

# **N.A.C.H. Principles for Children's Coverage in Health Care Reform**

**August 2008**

Over the past few years, N.A.C.H. has held a series of discussions about the future of children's health coverage with the leadership of its member hospitals, as well as a number of health policy experts and advocates. As a result of these discussions, N.A.C.H. adopted a set of principles for children's coverage. In anticipation of a health care reform debate with a new presidential administration, these principles clearly articulate the elements necessary to make health care reform work for children, no matter what approach is being considered.

## **Vision**

All children should have health insurance that is both affordable for their families and capable of ensuring that they have access to the health care they need. Providing children with affordable access to a high quality health care system dedicated to effective and efficient care, positive outcomes and the promotion of healthy lives will require both health insurance coverage and system reform.

## **A Child Standard for Health Care Coverage**

Health care for children is both an individual service to meet a child's health care needs and a social investment to assure that children have the opportunity to become healthy adults able to participate fully in work and community affairs. Consequently, children's health insurance should ensure that coverage both meets their health care needs and promotes their wellness to assure their optimal future functioning.

## **Guiding Principles**

All children should have health coverage, from birth through age 21. Covering all children, through a mix of publicly-subsidized and private health insurance, is an attainable first step towards coverage for all Americans and a cornerstone for lifelong health. Federal policies, ranging from public insurance programs to tax policies, should be designed to achieve this goal.

1. Children's coverage should be comprehensive and reflect their health and development. Coverage for children should provide a standard benefit floor that covers medically necessary care, including chronic illnesses and a greater focus on health promotion. It should also reflect the unique health care needs of children, who are growing and developing. Their health care needs – prevention, illnesses and treatments – are often not the same as adults.
2. Affordable coverage should be available to all children, no matter where they live. Federal policies should move towards higher, uniform eligibility levels for guaranteed, publicly subsidized children's coverage. Federal standards should ensure simple eligibility determinations based on income, not assets, as well as streamlined enrollment.
3. Children's coverage should provide access to appropriate care. Coverage should provide all children with a medical home and the right care at the right time. Cost sharing should not create barriers to appropriate care, and public subsidies should be sufficient to support payment policies which would prevent discrimination between publicly and privately insured children.
4. Children's coverage should be continuous. Public and private coverage should work collaboratively to ensure that children always have coverage. Families should be able to use public subsidies for employer-sponsored (ESI) for their children. Families above the eligibility level for public subsidies without access to ESI should be allowed to buy into a publicly

administered program. Uniform eligibility policies and forms should assure that children do not lose coverage if their families move across state lines.

5. A national commitment to employer-sponsored insurance and a health care market place with multiple payers should be maintained. Reform should maximize choice of coverage and providers, as well as minimize “crowd-out” of privately financed insurance. Universal coverage for children should include a commitment to employer-sponsored insurance, as well as a market place with multiple payers and a level playing field where health plans and providers compete on the quality and delivery of the services they provide.
6. System reform should be an integral part of health care reform. Ensuring access to both affordable coverage and affordable care will require system reform. A high performance health care system should be capable of integrating services and aligning payment incentives to recognize the delivery of high quality care to improve health outcomes and control costs. For children, this requires investment in quality measures, model health information technology systems such as a national pediatric electronic health record, and innovations in the delivery of care.
7. The federal government must play a leading role in health care reform for children. Universal coverage for children and system reforms to improve the delivery, quality and integration of their health care cannot be achieved on a state-by-state basis. They will require stronger federal standards and improvements in Medicaid and SCHIP. These two public programs currently cover about 30 percent of all children.
8. Even with successful health care reform, Medicaid's indispensable role in meeting the long-term and community-based care needs of children must be continued. Medicaid has a unique role in meeting the many long-term and personal care needs of children with special health care needs, as well as for the frail elderly and persons with disabilities. This role cannot be fully met by health care coverage

[Get the facts behind the principles](#) (PDF).