IMPROVING THE DELIVERY AND FINANCING OF DEVELOPMENTAL SERVICES FOR LOW-INCOME YOUNG CHILDREN

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Young children who experience the impact of poverty, stressful family circumstances, and inadequate health care services are at particular risk for poor health and developmental problems. Many of these children had low birth weights and suffer from malnutrition and lead poisoning, factors that are often associated with developmental delays, learning disabilities, and emotional and behavioral difficulties.

Compounding these issues is the fact that low-income children are less likely to have access to health care. One-quarter of children with family incomes less than $20,000 per year are uninsured, compared with 14 percent of all children. This lack of insurance often means that children have no regular source of care, or that their families have delayed getting them care because of costs.

**Children’s Access to Care, by Insurance Status**

- **Percent of parents reporting**
  - Uninsured
  - Medicaid/Other public
  - Private

  ![Graph showing access to care](image)


In addition, many parents do not engage in the child rearing activities that would foster the healthy development of their children. The Fund's Survey of Parents with Young Children (http://www.orgitecture.com/publist/index.asp#pno267) found that despite the known advantages of breastfeeding in an infant's early months, only 58 percent of low-income mothers initiated this practice, compared with 75 percent of higher-income mothers. In addition, parents with annual family incomes less than $20,000 were less likely to read to their child at least once a day and less likely to establish daily routines with their child than parents with annual incomes greater than $40,000.
Another significant concern regarding childhood development is maternal health, particularly maternal depression, which can affect mothers' ability to care for and interact with young children. The Fund survey found that among parents with annual incomes less than $20,000, 13 percent reported having three to five depressive symptoms in the past week, compared with 6 percent of all parents. Mothers of infants and toddlers who were depressed were less likely to establish daily routines or to read to their child, and were more likely to yell at their child.

According to the survey, most parents recognize the need for child rearing information. More than half of low-income parents said they wanted information from physicians on how to encourage their child's early learning, and more than a third said they wanted more information on disciplining their child, toilet training, and sleep problems. Despite this eagerness for expert information from their child's physician, few low-income parents received any advice on these topics. Yet, when physicians do discuss these issues, parents respond—by, for example, being more likely to read to their young children.

DEVELOPMENTAL SERVICES THAT IMPROVE CHILDREN'S HEALTH

Scientific advances in the understanding of early human development suggest that family relationships significantly influence children's health and development. Developmental services have been identified as a way of supporting parenting, and may be provided in a doctor's office or through home visits or parent support groups.

Evaluations throughout the past 15 years of the Prenatal and Infant Home Visitation Program, which was conducted in the early 1980s for low-income and at-risk women, provide some of the strongest evidence of short- and long-term effects of developmental programs. The evaluations revealed that mothers who participated in the program had fewer cases of reported child abuse and neglect, and were less likely to physically punish their children. In addition, their babies were less likely to be victims of accidents and poisoning, and were seen fewer times in the emergency room than a comparison group. Women visited by nurses attempted breastfeeding more frequently, and provided home environments that were more conducive to children's development. The 15-year follow-up evaluation found that the program had reduced the number of subsequent pregnancies and the use of welfare, and had decreased criminal behavior and child abuse.

A number of other studies show that early intervention programs for low-income parents with young children can achieve valuable outcomes, including improved parent-

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*Low-income = <$20,000

child interactions, maternal confidence, and child health and behavior. Results from a study of a nine-year Vermont program for low birth weight infants, which included visiting mothers with children in neonatal intensive care units and making follow-up home visits, had positive effects on mothers' self-confidence and children's cognitive development and school functioning. In addition, preliminary data from a Boston Medical Center pediatric primary care setting serving low-income families revealed that the costs of its developmental program were offset by significant savings in hospitalization and emergency room costs.

CURRENT HEALTH CARE PROGRAMS FOR LOW-INCOME CHILDREN

Federal and state governments play a large role in providing coverage and access to child health care services for low-income children, especially through Medicaid. This program has been expanded during the past decade, and states are now mandated to cover children under six years old with family incomes of up to 133 percent of the federal poverty level (approximately $14,113 in annual income for a family of two). Thirty-five states have chosen to expand Medicaid coverage beyond these minimum federal standards by extending income or age eligibility guidelines. The program now covers 33 percent of U.S. infants and 29 percent of children ages one to five, making it the single most important source of health insurance for low-income young children, including children in working families.

Medicaid has long recognized the needs of children living in poverty by covering comprehensive services through the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program and other enhanced services, such as targeted case management and non-physician treatment services. EPSDT is intended to coordinate access to care to ensure prevention of illness for low-income children under the age of 21. To date, however, EPSDT has been used primarily to provide conventional child health preventive services such as immunizations. Thus, while the potential exists to use EPSDT to support child developmental services, state Medicaid programs are not currently operating the program in that manner.

In addition to the Medicaid program, other smaller and more targeted federal, state, and professional child health initiatives augment efforts to provide child developmental services to low-income children and their families. The federal Maternal and Child Health (MCH) Services Block Grant Program provides $600 million annually to states to improve access to maternal and child health services. This program has a strong emphasis on reducing infant mortality; the overall goal thus far has not been to provide developmental services for young children.

