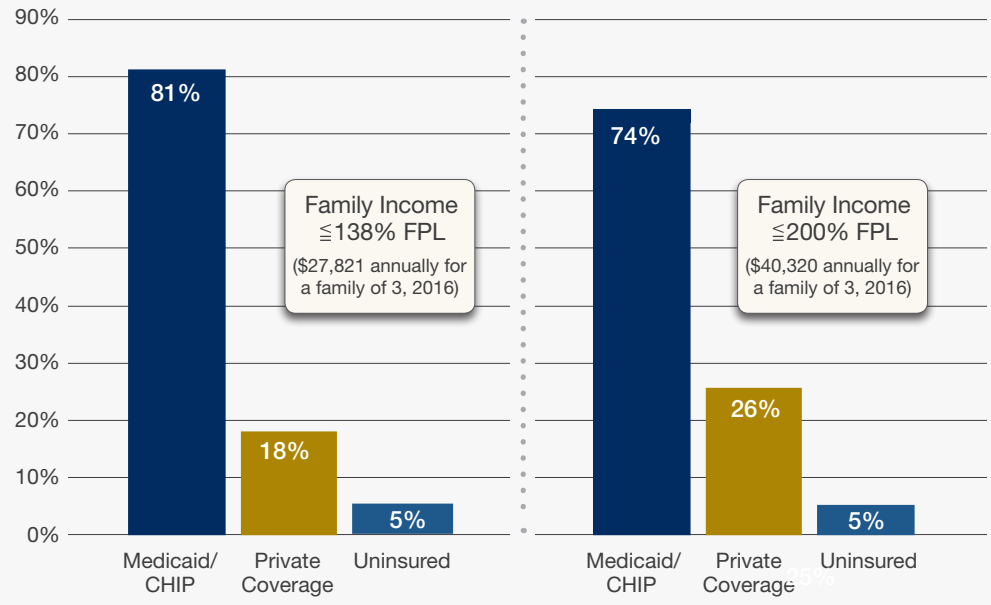
Note: Individuals can report more than one source of coverage and totals may add to more than 100 percent.

Source: SHADAC analysis of the American Community Survey (ACS) Public Use Microdata Sample (PUMS) files.[8]

The Medicaid benefit package for children—Early, Periodic, Screening, Diagnosis, and Treatment (EPSDT)—is designed to address children's unique health needs. Under EPSDT, states are required to provide comprehensive services by covering all appropriate and medically necessary services needed to correct and ameliorate health conditions for children.[9] A child with untreated health problems is more likely to experience cognitive, behavioral, or physical disabilities during childhood and to later develop conditions such as high blood pressure, heart disease, or diabetes.[10] More than one-fourth of children under the age of six may be at moderate or high risk for developmental, behavioral, or social delay.[11] Preventive care, especially for young children, can preempt more complicated and costly treatments and conditions later in life. Early childhood screening, for example, can uncover developmental concerns and help children more effectively obtain the health or education services needed to reach developmental milestones and prevent further delays.[12]

Medicaid is an effective investment that improves health, education, and economic outcomes for children. An emerging body of research underscores the long-term benefits of childhood Medicaid coverage—benefits that last through adulthood—including better health outcomes, lower rates of mortality, stronger educational and economic achievements, and a significant return on public investment.[13] Children who have access to Medicaid coverage are less likely to drop out of high school and are more likely to graduate from college. Further, children eligible for Medicaid have higher incomes as adults, allowing the government to recoup nearly one-third (32 cents on the dollar) of the initial cost of expanding childhood Medicaid through the higher taxes they pay.[14]

Figure 2. Health Coverage for Low-Income Children Under the Age of Six, 2015



Note: Individuals can report more than one source of coverage and totals may add to more than 100 percent.

Source: SHADAC analysis of the American Community Survey (ACS) Public Use Microdata Sample (PUMS) file.[15]

Endnotes

[1] Indicates FY 2015 unduplicated number of children ever enrolled in Medicaid as reported by the Statistical Enrollment Data System (SEDS). Centers for Medicare & Medicaid Services (CMS), "FFY 2015 Number of Children Ever-Enrolled in Medicaid and CHIP" (June 2016), available at https://www.medicaid.gov/chip/downloads/fy-2015-childrens-enrollment-report.pdf. Note: Because of state program design options and federal minimum eligibility levels for children in Medicaid, the majority of children supported by federal CHIP funds are enrolled in the Medicaid program. Of the 8.4 million children in CHIP-financed coverage, more than half are estimated to be in Medicaid rather than a separate CHIP program. As noted, most of the data in this fact sheet describe Medicaid/CHIP together given their financial and programmatic connections.

[2] State Health Access Data Assistance Center (SHADAC) analysis of the American Community Survey (ACS) Public Use Microdata Sample (PUMS) file, available at http://datacenter.shadac.org/profile/6#1/united-states/percent,count,moe/a/hide.

[3] Ibid.

[4] G. Kenney et al., "Children's Coverage Climb Continues: Uninsurance and Medicaid/CHIP Eligibility and Participation under the ACA," Urban Institute and Robert Wood Johnson Foundation (May 2016), available at http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000787-Childrens-Coverage-Climb-Continues-Uninsurance-and-Medicaid-CHIP-Eligibility-and-Participation-Under-the-ACA.pdf.

[5] Georgetown CCF analysis of the American Community Survey (ACS) data 2014 single year estimates.

[6] SHADAC analysis, op. cit.

[7] T. Brooks et al., "Medicaid and CHIP Eligibility, Enrollment, Renewal, and Cost-Sharing Policies as of January 2016: Findings from a 50-State Survey," Georgetown University Center for Children and Families and Kaiser Commission on Medicaid and the Uninsured (January 2016), available at http://kff.org/medicaid/report/medicaid-and-chip-eligibility-enrollment-renewal-and-cost-sharing-policies-as-of-january-2016-findings-from-a-50-state-survey/.

[8] SHADAC analysis, op. cit.

[9] Section 1905(r)(1)(B) of the Social Security Act. For a full description of EPSDT coverage, see Department of Health and Human Services, "EPSDT – A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents," June 2014, available at http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Downloads/EPSDT_Coverage_Guide.pdf.

[10] Robert Wood Johnson Foundation, "Overcoming Obstacles to Health" (February 2008), available at http://www.rwjf.org/content/dam/farm/reports/reports/2008/rwjf22441.

[11] U.S. Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau, "The Health and Well-Being of Children: A Portrait of States and the Nation 2011-2012," U.S. Department of Health and Human Services (2014), available at http://mchb.hrsa.gov/nsch/2011-12/health/child/childs-health-status/risk-developmental-delay.html.

[12] Department of Health and Human Services, "Birth to 5, Watch Me Thrive! A Compendium of Screening Measures for Young Children," (March 2014), available at https://www.acf.hhs.gov/sites/default/files/ecd/screening_compendium_march2014.pdf.

[13] A. Chester and J. Alker, "Medicaid at 50: A Look at the Long-Term Benefits of Childhood Medicaid," (July 2015), Georgetown Center for Children and Families, available at http://ccf.georgetown.edu/wp-content/uploads/2015/08/Medicaid-at-50_final.pdf.

[14] D. Brown, A. Kowalski, and I. Lurie, "Medicaid as an Investment in Children: What Is the Long-Term Impact on Tax Receipts?" National Bureau of Economic Research (January 2015), available at http://www.nber.org/papers/w20835.

[15] SHADAC analysis, op. cit.