Medicaid and the Children’s Health Insurance Program (CHIP) are public health insurance programs that cover the costs of medical care for eligible low-income children. Both are run at the state level and have specific income guidelines and benefits. Children may qualify for one program or the other, but not both.

Eligibility and Benefits

Medicaid is a public health insurance program that covers the costs of medical care for eligible low-income children and adults. CHIP provides health insurance coverage for uninsured children in families with incomes too high to qualify for Medicaid, but who cannot afford the high cost of private health insurance. In some states, Medicaid and CHIP are separate programs, while other states have combined them into one program. Some states have different names for their Medicaid and CHIP programs. To find out about Medicaid and CHIP programs in your state, call 1-877-KIDS-NOW or visit www.insurekidsnow.gov.

Medicaid covers most basic health care for children, including doctor visits, prescriptions, and hospital costs. All children who qualify for Medicaid are also eligible for the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program. EPSDT provides children with preventive testing, health screenings, and regular check-ups. Medicaid also covers the cost of comprehensive treatment for most problems that are found in these EPSDT screens or preventive health check-ups, including treatment for mental health conditions.

Depending on the state, separate CHIP programs usually cover most basic health care services such as regular check-ups, immunizations, hospital care, prescription drugs, dental care, and eyeglasses. Some states’ CHIP programs do not cover all necessary specialized health services, and some limit the use of services, such as certain dental procedures and medical equipment.

What are the Requirements for Mental Health Screens?

Medicaid’s EPSDT program requires a comprehensive medical screen for all eligible children and youth through age 20. Federal law requires four types of screens: medical, vision, hearing, and dental. By law, the medical screen must include:

- a comprehensive health and developmental history, including an assessment of both physical and mental health development;
- appropriate immunizations;
- laboratory tests; and
- health education.

These mandatory screenings allow doctors to detect physical or mental problems early so that children can get appropriate treatment. The law allows states to determine the frequency and timing of the full screens of a child’s physical and emotional health. For the medical screens, states generally follow the timing recommended by the American Academy of Pediatrics in its “periodicity schedule.”

Besides the regular screens, children can also get “interperiodic screens” whenever needed. These can be partial screens to identify and diagnose a specific problem. People outside the health care system, such as teachers or parents, can request an interperiodic screen when they believe that a child has a problem such as a mental health concern that may require special treatment.

Medicaid covers the cost of all “medically necessary” services that are found in a child’s preventive health check-up, including care for mental health needs. Federal law requires EPSDT to cover services for conditions discovered through screenings that can be reimbursed under Medicaid, regardless of whether these services are typically covered by the state’s Medicaid plan for other beneficiaries.
In contrast to the federal screening requirements of EPSDT, states do not have comparable legal obligations under CHIP. In states with a combined Medicaid and CHIP program for children, mental health benefits should be as broad as those covered by EPSDT. States that run separate CHIP programs generally limit mental health benefits to what is typically found in private health insurance plans. Even when state CHIP plans say they provide “developmental assessments,” there is no national information available about what that includes, although many states follow standards set by the American Academy of Pediatrics, which recommend a developmental/behavioral assessment at specific age intervals.

The National Health Law Program (NHeLP) has produced a manual titled, *Toward a Healthy Future: Medicaid Early and Periodic Screening, Diagnostic and Treatment Services for Poor Children and Youth*, which gives detailed information about EPSDT requirements for screening as well as suggestions for working to improve children’s access to screenings and treatment. The manual also includes comprehensive information about court cases involving the rights of Medicaid beneficiaries to EPSDT services and the legal obligations of states to provide these services.

**What are Screens and Assessments?**

Screening is the first step in the on-going process to determine a child’s need for services. A screen identifies children who have, or are at risk of developing, mental, emotional, or behavioral problems. The next step is an “assessment,” which is a more comprehensive analysis done to identify specific services and supports that can address identified or developing physical or mental health problems.

**What are States Doing?**

Despite the mandate for comprehensive health coverage for low-income children through Medicaid, there is evidence that many children are not screened for physical and mental health conditions and do not receive treatment when the need is indicated. The evidence about how little states do to monitor access to services is very clear:

- A U.S. General Accounting Office (GAO) report, in July 2001, stated, “The extent to which children in Medicaid across the country are receiving EPSDT services is not fully known, but the available evidence indicates that many are not receiving these services.”

- This same GAO report cited a U.S. Department of Health and Human Services Office of Inspector General study that examined managed care programs and found that less than one-half of enrolled children in its sample received any EPSDT screens.

- A GAO report, in January 2003, found that states focus more attention on setting administrative requirements for providers under Medicaid and CHIP than on analyzing children’s use of services. States do little to monitor use of services by Medicaid-eligible children even though they have a ready source of data in their claims payment systems. States with separate CHIP programs reported even fewer efforts to monitor children’s use of services than in their Medicaid programs.

The 2001 GAO report highlighted the critical need to urge states to promote access for eligible children to the EPSDT screens required by federal law and to monitor those efforts. The monitoring should include whether, and how often, eligible children get mental health screens.
The task to monitor EPSDT services is more challenging than ever before for several reasons. First, many state Medicaid programs are contracting with private plans to provide services, including EPSDT. This makes it more difficult to track specific services, especially when states pay a fixed fee (called a “capitated” rate) for plans to provide most medical services. Second, states are facing huge budget deficits and most are required to balance their budgets, leading many legislators and governors to propose cutting eligibility, limiting services, or reducing already low provider payment rates. In addition to cutting Medicaid programs, several states are also cutting services and dropping eligibility levels in the Children’s Health Insurance Program.

Despite the difficult economic and budget situations states face, it is essential to take steps to begin monitoring efforts. If mental health screening and assessment continues to be put aside, the human and fiscal costs of delayed treatment will continue to grow.