Medicaid EPSDT Benefits: Their Role in Child Health and Development

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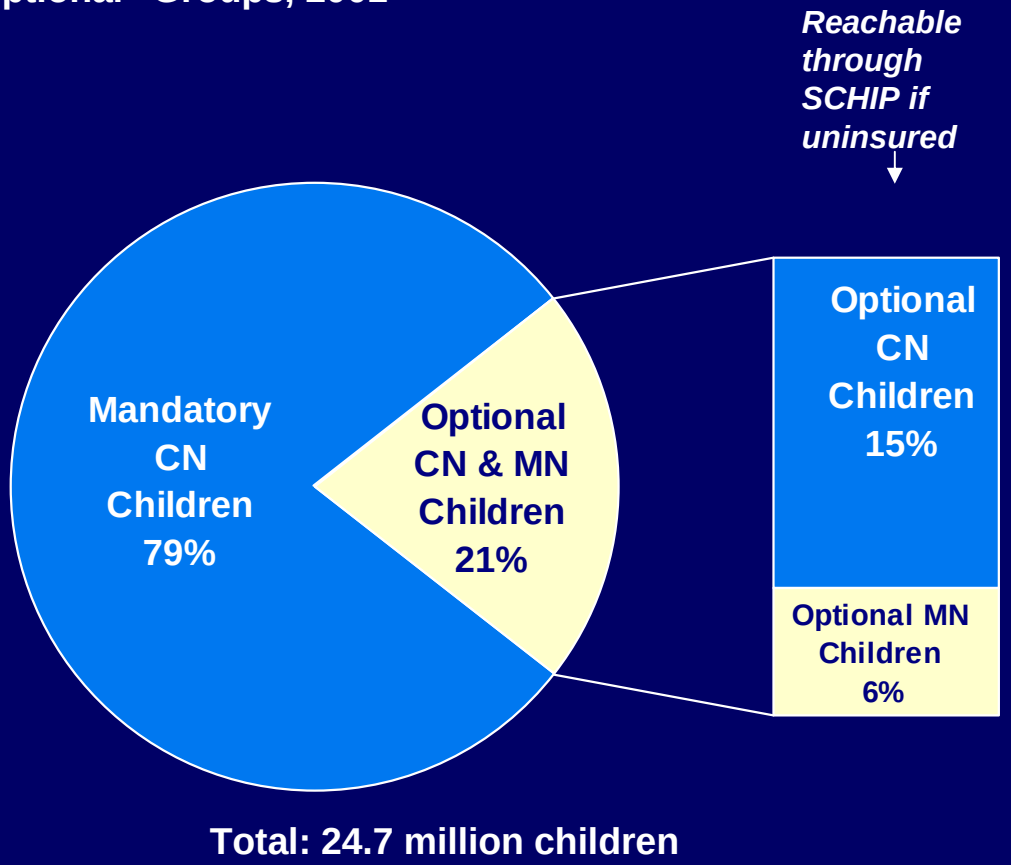
EPSDT's Origins

- **SSA Amendments of 1967 (P.L. 90-248)**
  - Evidence that basic benefits were not enough for low-income children enrolled in Medicaid and of need for comprehensive services aimed at "ameliorating" conditions that would affect growth and development:
    - *One Third of a Nation* (1964) and health of military recruits
    - Head Start demonstration results
- **OBRA 1989 (P.L. 101-239)**
  - Broadened coverage to address benefit limits for children with mental and developmental disabilities

Scope of EPSDT Requirement

- Mandatory for all categorically needy (CN) children – 94% of all Medicaid children
- Optional for medically needy (MN) children – 6% of all Medicaid children – and children covered through separate SCHIP plans

Children's Enrollment in Medicaid as "Mandatory" and "Optional" Groups, 2001



Total: 24.7 million children

Source: Sommers A, Ghosh A, & Rousseau D. Medicaid Enrollment and Spending by "Mandatory" and "Optional" Eligibility and Benefit Categories. KFF. June 2005.

Core EPSDT Elements

- **Benefits and services**:
  - Periodic and “as needed” screening services
  - Vision, hearing, and dental care
  - All medically necessary “medical assistance,” diagnosis and treatment needed to “ameliorate” conditions, including covered treatments identified in IEPs and IFSPs under the IDEA and child welfare case plans
  - A “preventive” standard of medical necessity

- **Administrative services**:
  - Informing families
  - Transportation, scheduling and other assistance
  - Linkages to other agencies (special education, Title V, WIC, child welfare, other agencies)
  - Reporting

How Does EPSDT Differ from SCHIP?

