

Medicaid: A Vital Resource for Nearly 3 Million Military-Connected Children

Prepared by FTI Consulting

As the country's single largest payer of health care services for children in the United States, Medicaid is an essential program for millions of families across the country, with over 40 percent of all children in the United States enrolled in Medicaid and the Children's Health Insurance Program (CHIP).^{i,ii} In fact, Medicaid is a critical resource for an estimated **3 million** infants, children, and adolescents in military-connected families. Military-connected families include the families of active-duty service members, veterans, and retirees who retired after 20 or more years of active service. Children in these families often rely on Medicaid to meet highly specialized health care needs not fully addressed by TRICARE or commercial insurance. **Policymakers must continue to prioritize strengthening Medicaid for children, including, but not limited to, increasing provider reimbursement, streamlining access to care, even when that care is in another state, and ensuring consistent and continuous coverage. An increased investment in Medicaid is one of the ways to show tangible support for military-connected children and their families.**

The Unique Health Care Needs and Challenges of Military-Connected Children and Families

Military-connected families and their children face certain unique stressors – deployment, reintegration, frequent relocation, and life in remote locations, among others – which impact their overall health and well-being as well as their access to care.ⁱⁱⁱ In particular, children in military-connected families who are covered by TRICARE (the health plan funded by the Department of Defense which provides health care services to active-duty service members, National Guard and Reserve members, retirees and their family members) are more likely to have specialized and complex health care needs, and to have a behavioral health diagnosis compared to children with other insurance coverage.^{iv,v} Compounding these stressors is a complicated system of health coverage, that often varies state-to-state, and requires families to switch between sources of health care coverage (i.e., TRICARE, Medicaid, CHIP, and commercial plans) depending on the duration of the family's current station, the job status of the military member's spouse, and other factors.^{vi}

Children's Hospitals are a Crucial Resource for Military-Connected Families

Children's hospitals across the country care for children in military and veteran families, including those with Medicaid coverage, serving as a key resource for families who must navigate among commercial health care, military health care, and state Medicaid programs. It is estimated that up to 50 percent of children who are covered by TRICARE receive care in the civilian sector.^{vii} To help enhance and streamline care, children's hospitals actively partner with local installations, among other measures, to include military physicians in their pediatric training rotations.^{viii} However, few military treatment facilities are designed to offer specialty care for children; therefore military-connected children depend on both military and civilian systems of care.^{ix,x} These children rely on highly specialized pediatric care that can only be found at children's hospitals.



Health Care Coverage for Military-Connected Families: Medicaid Can Step in to Fill Coverage Gaps for Millions of Children

The United States has a longstanding commitment to supporting and investing in the health and well-being of military-connected children, but more can be done to adequately meet their unique health care needs. TRICARE is one crucial support system, offering a robust array of benefits including outpatient visits and preventive services.^{xi} However, despite TRICARE's benefits, the program can have gaps and shortfalls in meeting children's physical and mental health care needs. Structurally, TRICARE is based on Medicare, which is primarily designed for adults ages 65 and up. As a result, TRICARE does not always meet the specific health needs of children, especially those with complex health issues who need specialized pediatric care, such as home- and community-based services, which TRICARE does not cover sufficiently.^{xii}

Fortunately, when children meet eligibility criteria, Medicaid can help fill the gap in TRICARE coverage. Children with primary coverage like TRICARE can qualify for Medicaid based on family income or if they have serious medical conditions that require specialized pediatric care when their primary source of coverage, TRICARE, is unable to fully support.^{xiii} Similarly, commercially insured children with medical complexities and special health needs may also qualify for and enroll in Medicaid to address gaps in private coverage.

Medicaid is a critical resource that nearly



3 MILLION CHILDREN

in military-connected families are eligible for or covered by

2,170,661

military-connected children are covered by Medicaid

801,646

military-connected children are eligible for Medicaid but are not currently covered by Medicaid

Today, an estimated **2.2 million** children in military-connected families rely on Medicaid to provide them with the comprehensive care they need. Of this 2.2 million, approximately **1.7 million** are children of veterans and **186,000** are children also covered by TRICARE. Despite Medicaid's ability to meet specialized health care needs, there are approximately **800,000 military-connected children** who are eligible for Medicaid but are not currently enrolled in the program – suggesting a significant gap in coverage for children who could be receiving Medicaid's comprehensive coverage but are not. This may be due to several reasons, including administrative barriers, lack of program knowledge, or inadequate outreach. Challenges exist even among those who are enrolled, such as difficulties accessing care as families relocate or long waitlists for Medicaid home- and community-based services, indicating the need to bolster Medicaid programs.

Deep Dive: Medicaid is a Lifeline for Many Children in Military-Connected Families

Below are Medicaid-covered services that provide crucial supports to military-connected children with medically complex health care needs but are not necessarily available through TRICARE or other insurance coverage.



Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)

Medicaid programs provide all enrolled children with comprehensive, age-appropriate, medically necessary health care services, including immunizations, well-child checkups, diagnostic and treatment services, developmental services, vision and dental services, and much more.^{xiv}



Mental and Behavioral Health Services

Medicaid covers mental and behavioral health services under the EPSDT benefit, providing necessary care for military-connected children, who face an increased likelihood of receiving a behavioral health diagnosis.^{xv, xvi, xvii}



Home and Community Based Services (HCBS)

Children in military-connected families receive coverage for HCBS through state Section 1915(c) Medicaid waivers, allowing states to provide essential services at home and in the community for children at risk of institutional care.^{xviii}

Military-connected families undergo tremendous sacrifices and hardships to serve our country. We owe it to them to protect the health and wellbeing of their children. Together, a strong TRICARE and Medicaid program is critical to this mission. Policymakers should protect and strengthen the Medicaid program to continue to support our members of the military, veterans, and their families.

This report relies on analysis by economists at FTI consulting to determine Medicaid eligibility and enrollment numbers for children in military-connected families.

ⁱ "July 2023 Medicaid & CHIP Enrollment Data Highlights," Medicaid.gov (July 2023), <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>.

ⁱⁱ Chiquita Brooks-LaSure & Daniel Tsai, "A Strategic Vision for Medicaid and the Children's Health Insurance Program (CHIP)," Health Affairs (November 16, 2021), <https://www.healthaffairs.org/content/forefront/strategic-vision-medicaid-and-children-s-health-insurance-program-chip>.

ⁱⁱⁱ Chadley R. Huebner, "Health and Mental Health Needs of Children in US Military Families," American Academy of Pediatrics (January 1, 2019), <https://publications.aap.org/pediatrics/article/143/1/e20183258/37244/Health-and-Mental-Health-Needs-of-Children-in-US?autologincheck=redirected>.

^{iv} "TRICARE 101," Tricare.mil (last accessed April 26, 2023), <https://www.tricare.mil/Plans/New#:~:text=What%20is%20TRICARE%3F,and%20certain%20former%20spouses%20worldwide>.

^v Roopa Seshadri, Douglas Strame, Meredith Matone, Karen Ruedisueli, & David M. Rubin, "Families With TRICARE Report Lower Health Care Quality And Access Compared To Other Insured and Uninsured Families," Health Affairs (August 2019), <https://www.healthaffairs.org/doi/epdf/10.1377/hlthaff.2019.00274>.

^{vi} Chadley R. Huebner, "Health and Mental Health Needs of Children in US Military Families," American Academy of Pediatrics (January 1, 2019), <https://publications.aap.org/pediatrics/article/143/1/e20183258/37244/Health-and-Mental-Health-Needs-of-Children-in-US?autologincheck=redirected>.

^{vii} Ibid.

^{viii} "America's Military Readiness and the Essential Role of Medicaid," Tricare for Kids Coalition (November 15, 2018), <https://tricareforkids.org/wp-content/uploads/2018/11/11152018-TFK-Military-Report.pdf>.

^{ix} Ibid.

^x Chadley R. Huebner, "Health and Mental Health Needs of Children in US Military Families," American Academy of Pediatrics (January 1, 2019), <https://publications.aap.org/pediatrics/article/143/1/e20183258/37244/Health-and-Mental-Health-Needs-of-Children-in-US?autologincheck=redirected>.

^{xi} "Covered Services," Tricare.mil (last accessed April 26, 2023), <https://www.tricare.mil/CoveredServices>.

^{xii} "America's Military Readiness and the Essential Role of Medicaid," Tricare for Kids Coalition (November 15, 2018), <https://tricareforkids.org/wp-content/uploads/2018/11/11152018-TFK-Military-Report.pdf>.

^{xiii} Ibid.

^{xiv} "Department of Healthcare Finance – DHCF," DC.gov (last accessed April 26, 2023), <https://dhcf.dc.gov/service/infants-children-0-20>.

^{xv} Chiquita Brooks-LaSure & Daniel Tsai, "A Strategic Vision for Medicaid and the Children's Health Insurance Program (CHIP)," Health Affairs (November 16, 2021), <https://www.healthaffairs.org/content/forefront/strategic-vision-medicaid-and-children-s-health-insurance-program-chip>.

^{xvi} "Behavioral Health Services," Medicaid.gov (last accessed April 26, 2023), <https://www.medicaid.gov/medicaid/benefits/behavioral-health-services/index.html>.

^{xvii} "Early and Periodic Screening, Diagnostic, and Treatment," Medicaid.gov (last accessed November 8, 2023), <https://www.medicaid.gov/medicaid/benefits/early-and-periodic-screening-diagnostic-and-treatment/index.html>.

^{xviii} Jessica Keim-Malpass, Leeza Constantoulakis, & Lisa C. Letzkus, "Variability In States' Coverage Of Children With Medical Complexity Through Home And Community-Based Services Waivers," Health Affairs (September 2019), <https://www.healthaffairs.org/doi/10.1377/hlthaff.2018.05413>.

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