



Medicaid, SCHIP, and EPSDT

ACTION

- Preserve the federal guarantee of Medicaid for all low-income children, improve Medicaid benefits, and broaden health insurance coverage for uninsured children.
- Ensure that Medicaid and the State Children's Health Insurance Program (SCHIP) provide comprehensive, continuous, and coordinated health care services for all children and families involved with the child welfare system.
- Intensify outreach, education, and simplification of the application process to ensure all children who are eligible for health care assistance under Medicaid or SCHIP are enrolled.
- Oppose efforts to reform Medicaid and SCHIP that do not maintain or improve benefits, eligibility, and access to services.
- Ensure the availability of and accessibility to comprehensive preventive health care services for children younger than 21 who are enrolled in Medicaid under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program.

HISTORY

Ensuring the health of children and families involved in child welfare is of paramount importance. To do so, we must find solutions to address the shortcomings of our nation's health care system. Health coverage for all children and their families, through Medicaid, SCHIP, or private insurance, can prevent many children from ever needing the child welfare system.

Children in the foster care system, like all children, need well-child care, immunizations, and treatment for acute illnesses. But they also require greater attention due to their high risk for health, mental health, and developmental problems.

Medicaid

Medicaid is the nation's major program for providing health and long-term care coverage to low-income people. It is a critical health care safety net for millions of low-income children. Medicaid provided health care to 40.4 million low-income people in 1998—20.7 million children, 8.6 million adults in families, 4.1 million elderly, and 7 million individuals who are blind or disabled.

Although children represent half of all Medicaid enrollees, they account for only 15% of program spending.¹

Medicaid is a joint federal-state program; each state has extensive flexibility to set its own eligibility standards, benefits packages, payment rates, and program administration, under broad federal guidelines. The result is 56 unique Medicaid programs (one for each state, territory, and the District of Columbia).

Under Medicaid law, to qualify for federal matching funds, states are only required to cover the very poorest people who fit into several categories:

- parents and children who meet income and asset limits for each state's welfare program as of July 16, 1996;
- pregnant women, and children younger than 6, with family incomes up to 133% of the federal poverty level;
- all children younger than 19 with family incomes up to 100% of poverty;
- all current and some former beneficiaries of Supplemental Security Income;
- all beneficiaries of foster care and adoption assistance under Title IV-E of the Social Security Act; and
- certain low-income Medicare beneficiaries.

States have the option to cover people who fit these categories and have higher incomes. They are only required to cover a package of core health services—mandatory services—but they must provide this package for all Medicaid beneficiaries. States have flexibility to cover an additional one or more of a list of 33 "optional services" with federal matching dollars. These optional services are usually medically necessary, and most states already provide coverage.

Although states have great freedom to design their own Medicaid programs, the federal government funds a significant portion of total Medicaid spending in every state—between 50% and 83%. The Federal Medical Assistance Percentage matching rate for each state is calculated by comparing the state average per capita income to the national average. In 1998, 24 states and the District of Columbia had federal matching rates higher than 60%; of these, 50% had matching rates of 70% or higher.²

SCHIP

To broaden coverage to low-income children, Congress created SCHIP in 1997. SCHIP targets uninsured children younger than 19 with family incomes below 200% of the poverty level and who are not eligible for Medicaid or covered by private insurance. This matched block grant program allocates \$40 billion in federal funds over 10 years. Each state receives an annual allotment.

States can expand coverage to uninsured low-income children through a separate state program, by broadening Medicaid, or both. If states use the Medicaid option, children become entitled to full Medicaid coverage. In implementing SCHIP, 17 states have expanded Medicaid, 16 have created separate state programs, and 18 have combination plans.³

Three-fourths of the nation's 10 million uninsured children could be covered by either Medicaid (50%) or SCHIP (25%) under current income eligibility levels.⁴ Effective outreach and streamlining enrollment are key to both Medicaid's and SCHIP's success in improving coverage of low-income children.⁵

EPSDT

EPSDT entitles children younger than 21 and enrolled in Medicaid to receive comprehensive and preventive health care services. Under EPSDT, state Medicaid agencies must inform all Medicaid-eligible children younger than 21 that EPSDT services are available and set appropriate schedules for screening, dental, vision, and hearing services.

The extent to which children in Medicaid across the country are receiving EPSDT services is not fully known, but the evidence indicates many are not receiving these services.⁶

SOURCES

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