EPSDT

- Detailed screens to assess growth and development
- Vision, dental and hearing required
- Detailed diagnosis and treatment services
- “Preventive” standard of medical necessity
- Cost-sharing prohibited (< 18)

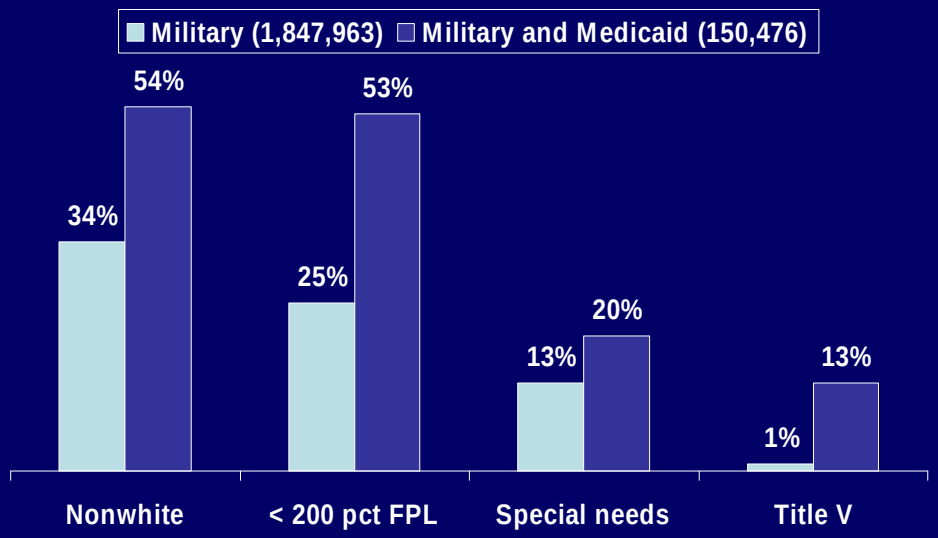
SCHIP

- “Well-child” care
- Vision, dental and hearing optional
- “Actuarial” benefit design, with limitations and exclusions permitted
- Insurer-designed medical necessity definitions
- Cost-sharing permitted within limits

EPSDT Helps Millions of Low-Income Children, Including Children with Employee Benefits

- 2 million children with military health coverage
  - 28% are low-income
  - 35% are non-white
  - 8% have supplemental Medicaid coverage to address special needs

Demographic Profile of Military Children with and without Medicaid, 2000-2002



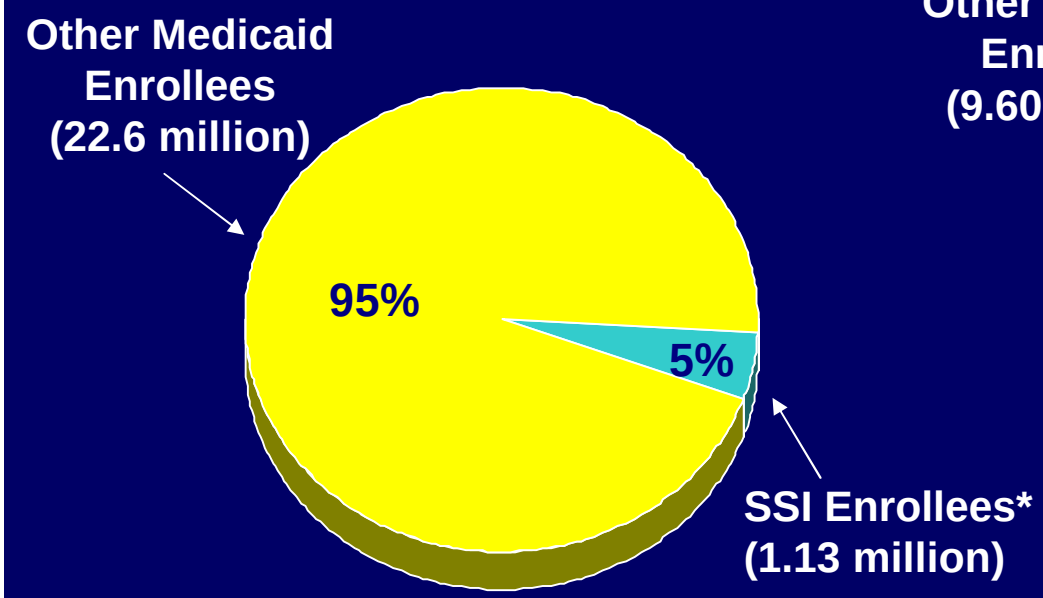
Source: Shin P, Rosenbaum S, & Mauery DR, forthcoming. Medicaid's Role in Treating Children in Military Families. RWJF.

