

The Function of Medicaid in Children's Access to Behavioral Health Services

Issue

American children deserve healthcare that provides access to mental health services. The current Budget Reconciliation plan threatens to cut Medicaid coverage for children.

Background

- Medicaid is the country's single largest payer of behavioral health services for all ages.¹
- Children comprise 43% of all Medicaid enrollees and are the single largest beneficiary group of Medicaid.²
- Medicaid offers a "pediatric benefit," which is a crucial safeguard in protecting and advancing the mental health of our nation's children.
 - The Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit allows beneficiaries under 21 years old to receive critical medical screenings, including mental health assessments, and identified diagnoses are treated regardless of whether such is provided under the state's Medicaid plan.³
- Proposed changes to Medicaid, such as per capita caps on federal matching funds and the elimination of Medicaid expansion, will cause undue budgetary constraints on states and jeopardize states' ability to offer adequate coverage & care for millions of children.
- Nine states have "trigger laws" where, if the Federal Medical Assistance Percentages (FMAP) rate decreases, Medicaid expansion-eligible enrollees immediately lose coverage.
- Rural areas will be acutely impacted by these cuts given nearly 25% of rural area residents are enrolled in Medicaid and they represent 17% of total Medicaid enrollment.⁴
- Medicaid plays a major role in preventing the closure of rural hospitals and Critical Access Hospitals.
- States that enacted expanded Medicaid coverage after the passage of the *Affordable Care Act* have nearly threefold fewer hospital closures before Medicaid expansion, whereas states that did not expand Medicaid coverage experienced nearly double the rate of closures for the same time period.⁵
 - Medicaid expansion states experienced net zero rural hospital closures during this period.⁵

Solutions

- Preserve the current Medicaid program to ensure ongoing access to behavioral healthcare for low-income American families.
- Fully fund Medicaid at existing FMAP levels.

¹ Medicaid and CHIP Payment Access Commission (MACPAC), "Behavioral Health in the Medicaid Program – People, Use, and Expenditures," (Washington: MACPAC, June 2015).

² Rudowitz, R., Garfield, R., & Hinton, E. (2019). *10 things to know about Medicaid: Setting the facts straight* (Issue Brief). Kaiser Family Foundation.

³ Georgetown University Center for Children and Families. (2018). *EPSDT primer: Fact sheet*.

⁴ MACPAC, *Medicaid and Rural Health: Issue Brief* (April 2021)

⁵ Lindrooth, R., Perrailon, M., Hardy, R., & Tung, G. (2018). *Understanding the Relationship Between Medicaid Expansions and Hospital Closures*.