



Response to federal threats to child health coverage

Congressional leaders have signaled the intent to bring forward legislation to both “repeal and replace” the Affordable Care Act (ACA) and to convert Medicaid into a block grant program to states, either in the form of a hard limit on federal Medicaid funds to states or a per capita cap.

- **Health care costs for children are very low compared to adults**, and are not driving increases in health care spending. Early investments in children’s health care achieve long-term savings in the health care system. Care for children must not be harmed as Congress considers significant changes to the larger health care landscape.
- **We (I) oppose the repeal of critical ACA provisions that protect and improve children’s health care.** The ACA is an interconnected law with many components. While specifics of federal proposals are not yet clear, a repeal may have the consequence of gutting legal protections that safeguard children’s health care. (See next page for details).
- **We (I) strongly support long-term federal funding of the Children’s Health Insurance Program (CHIP)**, in advance of its fast approaching funding deadline of September 30, 2017. For nearly two decades, CHIP has been a success story, giving states the ability to provide coverage that meets the needs of families who are employed but still make too little to afford private insurance. Together, CHIP and Medicaid have helped cut the rate of children’s uninsurance to 5%--the lowest level ever recorded.
- **We (I) oppose any efforts to turn Medicaid financing into a block grant.** Converting Medicaid to a block grant program will have serious and far-reaching effects on the overall funding of health care in Alabama and will lead to drastic cuts to care for our most vulnerable children. Whereas now in Alabama, state Medicaid spending receives a fixed 70.16% federal match, block-granting will cost- and risk-shift the entire financing of the program to states. Alabama would be directly responsible for any spending over the state’s annual federal spending cap. And with the unique way Alabama funds its Medicaid with hospital taxes, Certified Public Expenditures, nursing home taxes, and the Children’s Hospital tax, Alabama stands to lose even more. With shaky state funding of Medicaid in Alabama already, cuts in federal funding of this magnitude can only result in reductions to eligibility and enrollment, harmful reductions in services, waiting lists, and cuts to payment. All of these steps will harm children as they obtain fewer benefits, suffer diminished access to needed care, and experience periods with limited coverage, or no coverage at all.

ACA provisions that protect children's health include:

- **Prohibition on preexisting condition exclusions for children:** This essential section of law prevents insurers from denying coverage to children with preexisting health conditions. Repealing this critical protection will have a devastating impact on children who have any preexisting condition, and particularly on those children with special health care needs.
- **Prohibition on rescissions:** This prevents insurers from retroactively denying coverage. Before this protection, insurers could retroactively rescind children's coverage to avoid having to pay expensive claims.
- **Prohibition on lifetime and annual coverage limits:** These protections can be critically important for children who become sick or are injured, or who may need care for extended periods of time. Without this prohibition, families with children with special health care needs or children with serious acute illness or injury will be faced with significant financial hardship.
- **Required coverage of preventive services and immunizations:** Federal law requires all non-grandfathered health plans cover age-appropriate preventive services without cost-sharing. For children, this means coverage of the AAP *Bright Futures* periodicity schedule of preventive visits and services and all Advisory Committee on Immunization Practices (ACIP)-recommended childhood immunizations. Without these preventive services protections, we as a state will take considerable steps backward as children in Alabama go without needed well-baby and well-child care and immunizations.
- **Dependent coverage to age 26:** This provision ensures that dependent children can continue to receive coverage through parents' health insurance plans. This protection offers essential coverage to a population that otherwise might forego health insurance, at a time in their lives when long-term health risks may begin to present opportunities for intervention.
- **Medicaid coverage of former foster care children to age 26:** This critical provision establishes the dependent coverage provision for former foster care youth, making children who age out of foster care in Alabama eligible for Medicaid to age 26. States have the additional option of covering youth who age out of foster care in other states. This is a vital protection that provides much-needed coverage as former foster care youth transition into adulthood.
- **Essential Health Benefits (EHB):** This provision requires that non-grandfathered health insurance plans offered in the individual and small group markets cover a core package of health care services known as essential health benefits (EHB). While this protection must be strengthened for children, it ensures plans meet minimum benefit standards and include important services for children like habilitative care, and oral and vision.
- **The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program:** MIECHV is a federal-state partnership with broad bipartisan support that funds the improvement of health for at-risk children through evidence-based home visiting programs.

- **Choice of pediatrician as primary care provider:** If a plan requires enrollees to designate a primary care provider, federal law requires insurers to allow enrollees to choose a provider, and in the case of a child, a family must be allowed to choose a pediatrician.
- **Health homes:** This federal Medicaid option gives states enhanced abilities to provide comprehensive care coordination to individuals with chronic conditions.
- **Centers for Medicare and Medicaid Innovation (CMMI):** CMMI was established for the purpose of helping states test “innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care.” CMMI has spurred considerable innovation in state Medicaid programs and has been invaluable in identifying and spreading new and promising payment and service delivery practices in Medicaid.

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