Examples of Children Who Benefit From EPSDT

- Healthy infants and toddlers with “primary prevention” needs
  - Regular and “as needed” checkups, complete vision, dental and hearing care, parenting support
- Children born extremely prematurely (<1000 g) and at-risk for lifelong disabilities
- Foster care children and children in the child welfare system
- Children with special educational and health care needs

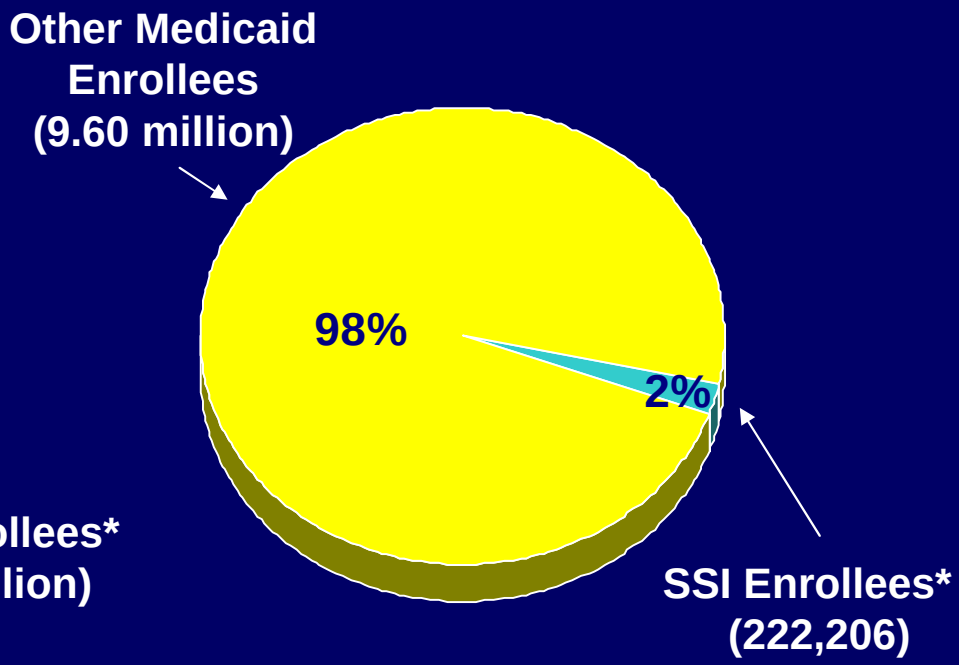
Coverage of Children Under Medicaid in 2001

