The Implications of Cutting Essential Health Benefits for Children and Families

Population Health Sciences

Date Posted:

Mar 24, 2017

We at PolicyLab have been watching the negotiations over the American Health Care Act (AHCA) with our focus on the potential impact on not only the nearly 500,000 children and adolescents we serve at Children's Hospital of Philadelphia (CHOP) each year, but also the millions of other children and families across the country. As Congress seeks to repeal and replace the Affordable Care Act (ACA), it has proposed reforms that may seriously erode pediatric health insurance coverage and access to services moving forward. Through the middle of this week, the bill focused on fundamental changes to Medicaid, putting the care of the more than 30 million children who rely on that program at risk.

But this week, we were unprepared for last minute negotiations that also may jeopardize access to maternity and pediatric coverage in this country's private health insurance plans. According to direct reports, in an effort to win over sufficient votes in the House of Representatives, congressional leadership had proposed removing the essential health benefits requirement imposed on insurers in the ACA. These benefits include:

1. Outpatient Care
2. Emergency Care
3. Hospitalization
4. Maternity & Newborn Care
5. Mental Health Services & Addiction Treatment
6. Prescription Drugs
7. Rehabilitative Services & Devices
8. Laboratory Services
9. Preventive Services and Chronic Disease Treatment
10. Pediatric Care

Any suggestion of eliminating these required benefits concerns those of us who serve children and their families.

The loss of essential health benefits could be detrimental to children

Preventative services (#9), whether for physical health, dental care or vision care, are vital for children. Research from PolicyLab and from other colleagues across the country has shown the value that preventative care, including vaccinations, has for children. Comprehensive and periodic care is also critical for those with special health care needs such as asthma, diabetes or sickle cell disease. Children not only need access to health care services, but also need to receive them from pediatric-trained providers (#10); the literature shows that children whose care is delivered by pediatric specialists or in pediatric emergency departments, compared to adult facilities, demonstrate better outcomes and significant cost savings.

But we must also acknowledge that everything on the essential health benefits list *is* essential. Restrictions to mental health services, for example, would harm both parents and children if health plans are freed from the requirement of offering these benefits. Our intergenerational work demonstrates that the wellbeing of parents is critical to the health outcomes of their children. The prospect of reduced access to mental health services would make it difficult to intervene for parents who are depressed, or to address substance abuse issues like opioid addiction that have overwhelmed many communities. And for the youth we serve, one need only look to the increased rate of teen suicide to see a strong case for more rather than less mental health care in adolescence.

Leaving benefits definitions to the states or insurers isn't the answer

It may be that states will pick up the responsibility and require these essential benefits in insurance plans, but we cannot say this with any certainty. One can look to the Children's Health Insurance Program (CHIP), which insures nearly eight million children in this country in Medicaid-ineligible, low- and moderate-income households, as an example of a program that left the benefits definition to the states. Most states established broad and popular mandatory benefits for children, including coverage with limited cost-sharing for mental health, vision and dental services. But some states did not, capping enrollment or limiting benefits for children. Those of us who care for children and their families do not feel that a child's access to care should depend on the state in which they reside.

And we know from recent experience with the ACA that simply listing "pediatric care" is insufficient when the terminology isn't defined. Our research, and that of others, found that insurers participating in the ACA exchanges failed to adequately provide for the specific needs of children, leaving necessary services, like dental care, mental health and access to pediatric specialists, on the cutting room floor. As a result, networks within the exchange plans are too narrowly defined and cost-sharing is prohibitive, especially compared to CHIP and Medicaid, when children have any serious health needs.

So what's the lesson learned here? If you don't define and require benefits, they are unlikely to survive. Insurers would argue that they face a choice between raising premiums or paring down benefits and networks, and consumers can decide for themselves, but this puts families at risk to pay a monthly premium and high deductibles for insurance that doesn't cover the care their children need.

Eliminating essential health benefits would impact private insurance too

Families with employer-sponsored insurance would not be immune to loss of these benefits. Look no further than our recently published *Health Affairs* article to see the increasing importance of public health insurance coverage for children in working families: employers have been covering fewer children in working families, and public insurance has become their backstop. If the federal government were to signal that pediatric benefits were not essential, that would likely exacerbate these trends in the employer market. If, at the same time, the federal government cuts Medicaid and CHIP benefits, the largest safety net for children's health, what will happen to insurance coverage for these families? Ultimately, the result could be a return to a day of low immunization rates and children arriving at the doors of emergency departments with illnesses and infections that could have been prevented had they had access to affordable, essential health benefits.

A future without essential health benefits is bleak

When we think of the many families we serve at CHOP whose children face more-than-average health challenges, we cannot help but wonder what new challenges our clinicians will confront if there were no essential benefits. Will the child with autism still receive the applied behavioral analysis therapy they need to maximize their development? Will the child with cerebral palsy who requires a ventilator at night to help them breathe have access to a nurse to care for them at night and accompany them to school? Will the adolescent or young parent who becomes pregnant be unable to seek prenatal care, or worse yet, have to debate, based on financial constraints, whether to carry the baby to term? Will the mother with post-partum depression have access to affordable treatment to ensure that she and her baby remain safe and healthy?

Last week, there would have been no need to raise these questions, but today we confront a different landscape.

David Rubin
David Rubin
MD, MSCE
Co-founder
Ahaviah Glaser
Ahaviah Glaser
JD
Senior Policy Advisor