

Updated ‘principles’ aim to ensure children have affordable access to quality care

July 17, 2017

Mark L. Hudak, M.D., FAAP

Article type: [AAP Policy](#)

Topics: [Child Health Financing](#)

Access to necessary health care for children and young adults has expanded substantially over the past several years due to changes in Medicaid, the Children’s Health Insurance Program (CHIP) and new rules that govern employer-sponsored and marketplace insurance plans. An updated AAP policy on child health financing espouses as a core principle that the U.S. cannot abandon any of these hard-won gains for children in any future health care legislation.

Updated from 2010, the policy *Principles of Child Health Care Financing* outlines how the design, financing and payment policies of a comprehensive health care system can ensure children have access to universal coverage with quality, affordable health insurance that covers the full scope of essential pediatric benefits. It also states that cost-sharing by families should be affordable, and that providers receive payments that are adequate to strengthen family- and patient-centered medical homes.

The policy, from the AAP Committee on Child Health Financing, is available at <https://doi.org/10.1542/peds.2017-2098> and will be published in the September issue of *Pediatrics*.

The policy emphasizes that Medicaid should remain true to its origins as an entitlement program. This means that fiscal reforms should not reduce the eligibility and scope of benefits for children and young adults below existing levels, nor should they jeopardize any child’s access to care. All funding reforms (e.g., block grants, per capita caps) proposed to date will eventually but inevitably force states to cut eligibility, reduce key benefits such as Early and Periodic Screening, Diagnostic and Treatment (EPSDT) and/or delay or prevent timely access to needed care.

Improvement must be maintained

An unequivocal metric of progress is that from 2009 to 2015, the uninsurance rate has declined from 9.7% to 5.3% for children younger than 19 years. Over the same interval, the uninsurance rate for young adults ages 19-25 years has fallen even more precipitously from 31.7% to 14.5%.

In the midst of the ongoing national debate on health care, it is important to focus on the many factors that have led to recent improvements in health care coverage.

Implementation of the Affordable Care Act (ACA) of 2010 and the Medicare Access and CHIP Reauthorization Act of 2015 secured vital gains for children. These laws enacted the following key provisions which the policy calls for preserving in any future legislation:

- maintained a child’s eligibility for Medicaid, at least at the threshold in place in each state in 2010;

- increased Medicaid eligibility for children ages 6 to 18 years by raising the minimum qualifying family income from 100% to 133% of the federal poverty level;
- created an opportunity for states to enroll young adults ages 19 to 25 years in the Medicaid program as a part of Medicaid expansion;
- extended Medicaid coverage for young adults in foster care up to age 26;
- increased federal funding for CHIP by adding a 23-percentage-point federal match to each state's grant;
- improved efforts to identify children eligible for Medicaid and CHIP funding; streamlined enrollment processes; and eliminated or reduced waiting periods;
- eliminated pre-existing conditions and lifetime caps on payments in most non-public insurance plans to remove barriers to obtaining affordable insurance; and
- defined pediatric services; rehabilitative and habilitative services and devices; and maternity and newborn care as essential health care benefits.

Recommendations for continued progress

The statement makes wide-ranging recommendations under four key domains for strengthening the health care financing system to further improve the health of children. Some highlights include the following:

- **Assure universal, quality and affordable health insurance** for all who reside in the United States, regardless of income, family composition or immigration status, from birth through 26 years of age. Fiscal and operational reforms should concentrate on increasing access to and improving quality of care. CHIP should be re-funded for a minimum of five years.
- **Ensure that each insurance plan covers all essential pediatric benefits.** The Department of Health and Human Services should adopt EPSDT as the standard for essential pediatric benefits. Preventive care and wellness benefits as outlined in *Bright Futures* should be exempt from cost-sharing.
- **Structure cost-sharing expenses** (copayments, deductibles and coinsurance charges) **to enable preventive care, to encourage wise use of other medical care and to be affordable in relation to family income.**
- **Pay providers sufficiently to strengthen the functionality of the family- and patient-centered medical home.** Medicaid payments should be on par with Medicare. Although many payment models may co-exist, each one should potentiate the ability of the medical home to provide excellent care and comprehensive care coordination and should incentivize improving quality and/or outcomes of care.

The updated policy looks beyond the current national debate to note that “more progress can and should be made to reduce uninsurance and underinsurance rates.” Health care *is* “complicated!” But pediatricians should embrace the principles of health care financing outlined above that help build on the advances we have made on behalf of our children.

Dr. Hudak is lead author of the policy, chair of the AAP Committee on Child Health Financing and chair-elect of the Section on Neonatal-Perinatal Medicine Executive Committee.