



Statement on the Passage of the American Health Care Act

Children's Home Society of America (CHSA), a national nonprofit leader and advocate dedicated to improving the lives of children and families, is saddened by the acts taken by the House of Representatives earlier today.

By a vote of 217 to 213, the House chose to end the Medicaid entitlement that has served vulnerable children and families for decades. In the absence of this program, the at-risk, abused and neglected children and youth that CHSA agencies serve across the country will lose access to the critical health and mental health services that they require in order to heal. As this bill now moves to the Senate, we hope that our work with colleagues in that chamber will undue the harm committed today and the Medicaid program will be able to once again offer all of the services that it has provided over the years to a very needy and at-risk population.

Today, thanks to the Affordable Care Act (ACA), Medicaid and the Children's Health Insurance Program (CHIP), 95 percent of children in America have health coverage – a historic high. The American Health Care Act (AHCA) threatens progress at a time when we must continue to move forward for children, not backwards.

Protecting Medicaid, is critically important to the millions of vulnerable children in this country. Children make up nearly 50 percent of all Medicaid recipients. Children in the foster care system and those on Supplementary Security Income (SSI) represent less than 8 percent of this overall Medicaid child population. However, this smaller segment of the population currently represents 28 percent of children using behavioral health services and 49 percent of the total behavioral health service expenses. Approximately 35 percent to 60 percent of children and youth placed in foster care have at least one chronic or acute physical health condition that requires treatment representing a rate of more than 1.5 times that of children and youth not in foster care.

The House passed per capita caps threaten children's access to care and may force state governments to cut comprehensive pediatric benefits and those services targeted to children in the child welfare system exposed to trauma and victims of abuse and neglect.

The House passed American Health Care Act would do harm to children:

- Changes to Medicaid's financing structure to pay for massive tax cuts for wealthy individuals and corporations would end Medicaid's guarantee of affordable, comprehensive health coverage for low income children, children with disabilities and those in the foster care system. While the new Medicaid per capita cap structure would limit access to health coverage and treatment for children, their health and mental health needs will continue to exist. Over time, this new structure would shift costs from the

federal government to states, counties, local communities, providers and beneficiaries. State and local governments would have to cut eligibility, services or both to continue to provide comparable care under the caps to the 37 million children who are currently enrolled in Medicaid.

- Under this new structure, costs will likely shift to the nation's foster care system as mental health services for 1.8 million children either at risk of foster care, in foster care or exiting foster care are squeezed by Medicaid cuts.
- Millions of children, low-income parents and other adults will lose coverage with the repeal of the ACA. The AHCA will end the ACA's Medicaid expansion over time, despite the fact that 31 states and the District of Columbia have expanded coverage to 26 million low-income parents and other adults. The ACA's more targeted subsidies would be replaced with less affordable tax credits and parents will end up having to pay more for less comprehensive coverage – or go uninsured altogether. Research clearly shows that children are better off when pregnant women have access to prenatal care services that help ensure healthy infants and their parents have health insurance coverage. When parents get treatment for their own health and mental health problems, it strengthens children's developmental outcomes.
- Public systems designed to meet various needs of children including the education and child welfare system, depend on Medicaid to offer critical services to children and youth. Under the AHCA's new Medicaid structure, these dollars will be lost and these system's ability to serve children severely compromised. For example, children with disabilities who have Individualized Education Plans that call for special services to be delivered in the schools or children with abuse histories or disabilities that require treatment in foster homes or residential treatment will be at special risk.
- Access to mental health and substance abuse treatment needed to stem the tide of opioid and other addictions for children, youths and adults would be lost under the AHCA, destroying families and likely sending more children into foster care and homelessness.