

COVID-19: What Children Need From Congress to Protect Their Health and Well-Being

As our nation confronts a public health threat greater than any we've seen in a century, every person, every patient, every family is struggling to understand and manage the devastating and far-ranging effects of the new coronavirus — from its impact on their health and the health of their loved ones, caregivers, and health care providers to its impact on their communities, jobs, and the health care and social services systems that serve them.

While children make up a relatively small portion of the coronavirus patient population, almost every aspect of their daily lives has been disrupted by COVID-19. Children have experienced a lack of access to child care, school, and other learning opportunities. They have lacked access to routine health care, including vaccines, treatment for common child illnesses, treatment for chronic health issues, and screening and treatment for developmental health concerns. They have experienced increased family stress and economic instability due to job loss, food and housing insecurity, and increased anxiety, isolation, and loneliness related to quarantine and social distancing policies. Without a doubt, the COVID-19 crisis is having a broad and devastating impact on children's health and well-being.

The needs of children during the pandemic are wide-ranging, but having access to safe and stable health care and support services is foundational to their health and well-being. This means that protecting and strengthening Medicaid and the Children's Health Insurance Program (CHIP) and the other programs that support children's healthy development must be an urgent priority for policymakers as our nation navigates the broader impacts of COVID-19.

Why are Medicaid and CHIP critical for children as our nation responds to COVID-19?

- » **Medicaid is the largest insurer of children and an essential source of coverage for vulnerable populations.** Medicaid provides health insurance coverage for more than 70 million low-income Americans, including children, pregnant women, low-income seniors, individuals with disabilities, as well as other low-income adults who are covered through the Affordable Care Act's (ACA) Medicaid expansion.¹ Medicaid is the largest insurer of children in the U.S., providing high-quality and comprehensive coverage for more than 36.3 million children. An additional 9.6 million children are enrolled in public coverage through CHIP, which insures children just above the Medicaid eligibility threshold.² Together Medicaid and CHIP insure more than 50% of children in the U.S.
- » **Medicaid and CHIP are critical sources of coverage for children of color whose families are disproportionately impacted by COVID-19.** Medicaid and CHIP insure almost one-third of white children (31.9%), about one-

As Congress prepares to take further legislative action in response to the pandemic, it is critical that children's health is not lost in the shuffle.

quarter of Asian children (26.8%), and over half of Hispanic children (56.8%) and black children (55.4%).³ With communities of color bearing the brunt of COVID-19 confirmed cases and deaths, Medicaid and CHIP must continue to be a reliable source of coverage for children of color and their families.

- » **Medicaid and CHIP serve as critical backstops for families, especially during times of economic crisis.** Because Medicaid and CHIP serve as part of our nation's health care safety net, millions of families who lose their jobs and, as a result, their job-based insurance due to COVID-19 will be able to get insured through Medicaid and CHIP. However, as Medicaid and CHIP enrollment rises, costs associated with these programs will also dramatically increase and strain state budgets. Since Medicaid and CHIP are financed through a federal-state partnership, states will need additional financial support from the federal government in the form of increased Federal Medical Assistance Percentage (FMAP), the portion of support paid by the federal government to states to operate Medicaid and CHIP. There is a notable record of FMAP increases to states during times of natural disaster or economic distress, including after 9/11, during the Great Recession, and in the aftermath of Hurricane Katrina and Superstorm Sandy.

What Can Congress Do to Protect the Health and Well-Being of Children During the COVID-19 Crisis?

As Congress prepares to take further legislative action in response to the pandemic, it is critical that children's health is not lost in the shuffle. Congress must ensure that the next phase of COVID-19 response legislation takes additional steps to support children's health and well-being by protecting and strengthening Medicaid and CHIP, ensuring these essential programs are able to continue to provide a stable and reliable coverage source for children and other low-income and vulnerable populations throughout the crisis.

With the needs of children in mind, we urge Congress to advance the following policies in the next COVID-19 response package:

- » **Increase Medicaid FMAP by a total of 14% during the economic downturn.** Congress must build on the 6.2% increase in the Medicaid FMAP that was enacted as part of the Families First Coronavirus Response Act (PL 116-127). At a minimum, we urge Congress to increase FMAP by a total of 14% with full federal funding guaranteed to struggling states until their economies recover. This additional FMAP relief would provide critical support to states so they can manage the compounding effects of increased Medicaid and CHIP enrollment and increased demand for unemployment insurance and other social services while simultaneously experiencing devastating losses in tax revenues

and facing balanced budget requirements. Without a further increase in FMAP, states will have no choice but to cut or restrict their Medicaid and CHIP programs at a time when they are needed most. This would jeopardize not only our nation's COVID-19 response but also the systems of care that keep children on course for healthy development.

