



## **Starting Strong: Strengthening Ohio's Health Care System for Children Ages Birth to Six**

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Recent national and state trends in health care spending show that health care costs continue to outpace overall economic growth, causing many employers to increase employee copayments and deductibles, or drop employee coverage altogether.<sup>1</sup> In Ohio, this trend resulted in 47,000 children losing health insurance in Ohio between 2000 and 2004.<sup>2</sup> In addition to decreasing levels of coverage, many areas in Ohio struggle with a shortage of primary care physicians and dentists, forcing many families to travel great distances to receive adequate care for their children.

Studies show that early investments in young children and their families, including preventative health care, can make a significant impact on child well-being and reduce the need for more costly interventions. Early intervention efforts have been shown to improve overall health, school readiness, and academic achievement.<sup>3</sup> Ohio currently has several programs that serve the health needs of children ages birth to six and their families. The following options outline some ways in which Ohio can build upon the current child health care system to ensure that every Ohio child gets a fair and healthy start, and enters school ready to succeed.

### **Expand the Ohio Physician Loan Repayment Program**

Many families in Ohio currently live within Health Professional Shortage Areas (HPSA), or areas designated by the Federal Government as underserved by physicians, dentists, and mental health providers. These areas have less than the generally accepted minimum number of clinicians per thousand members of the population. In many areas of the state, families within HPSAs must travel outside of their county to receive medical or dental care, causing many families without transportation to rely on emergency rooms as a source of primary care.

The Ohio Physician Loan Repayment Program (OPLRP) is working to reduce the barriers to health care access that many families face. Operated through the Ohio Department of Health, the OPLRP provides \$20,000 annually towards the repayment of school loans solely for physicians who serve in HPSAs. On average, medical school students graduate with \$100,000 in debt.<sup>4</sup> In 2006, only 42 physicians are serving in this program. It is paid for through federal funds, state matching funds, and the Health Priorities Trust Fund (part of the Tobacco Settlement Agreement in Ohio). Last year, 35,000 patients were seen 66,168 times by the 42 doctors participating in the OPLRP. Of these, 44.2 percent were Medicaid patients and 12.8 percent had no health insurance at all.

Expanding the OPLRP by including a broader range of clinicians, such as mental health providers and nurse practitioners, would increase the range of services available to families in those areas. Ohio also could expand the number of doctors participating in the program. For example, an investment of \$2 million could place a total of 100 doctors in underserved areas across the state, serving approximately 83,000 patients. Additional state funding could also be invested in attracting more medical school graduates to participate in the program by increasing the yearly tuition reimbursement amount and conducting outreach to medical students to increase awareness of the program – a key factor in increasing physician participation.

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<sup>1</sup> Ginsburg, Paul B., et al. *Tracking Health Care Costs: Spending Growth Remains Stable at High Rate in 2005*. The Center for Studying Health System Change. October, 2006.

<sup>2</sup> [Kaiser State Health Facts](#), September 2004. Estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements).

<sup>3</sup> Karoly, L. *Investing in Our Children: What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions*, 1998.

<sup>4</sup> Jolly, Paul. *Medical School Tuition and Young Physician Indebtedness*. Association of American Medical Colleges. March, 2004.

## **Increase Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Participation and Effectiveness**

EPSDT, known in Ohio as Healthchek, is a required Medicaid program covering children under age 21 in families at or below 200 percent of the Federal Poverty Level (FPL). This program requires that state Medicaid programs periodically screen Medicaid-eligible children for health problems using the screening schedule recommended by the American Academy of Pediatrics. If a child's screening identifies health problems, the law also requires the EPSDT program to provide necessary health care, diagnostic services and treatment. Those services include medical, vision, hearing, mental health, and lead testing. Any service that will correct or improve a child's health problems, however, must be provided if the service is included in a list of federal Medicaid services. This is true even if the service is not routinely covered by Ohio's Medicaid plan.

In 2004, 47 percent of EPSDT eligible children in Ohio received at least one screening. This does not meet the federal requirement of 80 percent participation of all eligible children. When broken down by age groups, 90 percent of children below age one are getting at least one screening, 76 percent of children ages 1-2, and 57 percent of children ages 3-5. Increased participation in the EPSDT program would help to ensure that Ohio's young children are getting the primary health care that they need, and avoid costly and inefficient services for emergency room visits and avoidable health conditions down the road.

It is estimated that those without primary care are 30 to 50 percent more likely to be hospitalized for an avoidable condition, with the average cost of an avoidable hospital stay estimated to be about \$3,300.<sup>5</sup> In addition, more than 50 percent of all emergency room visits nationwide are for minor, non-emergency medical conditions. These unnecessary emergency room visits are required to be covered by the state if the patient is unable to pay. On average, a trip to the emergency room costs between \$560 and \$900, while a trip to a physician's office costs \$153, a much more efficient means of providing the primary care that children need.<sup>6</sup>

The state of Ohio could increase participation rates in EPSDT by:

- Ensuring that Healthchek coordinators in every county are required to dedicate 100 percent of their time to EPSDT outreach, enrollment, provider education, and compliance to EPSDT statewide goals;
- Expanding the definition of "primary care provider" in EPSDT regulations to include school-based health professionals, nurses, and home visitors, so these providers could receive EPSDT reimbursement for screenings and treatment;
- Requiring service providers, primary care providers, and social workers to be trained on EPSDT services through professional development programs;
- Increasing compliance to statewide EPSDT goals through increased performance audits, financial incentives, and EPSDT mandates in Medicaid Managed Care contracts with the state. By 2007, 100 percent of children covered under Medicaid are required by state law to be enrolled in a Medicaid Managed Care plan, thus giving the state more leverage on this issue.

