



# MEDICAID AND CHILDREN WITH SPECIAL HEALTH CARE NEEDS/ DISABILITIES: AN OVERVIEW

Medicaid is a public benefit program that serves families with children, children in foster care, pregnant women, children and adults with disabilities, and individuals aged 65 and older who meet certain federal and state eligibility criteria. Thirty-five percent of all children are enrolled in Medicaid.<sup>1</sup> Medicaid is especially important for vulnerable populations, such as children with special health care needs/ disabilities and children in foster care:

- Whose families do not have access to private insurance
- Whose families cannot afford private insurance premiums or the out-of-pocket costs associated with private insurance
- Who need services not covered by private insurance

As the sole form of insurance, Medicaid provides comprehensive and affordable coverage that ensures children with special health care needs/disabilities receive all medically necessary health care services. If a child has other health insurance, Medicaid, as the secondary payer, provides wrap-around coverage and helps reduce cost sharing.

## Funding

A combination of state and federal matching dollars funds the Medicaid program in each state and the District of Columbia (DC). The federal match, called FMAP (Federal Medical Assistance Percentage), varies by state. It is based on state income compared to the national average. States receive federal matching dollars for each state dollar spent; there is no funding cap. In addition, with the exception of Medicaid waiver services, states cannot have waiting lists for this public benefit program. Find the [Federal Medical Assistance Percentage \(FMAP\) for each state and DC](#).<sup>2</sup>

## Administration

The Centers for Medicare and Medicaid Services (CMS) is the federal agency that oversees the Medicaid program. CMS requires each state's Medicaid program to cover defined populations, known as mandatory eligibility groups, and to provide a minimum of covered services, known as mandatory covered services. However, because each state and DC administers its own Medicaid program, it can establish different eligibility criteria over and above the federal minimum set by CMS and serve optional populations. In addition, a state may provide additional services, known as optional services. This is why the population served and covered services vary from state to state. Review the list of [mandatory eligibility groups and optional populations](#).<sup>3</sup> Review the [list of mandatory and optional services](#)<sup>4</sup> on the CMS website. See the chart on the next page for examples of mandatory and optional covered services that are especially important for children with special health care needs.

## Benefits

Early and Periodic Screening, Diagnosis and Treatment (EPSDT) is a federally mandated benefit that every state and DC must provide to children, birth to 21, enrolled in Medicaid. It ensures that a child receives all medically necessary services, including vision, dental, and hearing, even if that service is not part of the state's covered services. EPSDT ensures that children with special health care needs/disabilities have access to all needed preventive and specialty care services to meet any physical, mental, and developmental needs. Learn more about [Early and Periodic Screening, Diagnostic, and Treatment \(EPSDT\) Services in Medicaid](#).<sup>5</sup>

<sup>1</sup><http://kaiserfamilyfoundation.files.wordpress.com/2010/06/7334-05.pdf>

<sup>2</sup><http://kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/>

<sup>3</sup><http://www.medicare.gov/Medicaid-CHIP-Program-Information/By-topics/Waivers/1115/Downloads/List-of-Eligibility-Groups.pdf>

<sup>4</sup><http://www.medicare.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Medicaid-Benefits.html>

<sup>5</sup>[http://www.mchlibrary.org/KnowledgePaths/kp\\_EPSDT.html](http://www.mchlibrary.org/KnowledgePaths/kp_EPSDT.html)

### Medicaid Eligibility – Children from birth to 19

To be eligible for Medicaid, a child must be a U.S. citizen or **lawfully present**,<sup>6</sup> part of a mandatory eligible group, AND live in a household with income that is less than the federal minimum guidelines. The federally mandated groups of eligible children include children, birth through age five, whose household income is less than 133% of the **federal poverty level (FPL)**.<sup>7</sup> For children aged 6 to 19 the federally mandated household income limit is 100% of the FPL. Other mandatory groups of children include children in foster care and children with disabilities who are eligible for Supplemental Security Income (SSI).