A few states, however, have used MCH funds to foster public-private partnerships to improve the delivery of child developmental services to Medicaid-eligible children.
The Partnerships for Children program in South Carolina, for example, matches public health nurses with private pediatricians who serve a large Medicaid population. The nurses make home visits, assess the family environment, and alert physicians about factors that might influence children's health. Participating physicians report an increase in patient “show” rates for appointments from 50 to 90 percent and early detection of serious health problems.

In 1994, the American Academy of Pediatrics supported and participated in Bright Futures, a health promotion project organized by the federal Maternal and Child Health Bureau. Bright Futures represents a significant advance in formulating measures that promote health, prevent mortality, and enhance child development, yet incorporating these guidelines into routine pediatric practice has not occurred thus far.

The State Children’s Health Insurance Program, established by the Balanced Budget Act of 1997 (BBA), provides another vehicle for states' expansion of coverage for low-income children. The new program is expected to cover more than 2 million out of 10 million uninsured children over the next five years. States can choose to design their initiative through the Medicaid program, expand coverage through a separate child health insurance program, or combine these two options.

**OPPORTUNITIES FOR IMPROVING CARE UNDER MANAGED CARE**

State Medicaid agencies are increasingly enrolling low-income children into managed care plans: an estimated 50 percent of these children under age six are now enrolled. The BBA gave state Medicaid programs the ability to mandatorily enroll mothers and children in plans, a move that is anticipated to increase the number of low-income young children in Medicaid managed care to as many as 75 percent.

Medicaid managed care may present opportunities to provide a full continuum of developmental services to young beneficiaries and their parents. Plans may be interested in educational and support activities that lead to more appropriate use of office and emergency room visits, and parents may be more satisfied with enhanced services. Ratings of care on consumer satisfaction surveys, now being incorporated into plan quality assessment systems, could provide plans with an incentive to promote these services.

The specific arrangements that plans have with providers could allow for potential support for these services, from explicit inclusion in an enhanced capitation rate to separate payment for specific services. Given the trend toward increasingly short patient visits, however, creating approaches to offer developmental services will be a challenge.

Some managed care plans have already implemented programs that include developmental services for children, including Northern California Kaiser Permanente and Group Health Northwest in Washington State. The former plan educates parents about their child's temperament and behavior through an assessment tool, while the latter assists
young and other high-risk families in improving their parenting skills and ensuring that their children receive necessary medical care.

Two mechanisms for assuring the quality of care through Medicaid managed care plans could prove useful in incorporating developmental services. First, states can specify the types of services and providers necessary to provide quality care through their Medicaid contracts with managed care plans. Recent extensive review of these contracts, however, has identified many areas in which the contracts are vague in their requirements, and wide variation exists across states. Second is the potential for wide use of the Health Employer Data Information Set (HEDIS) and the Consumer Assessment of Health Plans Study (CAHPS) to measure clinical and patient satisfaction aspects of Medicaid managed care plan performance. Although HEDIS currently contains measures of pediatric clinical care, such as immunizations, and CAHPS includes questions for parents about pediatric care, neither specifically measures services related to child development or parenting support.

**PEDIATRIC DEVELOPMENTAL SERVICES PROGRAM**

Much of the Fund's work centers on improving health care services and access for low-income families. A new initiative, the Pediatric Developmental Services Program, will build on those efforts and on the substantial foundation laid by the Healthy Steps for Young Children Program, which has developed and implemented a set of high-quality child developmental services in 24 pediatric sites across the country.

The goal of the Pediatric Developmental Services Program is to improve the delivery and financing of enhanced child developmental services for young children living in low-income families. Current work focuses on assessing strategic options and planning how best to achieve the goal of the program over the next five years.

Potential strategies for achieving this goal include:

- explicitly adding a list of developmental services to the federal Medicaid and state children's health initiatives mandated benefits package, either as a part of EPSDT or separately.

- paying extra for developmental services under Medicaid and state children's health insurance on either a fee-for-service or capitated basis.

- building provisions to provide developmental services into Medicaid and state children's health managed care contracts.

- adding child development quality indicators to the National Committee for Quality Assurance's HEDIS measures of managed care plan quality.

- using state maternal and child health funds to provide developmental services linked to pediatric practices serving low-income children.
expanding community health centers and federal and state child health programs to incorporate model pediatric developmental approaches such as Healthy Steps, Pediatric Pathways to Success, and Bright Futures.

Major program objectives include:
• identifying and analyzing innovative state Medicaid, maternal and child health, and related programs that promote the healthy development of low-income young children;
• assessing the merits of financial incentives and quality standards for Medicaid managed care plans and practicing pediatric clinicians to provide cost-effective pediatric developmental services; and
• encouraging state Medicaid, maternal and child health and related programs, managed care plans, community health centers, and pediatric health care providers to implement improvements in the delivery and financing of developmental services for young children.

In the future, potential collaborative work could increase public attention toward developmental services and assist providers, particularly in community health centers and public hospital departments, in strengthening their practices in this area.

**CONCLUSION**

The new Pediatric Developmental Services Program will focus on the financing and delivery of pediatric developmental services to low-income young children, and will bring together a broad range of efforts on behalf of low-income children. The program will promote changes in benefits and financing through Medicaid and other public programs, encourage health plan interest, and support providers in delivering these services to low-income children and their families. It could also result in an important set of routinely provided pediatric services.
Notes


5 Kitzman, 1997.