18 and Under



23.8 million children

5 and Under

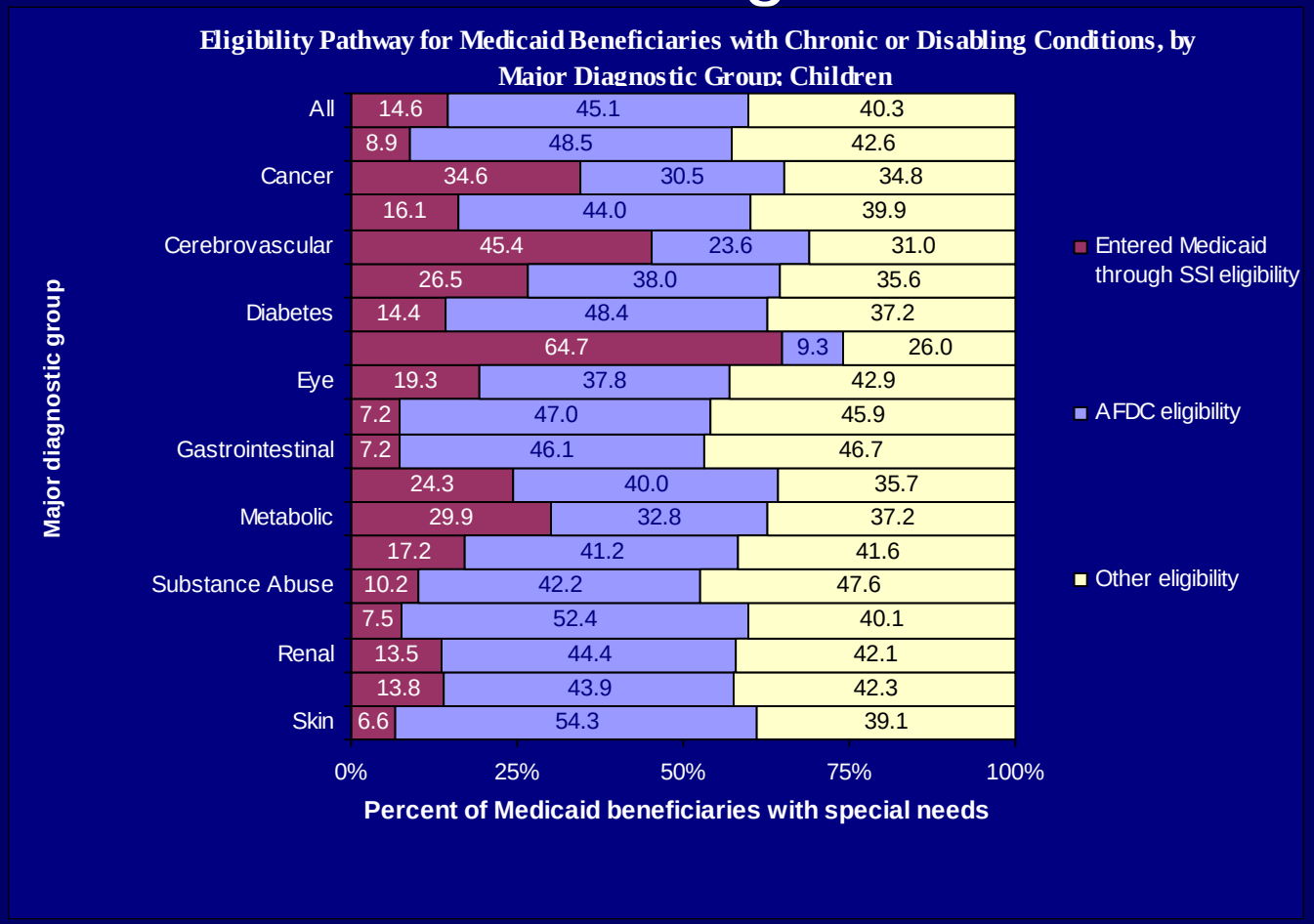


9.82 million children

* This group includes a small number of non-SSI recipient disabled children.

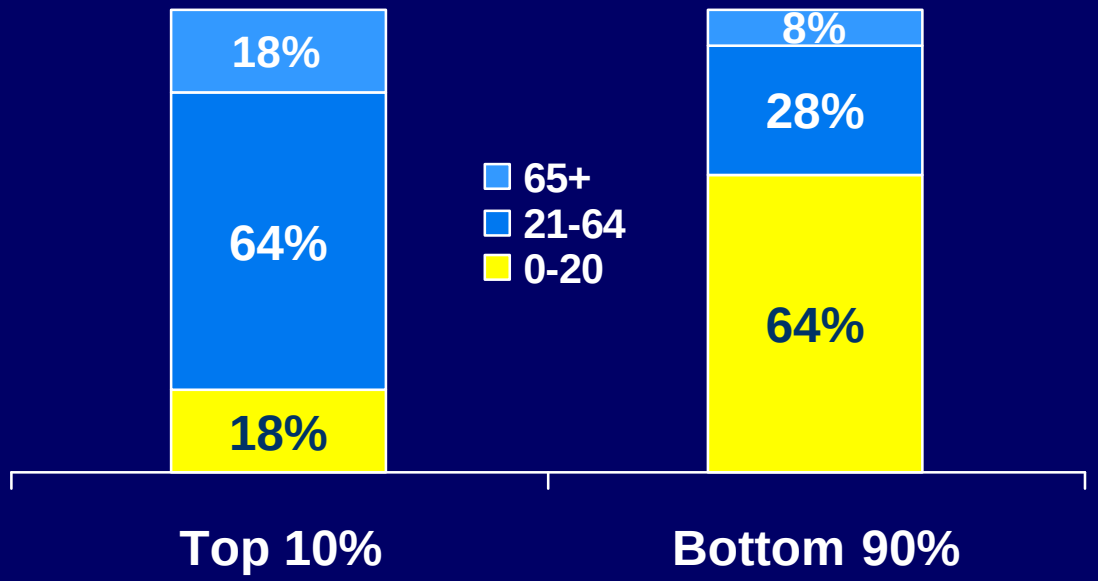
Source: Urban Institute Tabulations of the 2001 Medicaid Statistical Information System (MSIS).

Few Children with Chronic Conditions Enter Medicaid Through SSI



Source: Faces of Medicaid. Center for Health Care Strategies. November 2000.

