

Medicaid: Important for Military Families & Future Readiness



Acknowledgements

Mission: Readiness

Retired admirals and generals strengthening national security by ensuring kids stay in school, stay fit, and stay out of trouble.

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The physical health and well-being of current service members is vital in supporting military readiness. Likewise, the physical health and well-being of young Americans is vital to the future readiness of the Armed Forces. Ensuring affordable and comprehensive health care access for America's military families and our next generation is an essential investment in our national security.

Medicaid supports families during and after military service

An estimated 860,000 Medicaid enrollees have TRICARE as their primary source of health care coverage,¹ including 220,000 children. Medicaid serves as a critical safety net for families of active-duty service members and veterans. Almost one in ten children (10 percent) of active-duty service members with TRICARE also have Medicaid coverage.² Service members and their families have unique health care needs due to the nature of military service. This includes frequent moves that often disrupt continuity of care, service-related health conditions, and acute mental health needs. TRICARE, the government-sponsored health insurance program for members of the uniformed services and their families, can leave families with out-of-pocket expenses. Medicaid can act as a second payer for those with TRICARE coverage to help fill in gaps in benefits and help protect low-income military families from significant out-of-pocket costs. In addition, 3.4 million children of veterans are estimated to depend on Medicaid for health care.³



1 in 10 children

Approximately one in ten children (10 percent) of active-duty service members with TRICARE also have Medicaid coverage

Health Coverage for Active-Duty Military Families

TRICARE

TRICARE provides health coverage to active-duty service members and their dependents (e.g. spouses, children) as well as offers coverage options to National Guard and Reserve members and their families. The cost of TRICARE varies by type of plan, service member status, and date the service member entered service.

Medicaid

Medicaid offers secondary coverage for active-duty families who qualify based on household income or through a disability-related pathway. Because of differences in TRICARE's definition of medical necessity and coverage of certain prescription drugs, Medicaid may cover additional services and benefits for families that are eligible.

Medicaid supports future military readiness

Medicaid's key pediatric benefit has its roots in ensuring the nation's military readiness. The findings of a 1964 White House study, which showed high rates of military draftees being disqualified from service due to preventable conditions, influenced subsequent recommendations from President Lyndon B. Johnson on child health.⁴ That led to the development of Medicaid's pediatric standard of care, known as Early and Periodic Screening, Diagnostic and Treatment (EPSDT).⁵ Through this benefit, children enrolled in Medicaid are covered for all preventive screenings and medically appropriate services and treatment needed to address their health conditions including obesity – the leading disqualifier for military service.

The advisory committee that provides recommendations to the Secretary of

Defense on health-related policies has underscored the importance of pediatric health care,⁶ noting it is a military readiness issue. With nearly half of U.S. children enrolled in Medicaid, including many children of military-connected families, the EPSDT pediatric standard helps ensure children receive preventive and diagnostic services that can help them thrive and improve long-term health.⁷ Medicaid's pediatric benefit supports healthy childhood development, which helps to ensure that young adults have the option to join the military or follow other career paths without worrying about health barriers standing in their way.

Medicaid helps ensure children of military families get necessary services

While TRICARE covers many of the needs of military families, Medicaid's pediatric benefit package is centered on children and offers more comprehensive coverage, including annual well-visits and dental services. The American Academy of Pediatrics recommends annual well visits for children until age 21 after the first two years of life.⁸ TRICARE only covers annual well-child visits through age five;⁹ once a child turns six, an annual comprehensive preventive exam is only covered if the visit includes an immunization (one comprehensive preventive exam without an immunization is covered between age 6-11 and age 12-17).¹⁰ Dental coverage is offered separately from standard TRICARE plans and requires a monthly premium for families. Medicaid can help fill in these gaps for important preventive services throughout childhood. Additionally, Medicaid coverage provides children with special health care needs access to a wider range of services TRICARE does not cover

Over 1 in 3
young adults aged
17-24 is too heavy to
serve in the military
(Center For Disease Control)

In 2023, nearly
20% of U.S.
children and
adolescents are obese
(Trust for America's Health)