Because states administer their own Medicaid programs, some have expanded Medicaid eligibility above the federal minimum to include children with higher family incomes. The **Catalyst Center State-at-a-Glance chartbook**<sup>8</sup> includes the maximum allowed income for Medicaid enrollment, as a percentage of the federal poverty level, compared to the federal minimum requirement for each state and DC.

### Optional Pathways to Medicaid for Children with Disabilities

States may create state plan amendments (SPAs) or waivers in order to provide Medicaid benefits to a child with disabilities whose family income is too high for Medicaid. SPAs and waivers require CMS approval. The Tax Equity and Fiscal Responsibility Act of 1982 or TEFRA is an example of a SPA that provides Medicaid benefits to children with disabilities whose family income is too high for Medicaid, who require an institutional level of care, and whose families care for them at home rather than in a residential or long-term care setting. SPAs are entitlements; states cannot have waiting lists for these services. A waiver is a way to provide Medicaid and additional services, such as home modifications, case management, and respite, to an individual with disabilities who requires an institutional level of care, but who can live at home with these extra supports. States can have waiting lists for waiver services. Learn about the **State Plan Amendments in your state**.<sup>9</sup> Learn about **waivers in your state**.<sup>10</sup>

<sup>6</sup><http://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/sho10006.pdf>

<sup>7</sup><http://aspe.hhs.gov/poverty/13poverty.cfm>

<sup>8</sup><http://data.catalystctr.org>

<sup>9</sup><http://www.medicaid.gov/State-Resource-Center/Medicaid-State-Plan-Amendments/Medicaid-State-Plan-Amendments.html>

<sup>10</sup><http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/Waivers.html>

<sup>11</sup><http://hdwg.org/catalyst/medicaid-tutorial>

<sup>12</sup><http://hdwg.org/sites/default/files/medicaid-chip-infographic.pdf>

<sup>13</sup><http://hdwg.org/resources/report/medicaid-second-language-slightly-irreverent-guide-common-medicaid-terms-acronyms-a>

<sup>14</sup><http://hdwg.org/catalyst/tefraindicator>

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### Covered Services: Medicaid

Mandatory Services	Optional Services
<ul style="list-style-type: none"> <li>• Inpatient and outpatient hospital services</li> <li>• Physician services</li> <li>• Family planning services</li> <li>• Nursing facilities</li> <li>• Nurse practitioners</li> <li>• Laboratory and Xray</li> <li>• Transportation</li> <li>• Home health services</li> <li>• Early Periodic Screening, Diagnosis and Treatment (EPSDT) for children</li> </ul>	<ul style="list-style-type: none"> <li>• Prescription drugs</li> <li>• Occupational, speech and physical therapies</li> <li>• Targeted case management</li> <li>• Rehabilitative services</li> <li>• Personal care services</li> <li>• Hospice services</li> <li>• Inpatient psychiatric services for children under age 21</li> </ul>

This list of services every Medicaid program must cover and examples of optional services states may choose to cover is from the CMS website at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Medicaid-Benefits.html>

### Additional Resources

**Public Insurance Programs and Children with Special Health Care Needs: A Tutorial on the Basics of Medicaid and the Children's Health Insurance Program (CHIP)**<sup>11</sup> provides a broad overview of Medicaid and CHIP, the many different populations these programs serve, the changes they are undergoing under health care reform, and some detail to help readers think about opportunities to improve access to coverage for children with special health care needs.

**Medicaid & CHIP: What's the Difference?**<sup>12</sup> An an-a-glance infographic

**Medicaid as a Second Language:**<sup>13</sup> A Slightly Irreverent Guide to Common Medicaid Terms, Acronyms and Abbreviations

**The TEFRA Medicaid State Plan Option and Katie Beckett Waiver for Children:**<sup>14</sup> Making It Possible to Care for Children with Significant Disabilities at Home Learn about this state option for creating a pathway to Medicaid for children who require an institutional level of care.

Even more resources at:

<http://www.hdwg.org/catalyst/publications/medicaid>