

MEDICAID IN EARLY CHILDHOOD: WHY COVERAGE IS IMPORTANT AND HOW INNOVATION IN CARE DELIVERY, PAYMENT AND POLICY CAN SET KIDS UP TO THRIVE

Children's early years are a vital period of development. Daily experiences during this life stage influence how children will learn, build relationships, maintain health, and participate in the economy and society. The brain develops rapidly and plasticity *diminishes* as children grow older, making it essential to support healthy development early.

Access to health care in early childhood is especially important given the critical need for vaccinations and developmental screenings during this period. Health care coverage is closely tied to health care access. Yet, children under the age of 6 are *more likely* than older children to be uninsured, in part because their families don't yet have access to school-based programming that might help them connect to benefits.

Medicaid is a *primary source* of health care coverage for children and enables effective *health care access* for youth, among other positive short-term outcomes. In the long-term, compared to peers not eligible for the program, individuals eligible for Medicaid as children have lower rates of *hospitalizations* and *disability*, *better health in adulthood*, and higher *educational attainment*, *earnings*, *labor force participation* and *tax payments*. Medicaid investments are *recouped* by the time children are adults.

As a signal of the robust pediatric benefits package public coverage offers, with low or no cost-sharing, PolicyLab research shows that low- and moderate-income working families have *increasingly turned* to Medicaid and the *Children's Health Insurance Program* (CHIP), which covers low-income children above Medicaid eligibility thresholds. Among children with special health care needs, PolicyLab research finds that Medicaid-covered youth are *less likely* to experience underinsurance (inadequate or inconsistent coverage which limits access to necessary care), when compared to peers with family incomes just above Medicaid and CHIP eligibility levels.

MEDICAID & YOUNG CHILDREN



Medicaid provides health care coverage for nearly **4 in 10** children



In some rural communities, this increases to more than **5 in 10** children



Medicaid covers **41%** of all births in the United States



Medicaid supports access to perinatal care: **82%** of enrolled members attended timely prenatal visits **75%** attended timely postpartum visits

Consistent health care coverage is crucial for access to health care. However, cycling on and off Medicaid, or *churn*, is common, and children experience *high rates* of churn. While focused primarily on adults, *research* shows that individuals with inconsistent Medicaid access are more likely to delay care, receive less preventive care, refill prescriptions less often and have more emergency department visits.

In the context of an evolving policy and funding environment for health and social service systems, it is essential to reduce unnecessary administrative costs, maximize available resources, and effectively align care and systems to meet the needs of families. **This brief provides policy recommendations that prioritize preventive care and cost-effective early intervention for young children and their families through payment and primary care delivery models.**

RECOMMENDATIONS

→ Reduce churn in Medicaid through policies that support continuous coverage

Continuous coverage policies ensure that children maintain Medicaid coverage by eliminating the risk of disenrollment due to household income fluctuations and administrative challenges, which are prevalent among Medicaid beneficiaries. Children can be disenrolled even when they remain eligible due to burdensome *administrative requirements* associated with maintaining coverage and because they are often eligible for Medicaid at a higher family income threshold than adults.

PolicyLab research on children's coverage and state policies underscored the protective effects of **twelve-month continuous eligibility policies**. A greater proportion of children *gained* coverage through the continuous eligibility provision in the Families First Coronavirus Response Act (FFCRA) in states without previous continuous eligibility policies in place. In addition, fewer children in states with 12-month continuous eligibility policies *lost* coverage following the unwinding of the FFCRA continuous enrollment provisions.

Multi-year continuous coverage in early childhood ensures that children *retain* health care coverage throughout their critical early years and yields *numerous benefits* for children and families. Continuous coverage minimizes *administrative burdens and costs* for families and states, supporting efficiency. Pennsylvania, and a growing number of other *states*, have received federal approval through Medicaid waiver authority to implement multi-year continuous coverage for young children. Other states are pursuing legislation to enact similar policies. States implementing multi-year continuous coverage in early childhood offer Pennsylvania and others considerations for *maximizing* the potential positive impacts of this policy.

This brief provides policy recommendations that prioritize preventive care and cost-effective early intervention for young children and their families through payment and primary care delivery models.

→ Scale pediatric primary care models that support families in the early childhood period

Families with young children regularly interact with the health system, including the 15 **recommended** well visits between birth and age 6. In general, families **trust** their pediatricians and emerging needs are commonly identified in primary care visits. These visits are opportunities to support families during a pivotal period for children and caregivers' **health and well-being**.

