



# Federal Medicaid Reform: Will It Adversely Impact the Health of Medicaid-Covered Children?

Kyle Bradford Jones (Class of 2009); Emmanuel Ngui, DrPH; John Meurer, MD, MBA; and Glenn Flores, MD  
Center for the Advancement of Underserved Children, Department of Pediatrics  
Medical College of Wisconsin and Children's Research Institute, Children's Hospital of Wisconsin, Milwaukee, WI



## Background

- US Congress passed Deficit Reduction Act of 2005, which changed Medicaid by
  - Increasing patient cost sharing through co-payments and premiums
  - Reducing benefits
  - Requiring extensive citizenship documentation
- 55 million Medicaid-covered low-income and disabled Americans, including 27 million children, could be affected by this reform
- Previous studies indicate cost shifting to patients results in more costly and delayed medical care
- No studies have examined impact on families and children of recent Medicaid reform
- Qualitative research has not been conducted to explore influence of Medicaid reform on children's healthcare

## Objectives

- To identify how increased co-payments, reduced benefits, and other recent Medicaid reforms may affect health care and well-being of Medicaid-covered children, from parents' perspective

## Methods

- Ethnographic interviews conducted at Downtown Health Center (DHC) Pediatric Clinic in Milwaukee, WI
- Parents eligible if had one or more children  $\leq 18$  years old covered by Medicaid
- Interviews audiotaped and transcribed
- Transcript-based analysis used, with margin coding of themes
- Common themes identified and recorded
- Taxonomy created to reflect range of parental responses regarding Medicaid reform

## Results

Fig. 1: Sociodemographic Features of Interviewed Children and Parents (N=49)

Feature	% or Median (range)
Median child's age (years)	1.3 (0.01 – 16)
Number of children in family	
1	25%
2	20%
3 – 4	29%
$\geq 5$	26%
Child has chronic condition	41%
Preventive care visit	46%
Sick visit	54%
Race	
African-American	90%
Latino	4%
Other, non-white	6%
Median parent's age (years)	28 (17 – 56)
Parental educational attainment	
Less than high school graduate	36%
High school graduate	30%
Some college	34%

### Taxonomy of Parental Responses to Federal Medicaid Reform

#### Awareness of Medicaid Reform

- Lack of awareness about reform, aware but confused about reform, or confused between Medicaid and Medicare

#### Reasonableness of Medicaid Reform

Not reasonable:

- Unaffordable
- Frustrating and unfair

Reasonable:

- Results in increased financial responsibility/accountability
- More appropriate use of health care services

#### Impact of Co-Pays and Premiums on Children

- Deferral/delay of needed medical care, i.e., preventive care, well-child visits, immunizations, sick care, specialty care, and prescription drugs
- Reduction in service use with increasing payments
- Substitute primary care with emergency department care
- Increase use of alternative treatments, i.e., home remedies, over-the-counter medications instead of prescription medication or doctor visits
- Children with chronic conditions and older children impacted most
- Increased number of lost school days due to illness
- Limitations of children's activities to prevent health deterioration
- Increased emotional hardship

#### Documentation for Citizenship

- Requirement frustrating but can be met

## Results

### Taxonomy of Parental Responses to Federal Medicaid Reform (cont.)

#### Impact of Co-Pays and Premiums on Families

- Increased family sacrifices on food, utilities, household essentials, time and involvement with family, and medication for parents
- Increased financial hardship, debts, and reliance on charity care or other entitlement programs
- Increased emotional hardship, moral dilemmas, and risk of engaging in crime or prostitution
- Employment changes, i.e., increased number of lost workdays, work more hours, get second job or better paying job with benefits
- Increased frustration and bankruptcy rates, defeats purpose of coverage, unfair

#### Messages for President and Congress

- Changes frustrating, unfair, and unaffordable
- Cannot increase health care debt without increasing job availability
- Inability to improve financial position

#### Major themes include:

- Most parents did not find reform reasonable

"What was the purpose of being on Medicaid if you could afford to pay for it?"

- Financial hardship was cited as a major consequence of reform

"Some of the families are just struggling, just making it, you know, including myself. And it can really be hard to try to come up with money for prescriptions or to see the doctor. I don't really think it's fair."

#### Impact of co-pays and premiums

##### Service use

**Preventive care:** "Like for a regular check up and he's like doing fine to me, I wouldn't bring him if I had to pay."

**Sick care:** "If we gotta pay for it, I mean, we're gonna have second thoughts or notions about bringing our baby in."

**Charity care:** "I would try to find a free clinic, because I wouldn't be able to afford [a \$10 co-pay]."

**Emergency department:** "I'd rather take him to the ER [than pay a \$10 co-pay]."

##### Parental sacrifices and financial hardships

"I probably wouldn't be able to pay rent, probably wouldn't be able to get food. If that was added, we would probably be on the street."

"It's not really hard for food cause, you know, there's like help out there with food stamps and stuff like that. It would hurt more of my budget to get on food stamps and stuff like that, but if I had to make those sacrifices to do it, I would."

"It all depends on my income. If I'm working for eight dollars an hour, yeah, I would have to work more hours to even afford a \$50 dollar [premium] every month, in order to stay afloat."

"I take over \$1500 worth of medicine every month, and I can't afford it. So why, how, could I afford medication for myself and them, pay for my own medication and pay for theirs too? [I would make] a lot of different changes, food, medical, I mean food, utilities, my medicine, things like that..."

##### Child and family well-being

"With three children, I'm already struggling, you know, just to make ends meet. I think that would be terrible if I have to cut back on their health care just because I can't afford it."

## Results

### Messages for President Bush and Congress regarding Medicaid changes

#### Frustration

"They have children and, I mean, they are able to afford what they can afford simply because of the situation they are in. You have to walk in my shoes to know what I feel, you know, for being on the Medicaid program."

#### Unaffordable

"He keeps forgetting there's people in poverty, and we don't, there ain't no jobs out here, so if we don't get no jobs, how do you expect us to pay for Medicaid?"

"A lot of stuff they don't even need to be doing with the money they're doing with it, but when it comes to medical, you should spend a little more money and more time with that instead of have wars and all the other stuff. Start spending money on things that need to be done and spent over here, medical and a lot of things that need to be devoted to people in the United States. It's a serious issue. They need to start spending money on healthcare for children and the elderly."

#### Unfairness

"They need to think twice about what they doing, because some people out here that really needs Medicaid, it's a whole lot of people out here that's on a fixed income, no matter how good of a job we have, we still on a fixed income and we need the assistance. I have a good job, but it doesn't matter how good of a job I have when my job is not covering all of my children for health assistance."

"That is a little bit absurd, especially for mothers who taking care of their children by themselves. It's already hard, with no help. At least do it for the child. I think they are against abortion and stuff like that, well, they have to be against this too because a child would have no way for them to get help or medical attention, most parents won't even bring their child, and then what's worse, getting a child aborted or seeing a child suffer because he doesn't have no medication, can't see the doctor? That would make a woman wish she did do it. That's not fair."

## Conclusions

- Parents of Medicaid-covered children report that current Medicaid reform will result in
  - Increased financial and non-financial hardship
  - Deferral of needed preventive and sick care for children
  - Increased reliance on charity care
  - Increased ED visits
  - Impaired overall health status and well-being of children and families

## Implications

- These findings suggest that Medicaid reform could cause
  - Less continuity of care
  - Greater unmet healthcare needs
  - Greater societal burden
  - Higher future healthcare costs

We are grateful to the Wisconsin Medical Society Foundation for funding this research.