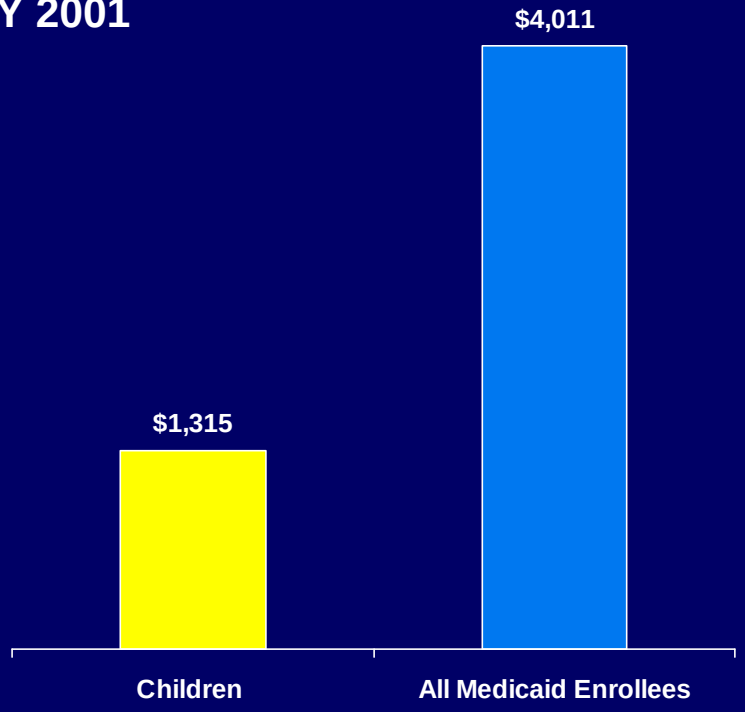
Only 18% of Medicaid High Cost Cases are Children



Source: Schneider A, Lambrew J, & Shanouda Y. Medicaid Cost-Containment: The Reality of High-Cost Cases. Center for American Progress. 2005.

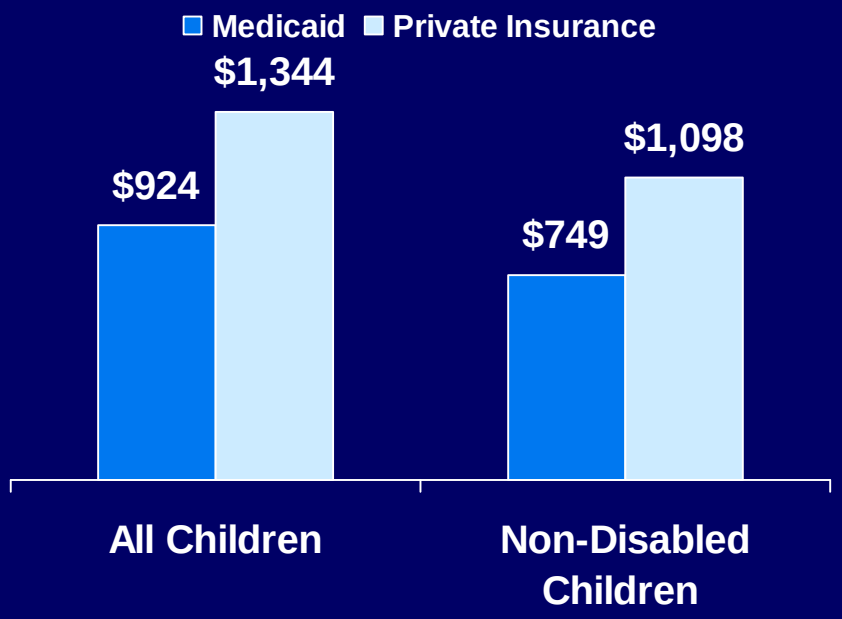
Even with EPSDT, Medicaid Spending on Children is Low

Per Capita Medicaid Spending on Children Compared to All Medicaid Enrollees, FY 2001



Source: Kaiser Family Foundation, statehealthfacts.org (accessed August 26, 2005)

Per Capita Spending (in 2001 dollars) on Medicaid and Privately-Insured Children, 1996-1999



Source: Kaiser Family Foundation, Medicaid: A Lower-Cost Approach to Serving a High-Cost Population, March 2004

Medicaid Reform Proposals

- **Bush Administration**
  - No changes in EPSDT coverage
- **Medicaid Commission**
  - No changes in EPSDT coverage
- **NGA**
  - No changes in EPSDT coverage for mandatory children; SCHIP flexibility for optional children
- **NCSL**
  - Increase state flexibility over diagnosis and treatment (other than dental) for all children, mandatory and optional
- **Recent Sec. 1115 Proposals**
  - Relaxation of EPSDT coverage (e.g., SC)