Medicaid Works for Children and Families in Rural Pennsylvania

Family & Community Health

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Editor's Note: This post is part of a series exploring the role Medicaid plays in the health of children, families and communities. Our experts will examine the data, share timely research, and outline policy details related to the importance of the program for different populations. Click here to explore more posts in the series.

More than 1.7 million residents call rural Pennsylvania home and nearly one-fifth rely on public health insurance coverage like Medicaid. The proportion of children living in rural communities with public health insurance is even higher.

Medicaid provides vital health care access for low-income families, children, people with disabilities and pregnant people. There is a large, and growing, body of evidence on positive effects of Medicaid coverage. Moreover, the program is especially important for rural populations (who are more likely to be uninsured). And, Medicaid payments support Pennsylvania's rural health care infrastructure, providing financing for hospitals, community health centers, physicians, and community-based long-term services and supports. Cuts to the program could cause significant harm to both the health of rural populations and the fabric of rural communities.

Who is covered by Medicaid in rural Pennsylvania?

In rural Pennsylvania, nearly 4 in 10 children are covered by Medicaid or its much smaller peer, the Children's Health Insurance Program. Research shows that access to Medicaid early in life supports immediate health and well-being and is linked to positive high school graduation rates and decreasing rates of chronic conditions as adults.

Medicaid is especially important for the nearly 22% of children in Pennsylvania with special health care needs, who often require frequent and intense care and are at elevated risk for hospitalizations, emergency department visits and unplanned doctor's visits. Medicaid or a combination of Medicaid and private insurance covers nearly half of these children, providing additional services often unavailable via private coverage.

- *See PolicyLab's research on how Medicaid's comprehensive coverage for families with children with special health care needs is protective against underinsurance (when health coverage is inconsistent, inadequate or costs put care out of reach).*

Medicaid also provides necessary coverage for pregnant people as the single largest payor of perinatal care nationally, covering more than half of births in rural communities. And in almost all states, including Pennsylvania, new mothers' Medicaid health insurance covers one year following the birth of a child. Parental enrollment in Medicaid has long-term positive outcomes and increases the probability that a child will receive

annual well-visits and preventive services.

- *See PolicyLab's research on the link between the health of a mother and the health of her child.*

Medicaid also provides significant coverage for mental and behavioral health for rural Pennsylvanians. Twenty-seven percent of rural Medicaid enrollees use Medicaid to cover mental health or substance use services, compared to 21% of the urban population. Notably, in Pennsylvania, mental and behavioral health services delivered via telehealth may be reimbursed by Medicaid, allowing people living in rural places to see a provider outside of their community. Many people living in rural communities utilize this care.

- *See PolicyLab's work on how supporting caregiver mental and behavioral health is vital for positive child health and development.*

Additionally, Medicaid is a significant force behind innovation in the rural health sector. Overcoming the challenges of rural health care requires developing and testing new rural health care delivery systems. For example, Pennsylvania's Rural Health Model at 18 critical access hospitals across the state is striving to support the financial viability of rural hospitals and maintain continued access to care while improving health outcomes.

What Medicaid means for rural Pennsylvania families and communities

Rural communities are experiencing multiple crises in health care: hospital closures, restrictions in maternal health care access, an ongoing opioid epidemic and rising inequities in health outcomes. Medicaid plays an important role in addressing these crises and cuts to Medicaid could dramatically impact rural communities.

Rural health inequities

The evidence behind the long-term positive health outcomes and improved health care access from the Medicaid program is robust. The research shows us that rural populations experience higher exposure to adverse childhood experiences, higher incidences of diseases, higher mortality rates, lower life expectancies and higher rates of chronic pain. With less access to health care—including through telehealth coverage—we can expect to see the disparities in rural health outcomes balloon.

Rural health infrastructure and economic health

In rural communities, Medicaid payments are pivotal to preserving the rural health infrastructure for everyone, including those with private insurance. Medicaid cuts will not only be felt by individuals and families who rely on Medicaid coverage.

The rate of rural hospital closures is already an alarming trend nationally and in rural Pennsylvania. Rural hospitals serve a higher proportion of patients with Medicaid, and these payments comprise over half of rural hospitals' revenue, making them extremely vulnerable to changes in payment policies. In Pennsylvania, 43% of rural hospitals are already operating with negative margins. Aside from their primary function of providing access to vital health services, as we have previously detailed, hospitals play a critical role in the economy of rural communities.

Many of Pennsylvania's rural hospitals have cut essential service lines, like labor and delivery units, in part due to low Medicaid reimbursement rates for births and inadequate payments from private health plans. Amid a

growing maternal mortality crisis, maternal health care shortage areas are expanding—of Pennsylvania's 42 rural hospitals, 60% do not have labor and delivery services.

Gains on fighting the opioid epidemic

Medicaid has been a critical funder in helping rural communities fight the opioid epidemic. PolicyLab research has shown the crucial need in many rural Pennsylvania counties for services in support of pregnant people, children and caregivers impacted by opioid use. As a payor for Medication for Opioid Use Disorder (MOUD) and in-patient and out-patient substance use treatment, Medicaid has ensured rural populations have coverage for treatment. This has been vitally important for supporting pregnant people and caregivers with substance use disorder, a particularly vulnerable group with few local supports in rural communities.

Medicaid is a proven program for rural Pennsylvania families and communities. Cuts to this program will lead to greater health inequities for children and families in rural Pennsylvania, weaken the already frayed rural health infrastructure, and slow progress on combating rural health crises.

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