



NEWS RELEASE

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For further information, contact:
Mary Mahon: (212) 606-3853 / mm@cmwf.org
cell phone (917) 225-2314
Sara Knoll: (301) 652-1558 /
sknoll@burnesscommunications.com

New Study Cautions States on Changes to Medicaid Child Health Programs

Program Plays Critical Role in School Readiness, Lifelong Development for Low-Income Children; Study Details Specific Steps States Can Take to Help Ensure Children's Readiness for School

New York, NY, March 6th, 2007—As states across the country contemplate health insurance coverage expansions and other changes to publicly funded programs, a new Commonwealth Fund study cautions states to pay critical attention to meeting the health needs of children. Comprehensive well-child health services, such as those covered by the federal Medicaid program, play a critical role in preparing children for school and helping to determine how well they will do in life, according to the study published in today's issue of *Health Affairs*.

The study calls on states considering any modifications to their publicly-funded child health programs to not only preserve what is already in place through Medicaid's Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program, but to actively work to ensure that children have access to a full array of high-quality and preventive and developmental services.

"Efforts by states to provide health insurance coverage to more people are a huge step in the right direction. However, it is equally important to ensure that coverage includes the benefits we know children need to be ready for school and to succeed in life," said lead study author Edward Schor, M.D., vice president for the Child Development and Preventive Care Program at the Commonwealth Fund. "Some states are changing their health coverage for children, turning to plans with benefits designed primarily for adult patients, which do not necessarily meet the needs of growing and developing children. Health insurance coverage for children should promote their healthy development, not just treat their illnesses."

According to the study, "Medicaid: Health Promotion and Disease Prevention for School Readiness," by Commonwealth Fund researchers Schor, Melinda Abrams, and Katherine Shea, the current focus on access to child health coverage is important, but attention needs to be paid to the scope and quality of that coverage. Research shows that at least half of the eventual educational achievement gaps among children exist by the time they enter kindergarten and these gaps widen as children move through the educational system. To help reduce educational gaps and improve school readiness, states should ensure that children have access to high quality preventive and other child health care services in the years before they enter school, according to the study.

The authors point to Medicaid’s benefits package for children as an example of comprehensive services that promote not only physical health, but also the cognitive, social, and emotional development necessary for children to do well in school. Low-income children are especially vulnerable to poor health and poor educational attainment, which can lead to low lifelong productivity or social dependence. Changes to Medicaid could have a significant impact on a large proportion of the nation’s children; the authors note that Medicaid covers about one-quarter of all children in the United States, and Medicaid’s EPSDT program is the only major insurance benefit package specifically designed to meet the needs of children.

State EPSDT programs currently have great flexibility and can take actions to increase the likelihood that young children will obtain needed services. The authors recommend the following steps to help ensure school readiness for children:

- Ensure that the covered child health care services, at a minimum, conform to recommendations by the American Academy of Pediatrics
- Supplement “benchmark” benefits plans with additional benefits to meet the developmental needs of low-income children
- Create integrated systems of early childhood programs at the state and community level
- Undertake efforts to actively improve the quality of preventive pediatric care

Additionally, federal Medicaid officials can help states strengthen preventive services for children prior to school entry by: clarifying policies on reimbursement for case management; creating financial incentives based on the percentage of children receiving appropriate developmental screenings and follow up care; and providing guidance to states on quality improvement strategies that emphasize preventive and developmental services.

“Because the vast majority of children see a doctor almost every year, the health care system is a key entry point to detect behavioral or developmental delays at an early stage. States are doing a great job at trying to expand coverage, but they need to go a step further and make certain that children have access to care that will help them achieve their full potential,” said Commonwealth Fund President Karen Davis.

The Commonwealth Fund is a private foundation working toward a high performance health system.