## **Expand Medicaid Coverage for Pregnant Women in Ohio**

Prenatal care is one of the best investments in health care. Research confirms that when pregnant women enter into prenatal care within the first trimester, they are more likely to have a healthy and normal birth. Prenatal care has been shown to help reduce the risk of low birth weight (LBW) and premature infants. The LBW rate rose from 7.5 percent of all babies in Ohio in 1994, to 8.3 percent in 2002. The cost of treating LBW babies is high. Currently, LBW babies consist of 55 percent of Ohio's Medicaid expenditures within the first year of life, but only account for 10 percent of all Medicaid births. LBW often contributes to long-term developmental and neurological difficulties in children, which also are costly for the state. Expanding Ohio Medicaid coverage for pregnant women from 150 percent of the Federal Poverty Level (FPL) to 200 percent of the FPL, in State Fiscal Year (SFY) 2008, would cover an additional 1,120 women, and reduce the rate of LBW in Ohio.

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<sup>5</sup> Institute of Medicine. *Hidden Costs, Values Lost: Uninsurance in America*. The National Academies Press. June, 2003 .

<sup>6</sup> Machlin, Steve. *Expenses for a Hospital Emergency Room Visit, 2003*. Medical Expenses Panel Survey. January, 2006.

## **Close Ohio's Uninsured Gap for Children**

Outreach strategies can be very effective in enrolling families in Medicaid and the state's Child Health Insurance Program (CHIP), and keeping those families covered. An estimated 93,500 of Ohio's 156,000 uninsured children have a family income at or below 200 percent FPL, making them eligible for Medicaid coverage. In Ohio, as in many other states, state funding for outreach and enrollment efforts dramatically declined after 2001. In 2003, Ohio was contributing more than \$6 million to outreach and enrollment efforts. Currently, Ohio does not contribute any funding towards Medicaid/CHIP outreach and enrollment. Select counties have maintained their own initiatives with local dollars, but these efforts also declined after 2001.

Outreach and enrollment efforts across the country have produced a variety of best practices that could be applied to Ohio's uninsured population who are currently eligible for Medicaid/CHIP but not enrolled. These practices include:

- Using an electronic verification of income during the application process, which reduces the amount of paper documentation that applicants need to produce and increases efficiency in the application process;<sup>7</sup>
- Encouraging one-on-one interaction with social service professionals as part of outreach strategies for the hard-to-reach uninsured population, such as working families with no previous experience receiving public health insurance and immigrant families;
- Providing outreach materials in a variety of languages, both in electronic and paper format, to reach out to the various immigrant populations in Ohio;
- Streamline the application process by automatically enrolling children in Medicaid who are enrolled in other programs with eligibility guidelines at or below 200 percent FPL, such as WIC, Head Start, or the Early Learning Initiative; this process is formally known as "presumptive eligibility".

It is also estimated that 30,000 to 46,000 of Ohio's uninsured children live in families with incomes between 201-300 percent FPL. Expanding Medicaid eligibility to 300 percent FPL would assure that most Ohio children would have access to coverage.

## **Increase the Number of Children Served through Help Me Grow**

Help Me Grow provides voluntary home visiting services to first-time and teen parents, parenting education for families with questions about child health and development, and services and support for families with infants and toddlers at risk for, or with, developmental disabilities. Help Me Grow services improve a child's chance of succeeding in school by identifying disabilities and other developmental problems early and treating them. Help Me Grow is funded through a combination of state, Temporary Assistance for Needy Families (TANF), and Federal Part C funding (IDEA).

Currently, state dollars only cover approximately 14 percent of the total Help Me Grow funding. In order to expand the preventative health services and parenting education provided by Help Me Grow, the state could invest additional dollars into the program.

## **Conclusion**

Increasing access to preventative health care for Ohio's children is a key component to ensuring that every child enters school ready to learn. Research shows that preventative health care improves child well-being and reduces the need for more costly health interventions down the road. This paper presents several well-tested approaches and options that should be considered by the Ohio General Assembly to expand on the early childhood health care programs currently in place in Ohio, and ensure that all children in Ohio receive the health care that they need.

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<sup>7</sup> Cuyahoga County allowed families to self-declare their income as part of a pilot program in 2001. The experiment resulted in higher approval rates of CHIP applications (85 percent versus 65 percent before the policy change), faster processing times (15 to 30 days versus 30 to 60 days), and a 98 percent accuracy rate. Five percent of Healthy Start applicants were found to understate their income, but only 2 percent of those enrolled were determined to be ineligible.