



Value of Medicaid

Medicaid plays a critical role in ensuring access to health care and improving health outcomes for low-income women and children. Medicaid covers 33 million children and 19 million adults in low-income families, 58% of whom are women. Together, Medicaid and the Children's Health Insurance Program (CHIP) cover more than 1 in every 3 children.¹ In addition, Medicaid covers 45% of all births.² In 2013, 19.8% of women of childbearing age and 7.5% of all children under age 19 remained uninsured.³ Medicaid expansion can help to alleviate rates of uninsurance and ultimately improve health for women and children.

Medicaid benefits are uniquely designed to meet the healthcare needs of the low-income population the program serves. Medicaid provides a comprehensive package that entitles children up to age 21 all medically necessary services addressing children's developmental and health care needs, as well as comprehensive preventive care and prenatal care for women.

Investment in Medicaid Yields Important Dividends

State and federal investment in Medicaid yields economic benefits by improving health outcomes and workforce capacity:

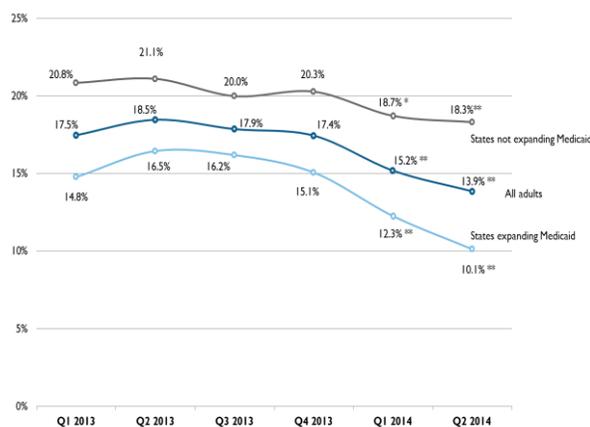
- Overall, individuals on Medicaid have lower Earned Income Tax Credit (EITC) payments and increased wages. For each additional year of Medicaid eligibility from birth to age 18, women receive \$109 less in cumulative EITC payments and men receive \$41 less by age 28.⁴ For every dollar invested in Medicaid for children, the government recoups increasing amounts of this investment over time, up to more than half of the original cost (\$0.56) by age 60.
- Individuals enrolled in Medicaid as children are more likely to attend college and women had higher cumulative wages by age 28, showing an estimated \$656 increase in wages for each additional year of Medicaid eligibility.⁴
- States that have expanded Medicaid have realized savings to their state budgets due to savings from increased federal investment and revenue gains. Kentucky and Arkansas estimate savings, net of costs, from FY 2014 to 2021 of \$820 million and \$370 million, respectively.⁵

Issue Highlights

- Medicaid covers millions of children and adults in low-income families.
- Medicaid coverage is associated with improved health in adults, improved health and developmental outcomes in children, and declines in infant mortality and morbidity.
- Investment in the Medicaid program has been shown to produce a positive return on investment.

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Trends in Uninsurance for Nonelderly Adults from Q1 2013 to Q2 2014



Source: Health Reform Monitoring Survey, quarter 1 2013 through quarter 2 2014.
Note: Estimates are regression adjusted.
** Estimate differs significantly from quarter 3 2013 at the .05/.01 level, using two-tailed tests.

Medicaid Improves Access to Care

Medicaid is an important source of coverage for pregnant women, children and families, and increases access to care for enrollees:

- Medicaid coverage reduces the financial burden of medical expenses. Catastrophic expenditures (out-of-pocket medical expenses exceeding 30% of income) can be nearly eliminated with Medicaid coverage.⁶ Among parents with children enrolled in Medicaid, less than one percent (1%) report forgoing care for the child due to cost, similar to privately insured children.⁷
- Individuals with Medicaid coverage are 70% more likely to report a usual place of care and 55% more likely to report a usual doctor compared with those who are uninsured.⁸ Having a usual source of care is associated with better access to preventive and primary care and improved health outcomes.
 - Compared to uninsured children, children with Medicaid or CHIP are more likely to have a usual source of care and to have seen a doctor, had a well-child visit and received dental care in the past year.⁷ In 2013, 97% of children with Medicaid had a usual source of care, compared to 98% of children with private insurance and 75% of children who were uninsured.¹
 - In 2009-2011, 86.8% of women reported having a usual source of care: 91.8% among women with Medicaid or other public insurance, compared to 56.2% of uninsured women.⁹
- Medicaid is an important coverage option for parents and their children to ensure access to critical preventive and treatment services. Insurance coverage for parents is associated with improved enrollment, retention and access to care for their children. Children with uninsured parents are less likely to receive recommended health services, which limits opportunities for screening and prevention.¹⁰

Medicaid Coverage is Associated with Improved Health Outcomes

Overall, Medicaid coverage is associated with improved health outcomes for women and children and better birth outcomes, including reduced infant mortality and low birthweight.

- Declines in infant mortality, low birthweight and childhood deaths are all linked to previous Medicaid eligibility expansions. Medicaid coverage for women ages 15-44 is associated with decreased incidence of infant mortality and low birthweight. A 20% expansion of eligibility for women in the 1980s resulted in a 7% reduction in infant mortality.¹¹
- Research has found that adults who gained Medicaid coverage reported improved health compared to uninsured individuals.⁴
- Medicaid and CHIP enrollment for children is associated with improvements in physical and behavioral health. Medicaid and CHIP are also associated with improved school performance, including increased school attendance, greater ability to pay attention and participate in class, and improved reading scores.⁷

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