

Medicaid: A Lifeline for Newborns and Children

The American Academy of Pediatrics urges all members of Congress to protect the Medicaid program in any effort to reform the nation's health care system. Medicaid has been a crucial source of health care coverage for children for over 50 years. Today, approximately 36 million children rely on Medicaid for their care each year. In addition, Medicaid is the country's largest insurer of maternity-related services and is vital to the health and well-being of our country's newborns.

Medicaid is the nation's largest payer of maternity-related services.

- Nearly half of all births in the United States are paid for by Medicaid.
- Maternal and neonatal stays account for nearly half (48.5 percent) of all Medicaid hospitalizations compared with just over one-third (34.1 percent) of all privately insured hospitalizations.

Medicaid provides essential coverage for at-risk newborns.

- Medicaid covers a higher proportion of preterm births than private insurance plans, as a study looking at births from 2010-2013 found that Medicaid and private insurance covered 48.8% and 42.1% of all preterm births respectively.
- Medicaid is the primary payor for approximately 75 percent of maternal stays related to substance use and is the largest payor for neonatal abstinence syndrome, which has a mean length hospital stay of 23 days and a mean hospital charge of \$93,400 per infant.

Medicaid provides essential services that cover all levels of maternal and neonatal hospital care

- Medicaid covers specific services that can maximize access to appropriate care for pregnant women and infants, including pre- and post-natal care, delivery, laboratory tests, hospitalization and other services.
- Medicaid's Early and Periodic Screening, Diagnosis and Testing (EPSDT) standard covers important services like newborn metabolic, hearing and vision screenings.
- Medicaid coverage of neonatal transportation is also crucial for timely provision of care, especially as part of a comprehensive perinatal regionalization system.

Changes to Medicaid's financing system threatens coverage of services for maternal and neonatal care

- Proposals to end the existing federal-state Medicaid partnership by imposing block grants or a per capita funding system means less federal dollars for the program, which in turn shifts costs to states and seriously jeopardizes the comprehensive benefits offered to newborns and children through the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) standard.
- Per capita caps would also degrade the quality of care offered in the Medicaid program and would hinder the ability of states to respond to public health crises and other fluctuations in health care costs and the need for services.

Altering Medicaid's financing structure by shifting to per capita caps or block grants will lead to reductions in enrollment, cuts to benefits and decreased access to physicians for newborns, children and all Medicaid beneficiaries. Please protect Medicaid and oppose per capita caps and block grant financing.

