The Growing Importance of Public Insurance to Children in a Shifting Commercial Landscape

Population Health Sciences

Date Posted:

Nov 16, 2015

As the number of children publicly insured through the Medicaid and CHIP programs in this country nears 50%, it's a good time to assess the relative value of these programs to the large number of families who depend on them to ensure the health of their children. This month, in *JAMA Pediatrics*, our PolicyLab team provides recent data on the relative value of Medicaid, CHIP, and commercial insurance for low- and moderate-income families in this country. The data reveal what to some may seem like surprising benefits of public health insurance programs for children, particularly given concerns about the effects of lower reimbursement rates in public insurance on access to care. They also reveal some cautionary bellwether warnings in a shifting landscape of access and coverage for children's services.

Using family-reported measures from the National Surveys of Children's Health, our team examined children's access to preventive and specialty care and caregiver satisfaction with insurance coverage, and also characterized unmet health needs and out-of-pocket costs over the last decade. The analysis revealed that our Medicaid and CHIP programs provide preventive medical (Medicaid and CHIP, 88%) and dental (Medicaid, 80%; CHIP 77%) care at higher rates than commercial insurance plans (medical, 83%; dental, 73%) for families with low to moderate incomes. Additionally, these analyses suggest that Medicaid might provide better access to specialty services for children than either CHIP or commercial coverage. Not surprisingly, out-of-pocket costs were highest for families receiving commercial insurance and lowest for those receiving Medicaid, with those receiving CHIP falling somewhere in between.

It has long been argued that the Medicaid program's low reimbursement rates would restrict access for families to high-quality services, as providers would refuse to contract with Medicaid insurers. Our analyses suggest that these concerns might be unfounded. Among low to moderate income families, 88% of children with public coverage received a preventive medical visit, as compared to 83% of commercially insured children. Additionally, caregivers reported similar ability to access needed health care providers across all three insurance types. Given that 43 million children, including half of all low-income children in our country are now insured by either Medicaid or CHIP, it is quite possible that we have reached a threshold of Medicaid and CHIP penetration whereby the concerns of poor access to Medicaid providers may be abating. That is not to say that there are no local markets where access to Medicaid providers is limited, but at a national level, families are not reporting such difficulty. If Medicaid is the dominant insurer in town, it is likely that most providers will contract with them, or else they would not have the volumes to support their practices.

Medicaid and CHIP plans also provide a comprehensive set of benefits that include robust dental and mental health benefits. Therefore, it is not surprising that rates of dental preventive care in Medicaid and CHIP exceed the rates among families with commercial health insurance, which may not offer dental benefits. In most states, Medicaid provides a backstop for children with special needs to ensure that families with children with complex medical needs do not face catastrophic out-of-pocket costs for the care of their children. This may be one reason why families of children with special needs report high satisfaction with Medicaid programs.

So with strong CHIP and Medicaid programs in this country, are we in good shape for children's coverage and access to health care services? Maybe not. First, the CHIP program – one important reason for our country's success in assuring nearly universal coverage for children –although authorized until 2019, is only funded through 2017. Despite the success of the CHIP program, the ACA left open the question of whether CHIP would continue to co-exist with Medicaid and Marketplace plans beyond 2019. The decision to extend CHIP funding for two years kicked the can down the road and has only contributed to the uncertainty about the program's future. As of now, families with low and moderate incomes who are unable to afford family coverage offered by their employers would be unable to obtain marketplace coverage for their children due to what has been deemed the ACA's "family glitch." For these families, CHIP may be the only option for dependent coverage. In addition, with regard to coverage quality, our early review of private insurance plans on the federal and state exchanges revealed significant concerns about the lack of definition of pediatric essential benefits. Any plan to transition children into private coverage must take into account these concerns about the family glitch and quality of children's coverage. One way to ensure high-quality benefits for children would be to mandate a strong set of pediatric benefits in the exchange plans that are reflective of those offered to children in Medicaid. Unfortunately, where the rubber meets the road, we have yet to see a strong political appetite to accomplish those goals.

Finally, we would caution that although families receiving Medicaid and CHIP insurance fared better than families receiving commercial insurance, on average one in four families reported difficulty in access to specialty care for children with special health care needs, which may be as high as one in three for families who receive commercial insurance. This problem is only likely to get worse as families face dramatically increasing co-pays and out-of-pocket costs in the setting of increased tiering of providers as out-of-network in their insurance plans, and as insurers pass along quickly escalating deductibles and out-of-pocket maximums to families so as to maintain a fairytale of stable premiums for health insurance.

We have achieved so much for children and families through our national investments in children's health insurance over the last twenty years. We must be mindful that health reform, well-intended though it may be, may unintentionally roll back the progress we have made. Unless the commercial market for family coverage is more highly regulated to assure true family affordability for a comprehensive set of children's benefits, we may need to rally our advocacy around Medicaid and CHIP as the means to maintaining a system of affordable universal coverage for children in this country in the future.

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