- » **Provide at least \$900 billion in fiscal relief to state, local, tribal, and territorial governments to manage impending budget shortfalls.** In addition to FMAP relief, Congress should immediately enact at least \$900 billion in emergency relief for state, local, tribal, and territorial governments, with \$500 billion of that amount going directly to state governments. This state funding will be critical to offset major revenue losses and prevent cuts to critical state programs beyond Medicaid and CHIP. Without such relief states will be forced to make dramatic cuts to other state-funded programs and services that support children and other vulnerable populations, including education, nutrition supports, housing, and child welfare.
- » **Provide \$600 million for outreach and enrollment activities.** Congress should provide \$600 million in mandatory annual funding for consumer assistance to help those who lose access to job-based insurance or are otherwise uninsured to navigate and enroll in the health coverage programs for which they are eligible. New research from the Urban Institute estimates that approximately 6.6 million children would lose job-based insurance if the unemployment rate hits 20%. According to this research, it is estimated that 90% of children who lose coverage would

gain insurance through Medicaid, CHIP, or the ACA. However, almost 700,000 children would become uninsured.⁴ Efforts to assist families in finding coverage are essential to prevent children from losing health coverage as a result of the COVID-19 crisis.

- » **Reinstate 100% FMAP for states that newly expand Medicaid during the pandemic.** Congress should provide 100% FMAP for states that take up the ACA Medicaid expansion. This action would reinstate the FMAP levels that were available to states that took up the ACA Medicaid expansion in 2014-2016 (and then phase down to 90% FMAP over time).
- » **Extend the Families First Medicaid Maintenance of Effort (MOE) to apply to CHIP.** The MOE that was included in the Families First Coronavirus Response Act (PL 116-127) prevents states that accept the 6.2% FMAP increase from disenrolling beneficiaries, increasing premiums, or making other changes that would restrict Medicaid eligibility and enrollment during the public health emergency. Congress should extend the Families First Medicaid MOE so that it applies to children and pregnant women who are covered in stand-alone CHIP programs.
- » **Maintain the current CHIP enhanced FMAP (E-FMAP).** Congress should delay for one year further reductions to the current CHIP E-FMAP, postponing the final 11.5% reduction that is scheduled to go into effect on October 1, 2020, as required by the Healthy Kids Act (PL 115-120). States are struggling with increased enrollment in Medicaid and CHIP related to COVID-19 and the downturn in the economy, so now is not the time to reduce federal support for these essential coverage programs.

- » **Eliminate waiting periods in Medicaid and CHIP.** Congress should lift the five-year waiting period currently in place for legal immigrant children and pregnant women and for all lawfully residing immigrants so that they are able to enroll in Medicaid and CHIP.
- » **Eliminate premiums and cost-sharing in Medicaid and CHIP.** Congress should require states to eliminate premiums and cost-sharing for all care in Medicaid and CHIP, beyond care related to COVID-19, to ensure that low-income families who are struggling financially do not face cost barriers to care for their children during the pandemic.
- » **Require 12-month continuous eligibility for children in Medicaid and CHIP.** Congress should require states to provide 12-month continuous eligibility in Medicaid and CHIP to prevent eligible children from losing coverage due to frequent renewals or paperwork barriers. This is especially important to prevent a surge in disenrollments when the Families First Coronavirus Response Act MOE expires.
- » **Extend Medicaid postpartum coverage for at least 12 months after delivery.** Congress should extend Medicaid postpartum coverage from 60 days to at least one year after delivery. This would ensure access to comprehensive health care services for mothers in this critical postpartum period, protecting the health of both mothers and babies. This coverage is especially important now as families are managing the compounding effects of the COVID-19 pandemic.
- » **Increase federal funding for language access services.** Congress should provide

temporary 100% FMAP support for language interpretation services under Medicaid and CHIP during the pandemic to assure the availability of culturally competent care for both children and families and to reduce disparities in care stemming from language barriers. Given the disproportionate impact of COVID-19 on communities of color, Congress must ensure that language barriers are not hindering access to care during this public health emergency.

Beyond Medicaid and CHIP, Congress must also address the following urgent priorities for children:

- » **Provide \$100 million in emergency funding for the Centers for Disease Control and Prevention's (CDC) Surveillance for Emerging Threats to Mothers and Babies program.** Congress should provide \$100 million in funding to support data collection to improve understanding of the real-time effects of COVID-19 on women and babies. This funding would enable the CDC to conduct surveillance and develop evidence-based guidance for health care providers and families to improve care delivered to pregnant and postpartum women and their babies.
- » **Provide \$100 million in emergency funding for the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program.** Congress should provide a one-time \$100 million appropriation to train home visitors to deliver services virtually. These funds would be used to secure technology for families, including data plans or devices that could be used for visits. They could also be used to secure and safely deliver household necessities such as formula, diapers, and other supplies to maintain basic hygiene and health.