Connecting patients with clinical, therapeutic, and social services often requires time and effort beyond the typical scope and capacity of primary care providers. PolicyLab researchers have been involved in piloting and evaluating various family-centered and evidence-based programs in pediatric primary care—several of which can leverage Medicaid reimbursement, or could through state-level action:

- The **HealthySteps model**, which is being implemented at Children's Hospital of Philadelphia (CHOP), incorporates a child and family development professional—a HealthySteps Specialist—to connect with families as part of the primary care team during pediatric visits for patients ages birth through 3. **Innovative payment reform** [described in the next section] is critical to scaling the program.
- Centering **nurse home visitors** as a bridge between care delivered in the home by **community-based nurse home visiting** and the clinical setting is the focus of a PolicyLab and CHOP pediatric primary care pilot to enhance integration of early childhood services, deliver efficient preventive care, and improve quality of family and provider experience. Opportunities to optimize Medicaid's support of home visiting programs exist, including in **Pennsylvania**.
- Primary care providers typically refer children with suspected developmental delays or disabilities for **Early Intervention** services. While Medicaid often covers Early Intervention services (**46% in Pennsylvania**), families face **barriers** in accessing them despite the **legal entitlement** for services in both Medicaid and IDEA Part C Early Intervention. PolicyLab research is exploring how to help families **navigate** the process and close the referral loop.
- Evidence-based approaches to integrate **Community Health Workers** (CHWs) into pediatric teams caring for young children can be supported by Medicaid reimbursement for CHW services and utilized to implement some of the models listed above.



THE NEED FOR ALIGNMENT ACROSS PUBLIC SYSTEMS SERVING FAMILIES WITH YOUNG CHILDREN

Several federal programs aim to support young families' health and well-being, including the **Maternal, Infant, and Early Childhood Home Visiting Program**, **IDEA Part C Early Intervention**, and the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**. It's critical to help families connect with these programs and to ensure alignment between these different family-serving systems.

→ **Deploy payment models that sustain pediatric practice transformation that is supportive of young children and their families**

State Medicaid **policy** can reinforce primary care's vital role in early childhood by enabling payment for team-based care delivery that scales and optimizes evidence-based models. Payment reform, public and private, can create sustainable environments for prevention and early intervention, family-centered care and developmentally appropriate services.

In part because cost savings are realized in the long term and across different sectors, existing **innovation** in child-focused payment models is limited. This is a **leading factor** in the slow advancement of pediatric-specific alternative payment models (APM), in which provider reimbursement is tied to **patient outcomes**, though there is a growing national discourse around **considerations for state Medicaid programs** in establishing pediatric APMs.

State policymakers can look to peers at the forefront of this issue and consider a strategy that combines several payment models, including:

- **Enhanced payments**, such as an additional per member per month payment, or additional per visit payment on top of fee-for-service for Medicaid patients, can support team- and evidence-based care models. PolicyLab's **white paper** on state strategies for sustainably financing HealthySteps dives deeper into several of these pathways.
- **Dyadic services**, which support **children and their caregivers** at the same time, promote family-centered and preventive care. As demonstrated in **California**, a range of support for caregivers—e.g., screening for depression, tobacco cessation interventions, care coordination—can be delivered during a child's visit and billed to the child's insurance.
- **Billing for preventive mental health care**, a common need, is difficult when a child lacks a mental health diagnosis. And yet early intervention can help prevent one. Federal Medicaid guidance **encourages** states to avoid requiring a behavioral health diagnosis for the provision of services, and several states support this practice with policy. New York Medicaid, for example, reimburses for **prevention-based psychotherapy services** when there is no behavioral health diagnosis for children age 21 and under.

VISIT [BIT.LY/MEDICAID-EARLY-CHILDHOOD](https://bit.ly/Medicaid-Early-Childhood)

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Community Clinical Systems Integration Initiative—Home Visiting

Improving Screening and Referral for Developmental Issues among Young Children in Urban Primary Care Sites

The mission of PolicyLab at Children's Hospital of Philadelphia (CHOP) is to achieve optimal child health and well-being by informing program and policy changes through interdisciplinary research. PolicyLab is a Center of Emphasis within the Children's Hospital of Philadelphia Research Institute, one of the largest pediatric research institutes in the country.

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