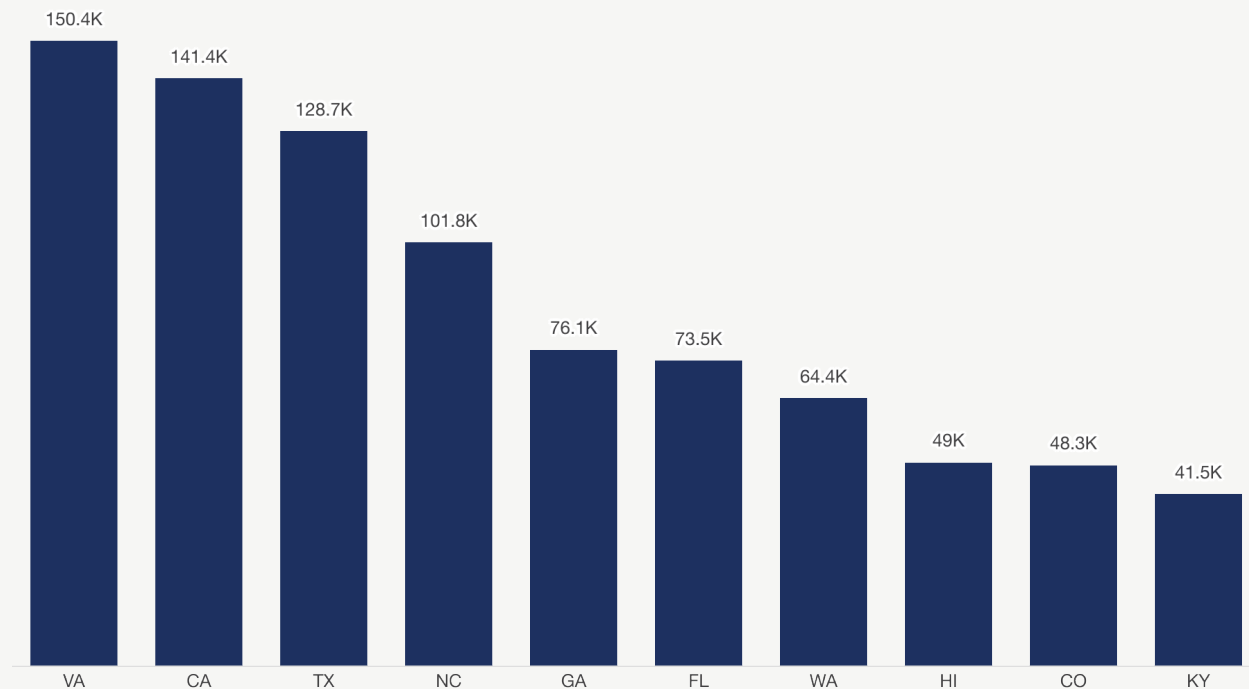
due to the latter's more restrictive definition of medical necessity, which does not account for specialized pediatric care needs.¹¹ Medicaid EPSDT is designed specifically for children, TRICARE is not.

Medicaid is especially important for children with special health care needs

Due to the unique pressures of military life, research suggests that children of military families are more likely to have special health or mental health needs compared to the civilian sector.¹² For active-duty family members with such needs, Medicaid covers

supplemental benefits not available through the standard benefit package, including rehabilitative services and limited respite care. However, there is an annual dollar limit on benefits, including home health services.¹³ Medicaid helps fill in these gaps in coverage. Children who have complex health conditions can use Medicaid to access specialized wraparound benefits that are not available through TRICARE or other private insurance. That can include certain home- and community-based services or specialized care. Additionally, Medicaid's open prescription drug formulary allows greater access to specific medications these children may need.

States with largest active-duty family member population, 2023



Active-duty family members include spouses and children ages 0-18.

Source: Georgetown University Center for Children and Families analysis of U.S. Department of Defense "2023 Demographics Profile of the Military Community."



Medicaid removes financial barriers and reduces the risk of medical debt

Medicaid provides important financial protections for families with lower incomes, including helping shield eligible active-duty military families from medical debt. Service members face unique financial challenges, such as incurring out-of-pocket costs from frequent mandatory moves,¹⁴ high cost of living at their assigned duty stations,¹⁵ and high rates of spousal unemployment.¹⁶ One in four active-duty service members experience food insecurity.¹⁷ Children in

many, if not all, of these families may be eligible for Medicaid based on family income. Medicaid can cover TRICARE cost-sharing (e.g., prescriptions, out-of-network pediatric specialists) for active-duty families, ensuring that children do not experience delays in care due to cost or that families do not incur detrimental out-of-pocket expenses. For example, [TRICARE cost-sharing](#) for covered prescriptions can range from \$13 to \$76 depending on the type of medication, pharmacy or location,¹⁸ Medicaid can cover these costs for those who qualify, ensuring they do not create a barrier to necessary care.

Endnotes

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