Congress must ensure that the programs that serve children remain strong so that children have the supports they need to maintain their healthy development during this critical time.

» **Address the rise in rates of child abuse and neglect.**

Congress should increase funding for Child Abuse Prevention and Treatment Act (CAPTA) Title I by \$500 million to ensure state and local child protection systems are able to respond to the COVID-19 crisis, including being able to respond quickly to reports of child abuse and address barriers to ordinary service delivery during the pandemic. This funding will also ensure the child protection workforce has the technological and protective resources it needs to continue to provide vital support services to children and families. Congress should also increase funding for CAPTA Title II Community-Based Child Abuse Prevention grants by \$1 billion to quickly deploy and target resources to community-based prevention services and programs, including state child abuse hotlines, home visiting and parent support programs, family resource centers, and local food and medication distribution programs.

» **Increase child welfare Title IV-B funding by \$1 billion.**

Congress should increase funding to Title IV-B, Part 2 of the Promoting Safe and Stable Families Program by \$1 billion to protect children and to prevent the child welfare system from being overwhelmed by the need for out-of-home placements. This funding would be used to support and stabilize families, support foster parents, and bolster other state prevention efforts during times of crisis.

» **Apply FMAP increase to Title IV-E.** Congress should apply both the previous and any additional Medicaid FMAP increase to the new Title IV-E Prevention Program. Currently the Title IV-E Prevention Program is reimbursed at a 50% federal match. Any increase in FMAP enacted as a result of the COVID-19 crisis should also be applied to Title IV-E.

» **Increase child nutrition supports.** Congress should increase Supplemental Nutrition Assistance Program (SNAP) benefits by 15%, with an additional 20% bump for families with children, and increase the minimum SNAP benefit from \$16 to \$30 per month. Because the poorest families already receive the maximum amount, it is essential to increase benefit levels for families with little or no income.

As children and their families struggle to manage the short- and long-term health, social, emotional, and economic ramifications of the pandemic, Congress must ensure that children's health needs are prioritized in COVID-19 response legislation. While researchers continue their work to better understand the implications of COVID-19 for children, Congress must recognize that, while children do not make up a large portion of coronavirus patients, their health and well-being are being profoundly affected by the pandemic. Most immediately, Congress must ensure that the programs that serve children remain strong so that children have the supports they need to maintain their healthy development during this critical time.

Endnotes

¹ Medicaid and CHIP Payment and Access Commission (MACPAC), MACStats: Medicaid and CHIP Data Book, Exhibit 1: Medicaid and CHIP Enrollment as a Percentage of the U.S. Population, 2018, December 2019, <https://www.macpac.gov/wp-content/uploads/2020/01/MACStats-Medicaid-and-CHIP-Data-Book-December-2019.pdf>.

² Medicaid and CHIP Payment and Access Commission (MACPAC), MACStats: Medicaid and CHIP Data Book, Exhibit 32: Child Enrollment in CHIP and Medicaid by State, FY 2018, December 2019, <https://www.macpac.gov/wp-content/uploads/2020/01/MACStats-Medicaid-and-CHIP-Data-Book-December-2019.pdf>.

³ Child Trends, “Percentage of Children Covered by Health Insurance at Any Point in Time in the Last Year, by Race and Hispanic Origin: 2016” [Infographic], <https://www.childtrends.org/indicators/health-care-coverage>.

⁴ Bowen Garrett and Anuj Gangopadhyaya, “How the COVID-19 Recession Could Affect Health Insurance Coverage,” Urban Institute, May 2020, <https://www.rwjf.org/en/library/research/2020/05/how-the-covid-19-recession-could-affect-health-insurance-coverage.html>.

This publication was written by:

Lisa Shapiro, Senior Advisor for Strategy and Children’s Policy, Families USA
Kelly Murphy, Director of Early Childhood and Maternal Health, Families USA

The following Families USA staff contributed to the preparation of this material (listed alphabetically):

Kimberly Alleyne, Senior Director, Communications
 Justin Charles, Digital Media Associate
 Nichole Edralin, Senior Manager, Design and Publications
 Eliot Fishman, Senior Director of Health Policy
 Adina Marx, Communications Associate

FAMILIESUSA 
 THE VOICE FOR HEALTH CARE CONSUMERS

1225 New York Avenue NW, Suite 800
 Washington, DC 20005
 202-628-3030
info@familiesusa.org
 FamiliesUSA.org
 facebook / FamiliesUSA
 twitter / @FamiliesUSA