

Policy At A Glance:

Accelerating Kids' Access to Care Act (H.R. 4758)

Due to the limited availability of medical specialists nationwide, children with complex health conditions frequently need to travel out of state to receive specialized care. This brief provides an overview of the Children's Health Insurance Program, the California Children's Services, and the provisions outlined in H.R. 4758 to improve children's access to healthcare.

Introduction

Children with complex health conditions often need to seek specialized care outside their home state due to the shortage of medical specialists across the nation.^{1,2} For example, research has shown that nearly 47% of U.S. counties do not have a cardiologist, with 86.2% of them being in rural areas with lower income levels, limited access to healthy food, and a shortage of healthcare providers overall.^{2,3} This is particularly challenging for the 50% of children covered by Medicaid or the Children's Health Insurance Program (CHIP), as these families must navigate a coordination process between their home state's health agency and out-of-state providers.¹

Passed in the House of Representatives on September 17, 2024, the Accelerating Kids' Access to Care Act (H.R. 4758) aims to streamline and enhance Medicaid services across state lines and address pricing transparency for prescription drugs.⁴ It aims to ease out-of-state care by streamlining the process for pediatric providers to enroll in multiple Medicaid programs, enabling them to deliver timely, essential care to patients from both within and outside their home states without delays.^{1,4}

This brief provides an overview of the Children's Health Insurance Program, the California Children's Services, and provisions outlined in H.R. 4758 to enhance access, transparency, and funding in Medicaid programs for children with complex medical needs.

Key Statistics

- 40%** Of children across the U.S. have at least one chronic health condition, including asthma, obesity, and behavior/learning problems.⁵
- 4.3%** Of children have a disability, which is defined as having difficulty with seeing, hearing, concentrating, or walking.⁶
- 6.7%** Of children under 18 had asthma in 2023.⁷
- 6.8%** Of children under 18 have a diagnosed eye and vision condition other than refraction issues.⁸

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Children's Health Insurance Program (CHIP)

The Children's Health Insurance Program (CHIP), established by the Balanced Budget Act of 1997, is a program run by the U.S. Department of Health and Human Services (HHS) that offers matching funds to states to provide health insurance for families with children.⁹ Specifically, CHIP provides federal funding to states for offering health insurance to eligible low-income, uninsured children and pregnant women whose incomes are too high to qualify for Medicaid.¹⁰

Each state has the authority to determine its own eligibility limits as long as they meet minimum federal requirements and range from 138% to 300% of the federal poverty level.^{11,12} Furthermore, states can also adjust coverage based on a child's age. In many states, younger children have the widest eligibility criteria, with income limits becoming stricter as children get older. Additionally, states have the authority to set program administration rules and pricing guidelines, including decisions on whether to charge monthly premiums and cost-sharing for services such as doctor's visits.¹²

CHIP also provides coverage for pregnant people, offering prenatal, birth-related, and postpartum care for more than half of all annual births across the nation.¹³ This comprehensive coverage helps reduce maternal health disparities, particularly benefitting mothers of color, young mothers, and those in rural areas. While states must offer CHIP coverage for up to 60 days postpartum, 41 states, including California, have extended postpartum coverage for up to 12 months via a state option made permanent by the Consolidated Appropriations Act of 2023.^{12,14}

California Children's Services

The California Children's Services (CCS) is a state-run program that organizes and covers medical care and therapy services for children under 21 with certain diseases or health problems that are disabling, chronic, or life threatening.^{14,15} Only certain conditions are covered by CCS, including conditions that are physically disabling or require surgical, medical, or rehabilitative services. CCS may provide or pay for various services, including treatment such as doctor's visits, hospital and surgical care, physical and occupational therapy, laboratory tests, X-rays, orthopedic appliances, and medical equipment. Additionally, CCS offers medical case management to assist in accessing specialized doctors as well as referrals to other services like public health nursing and regional centers. For eligible children, the program also provides a Medical Therapy Program (MTP) that offers physical and/or occupational therapy in public schools.¹⁶



Enhancing Access, Transparency, and Funding

Streamlined Enrollment Process for Eligible Out-of-State Providers

Children with complex healthcare needs often require specialized care from pediatric specialists found only in children's hospitals or other specialty providers, some of which may be out of state.^{17,18} However, children on Medicaid who need care outside their home state often face delays. This can be due to some state Medicaid programs requiring out-of-state providers to undergo screening and enrollment, even if the provider is already enrolled with their home state's Medicaid program and Medicare.¹⁷

Therefore, the Accelerating Kids' Access to Care Act (H.R. 4758) aims to ensure faster access to essential care for Medicaid patients by enabling them to see pediatric specialists across state lines.^{4,17} Specifically, H.R. 4758 amends the Social Security Act to simplify the process for out-of-state healthcare providers to participate in Medicaid and CHIP across state lines. Eligible out-of-state providers can enroll without additional screening or enrollment requirements if they already meet standards in their home state. This streamlined enrollment is intended to improve access to care, specifically for children under 21.⁴

Transparent Prescription Drug Pricing

Many stakeholders, including law makers and consumer groups, have urged for greater transparency from pharmacy benefit managers (PBMs).¹⁹ PBMs are third party entities that act

as intermediaries between insurance companies and pharmaceutical manufacturers. They develop formularies, negotiate rebates, process claims, establish pharmacy networks, and monitor drug utilization.²⁰ The absence of transparency allows PBMs to engage in spread pricing, where they charge health plans more for a drug than what they pay pharmacies and pocket the difference.¹⁹

Therefore, H.R. 4758 will require states to adopt a transparent "pass-through" pricing model for Medicaid contracts, ensuring that PBMs pass all payments for drugs, minus a fair administrative fee, directly to pharmacies. Excess payments must be reported to the Secretary of the Department of Health and Human Services, with the goal of reducing drug costs and preventing abusive pricing practices.⁴

Medicaid Improvement Fund

Established in 2008, the Medicare and Medicaid Improvement Funds are funds created by the U.S. government to improve the quality of care and increase efficiency within the Medicare and Medicaid programs, respectively. The Funds aim to support various initiatives focused on improving health outcomes for beneficiaries, reducing unnecessary costs, and enhancing the overall functioning of the programs.²⁰

H.R. 4758 aims to allocate \$69 million to the Medicaid Improvement Fund to support administrative and structural improvements to the Medicaid program.⁴

Conclusion

Requiring out-of-state providers to undergo screening and enrollment despite being in good standing with their home state Medicaid program wastes time and resources, increases program costs, and, most importantly, delays children's access to care.¹⁸ The Accelerating Kids' Access to Care Act (HR 4758) would improve children's access to out-of-state healthcare by streamlining provider enrollment in multiple state Medicaid programs, ensuring timely care for children in need and reducing administrative burdens for both providers and states.^{21,22} Furthermore, HR 4758 pushes for transparency in prescription drug pricing, ensuring that PBM payments align with actual costs and protecting families from inflated drug prices.^{4,23} Ultimately, HR 4758 sets a promising precedent for Medicaid reform, aiming to improve both care accessibility and cost-effectiveness.

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Did you know?

As of July 2024, nearly 7.1 million children across the nation are currently enrolled in the Children's Health Insurance Program (CHIP).²⁴



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