



## **PROPOSED MEDICAID CHANGES THREATEN ADOLESCENT HEALTH**

### **Overview**

The Medicaid program currently provides health care coverage to 8.4 million low-income adolescents ages 12 through 21 -- approximately one-quarter of the nation's adolescent population. These low-income adolescents are more likely than other adolescents to suffer from chronic physical and mental health conditions, such as asthma, diabetes, obesity, depression, post-traumatic stress disorder, and have conditions that result in disability. Low-income adolescents are also more likely to suffer the effects of significant health risk behaviors, such as unprotected sex and substance use, to be victims of physical or sexual abuse, and to experience injuries due to violence. In fact, as many as 30% of adolescents covered by Medicaid or other public insurance have a special health care need.

Medicaid plays a critical role in ensuring access to care for adolescents whose families are without the financial resources to obtain health care services on their own. Medicaid meets the needs of this high risk population by making available, primarily through the mandatory EPSDT benefit, comprehensive preventive care for the early identification and treatment of physical, emotional, behavioral, and dental health problems -- problems that if left untreated will likely persist into adulthood and in many cases result in increased costs to the individual and to society. Medicaid covers a wide range of vitally important services for adolescents. These include:

- Health education services to help adolescents become more health literate,
- Lab work and drug therapies to reduce sexually transmitted diseases among adolescents,
- Prescription medications and intensive mental health interventions to treat and support adolescents who develop serious mental illnesses,
- Primary and specialty care to enable those with complex physical conditions or injuries to function at their optimal level and learn self-care management, and
- Dental care to prevent and treat dental disease.

Yet, Medicaid coverage for adolescents is relatively inexpensive. Adolescents and younger children constitute 54% of Medicaid enrollees but account for only 27% of federal and state program costs. For the most part, major costs and potential cost savings lie elsewhere.

### **Threats to Medicaid Continue**

As the Congressional super committee, established by the Budget Control Act of 2011, works to identify \$1.5 trillion in further budget reductions by November 23<sup>rd</sup>, Medicaid is at significant risk for federal budget cuts and programmatic changes that would reduce access to care by low-income adolescents. At this time, there is very little detail on how the committee will structure Medicaid cuts, but it is unlikely that Medicaid will be left untouched. The committee's proposal would result in states having to assume a greater share of Medicaid program costs -- as could happen over time under the President's blended rate proposal for Medicaid and CHIP. It also could grant states greater flexibility in operating their Medicaid programs as a means of reducing federal as well as state expenditures. Ideas under consideration include some that are deeply troubling such as eliminating the maintenance of effort requirement on states and converting Medicaid into a block grant program.

Eliminating the maintenance of effort provision that now requires states to maintain current Medicaid eligibility standards, methodologies, and procedures would permit states to discontinue Medicaid coverage for adolescents in families with incomes above 100% of poverty. This includes adolescents covered under income or home-and community-based services waiver programs. It would also permit states to impose stricter methodologies and procedures for determining eligibility, making enrollment and re-enrollment for low-income adolescents who would continue to retain eligibility far more difficult. Moreover, because the provision would grant states the same flexibility in their CHIP programs, which are entirely optional, an additional 2.7 million adolescents -- some of whom receive their coverage through Medicaid and some through private plans -- could lose their health care coverage. The CBO expects that by the end of 2016, as many as half of states would eliminate their CHIP programs.

Restructuring Medicaid from an entitlement to a block grant program would allow states to cap enrollment and create waiting lists and to eliminate coverage for essential screening, diagnosis, and treatment services, as now required under Medicaid's EPSDT mandate. This would not only leave large numbers of currently insured low-income adolescents without coverage, it would leave covered adolescents with a substantially less comprehensive, and potentially far more expensive, benefit package than they now receive.

These structural changes to Medicaid could have disastrous consequences for the health of low-income adolescents. Research has consistently shown that without insurance, low-income children and adolescents who have a medical problem often do not see a doctor, skip a recommended test or treatment, do not see specialists as needed, or do not fill a prescription. Moreover, even if families are able to purchase subsidized coverage for their adolescent children, benefits would not be comparable and cost sharing could be prohibitive. An adolescent with a serious mental health problem, for example, would not have coverage in the private sector for the comprehensive family and behavioral therapies that Medicaid (and most CHIP programs) cover as wrap-around services.

### **The Value of Medicaid Services for Adolescents**

As the nation increasingly comes to see the human and financial benefits of early intervention to prevent health problems and ensure that unavoidable medical conditions are properly managed, it is clear that early detection and treatment of adolescent health problems assures a significant return on investment. Medicaid, which has been shown to be less costly to administer than private insurance, is structured to improve health care outcomes for low-income adolescents. Medicaid services have great value.

- ***Mental Health Problems*** – There is ample evidence to show that screening for depression is effective when systems are in place for accurate diagnosis, psychotherapy, and follow-up. Untreated depression and other mental illness contributes to the onset of suicide risk, substance abuse, physical illnesses such as obesity, noncompliance with medical treatment recommendations, greater use of non-psychiatric services, increased risk of entry into juvenile justice, reduced educational achievement, and diminished quality of life. (USPSTF, AHRQ, TeenScreen) In addition, according to the National Institute of Mental Health (NIMH) covering services for mental health conditions on par with physical illnesses -- as Medicaid does -- results in substantial public dollar savings.
- ***Obesity*** – Screening and behavioral interventions for obese adolescents result in significant BMI improvements (2.4 kg/m<sup>2</sup>). Other beneficial outcomes include reduced cardiovascular risks, fitness, behavioral, and psychosocial outcomes. (USPSTF, AHRQ, *Obesity*)
- ***Asthma*** – Comprehensive asthma interventions for adolescents substantially improve health outcomes while reducing costs. Average asthma health care charges were reduced by \$821 per year among adolescents enrolled in a comprehensive asthma intervention compared to a control group without asthma care. (*Journal of Allergy and Clinical Immunology, Pediatrics*)
- ***HPV Vaccination*** – Routine HPV vaccination of young adolescent females is highly effective in preventing cervical cancer and it saves money. Compared to no vaccination, the cost per quality of life year gained by adolescents who have the HPV vaccines is between \$3,000 and \$45,000. (ACIP/CDC, *Pediatrics, New England Journal of Medicine*)
- ***Sexually Transmitted Diseases*** – Screening for Chlamydia among adolescent females saves \$987 per case of pelvic inflammatory disease prevented. Other adverse outcomes of STDs, including cervical cancer, infertility, HIV, and adverse pregnancy outcomes, can be prevented with early detection and treatment. (USPSTF)
- ***Dental Care*** – Preventive dental care and treatment for tooth decay, dental repair, and periodontal disease is effective in reducing costly emergency room use and hospital admissions. Dental care provided in a hospital is 10 times more expensive than care provided in an outpatient setting. Untreated dental disease results in chronic pain, missed school days, eating and sleeping difficulties, low self-esteem, and expensive repair. (Children's Dental Health Project, *Pediatric Dentistry, Journal of American Dental Association*)

Achieving a healthier US population requires that all adolescents receive the necessary care to prevent and reduce chronic conditions and diseases. Access to Medicaid and EPSDT services for low-income children and adolescents is essential for a healthy and productive adult population.

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