

Bad Medicine for Kids

By ROBERT GOLDBERG

When it comes to children, it seems all politicians are liberals. Just last week Democrats and Republicans agreed as part of their balanced budget deal to set up a federal program to cater to millions of children said to lack access to medical services.

In fact, there is no children's health care crisis, just as there was no general health care crisis in 1993. This crisis has been concocted out of myths and misstatements from interest groups more interested in expanding the welfare state than in children's well-being. The money allocated to fund this pint-sized Clinton health plan will be wasted because the new entitlement ignores the real problems families have in obtaining good health care.

Grossly Misleading

The proponents of a new federal health program for kids claim that 10 million children lack insurance. This claim is grossly misleading. For one thing, two million of those children live in families with incomes of \$40,000 or more, families that could obtain catastrophic health insurance coverage for a nominal share of their income. Another 1.2 million children aren't covered by the insurance plans their parents get from work, despite the nominal cost of adding them. And three million children are already eligible for Medicaid, but their parents haven't applied. About 700,000 lack coverage for a month or so at any given time because income fluctuations force parents to move in and out of Medicaid. Finally, about a million children are uninsured because their parents are temporarily unemployed. The number of children who do not have the ability to obtain coverage—the hard-core uninsured—is closer to two million than 10 million.

Another myth is that the problem of health care coverage for children is getting worse. In fact, the percentage of children without health insurance has remained the same between 1987 and 1997. The number of children covered by employer health plans has declined. But that's because employers dropped coverage when Medicaid eligibility was extended to working families above the poverty level. We could expect the same trend to continue if the federal government expanded a child health care entitlement further.

Supporters argue that expanding federal health care programs will make kids healthier. But Rose Naff, who runs a non-profit program in Florida that provides school-based health care for kids who lack coverage, suggests this is not entirely true: "Our experience is that just putting an insurance card in someone's hand does not provide access to care." In many cases, the children having the hardest time getting good care—the poor and homeless—already have health care coverage through Medicaid. Indeed, total federal spending on child health services has increased by 300% over the past 10 years.

Child 'advocates' might think that more coverage equals more health. In fact, a federal entitlement for kids would be a cure that makes the disease worse.

But the increase in spending bears no relation to health.

One study found that 90% of all pediatric emergency room repeat visits—the most expensive form of routine medical care—were without a clear medical need. In other instances, care was more costly because an illness was not treated in a timely fashion. Indeed, though more children are using health care services related to asthma, the incidence of asthma has increased, as has the seriousness of the condition. Similarly, more women are receiving prenatal care through Medicaid, but low-birthweight rates have risen.

Hence, the reality of the child health care "crisis" is a far cry from the story made up by the most aggressive advocates of a new medical entitlement: Fewer children lack coverage for reasons beyond parental control than is believed. Many more need interim insurance or more affordable policies. And still millions more have coverage but receive sporadic and shoddy care. Ultimately, the real problem is the lack of programs and providers offering caring health-care relationships.

There are several steps we can take to improve kids' access to better care. First, we need to expand opportunities to purchase affordable health insurance. Next, we need to increase the number of providers who offer caring medical "homes." Finally, we need to give families maximum control over the money and de-

isions that shape health care for their children.

To achieve the first and third goals, Medicaid-eligible families should have the right to choose a lump sum to purchase health insurance and use it as a voucher or as a medical savings account. This would allow them to stop jumping in and out of coverage as their Medicaid status changes. Congress should pass a per-child tax credit and make the purchase of health insurance fully deductible. Why shouldn't families get the same tax break for buying health care for their children as corporations do for their employees?

To increase the number of affordable insurance options, states should exempt insurers, health maintenance organizations and other providers from having to offer services—such as chiropractic treatment—that drive up the cost of health policies. States should be able to use Medicaid money to support approaches that make low-cost insurance available. Pennsylvania, New York, Florida and Massachusetts have worked with nonprofit organizations and private insurers to create a combination of new insurance programs and community-based health care for poor and unemployed families. These efforts have made insurance affordable and have improved access to comprehensive care.

The Clinton administration wants to add billions in additional spending to stimulate such programs. Instead, much of the money should come from such wasteful entitlements as the \$800 million Vaccines for Children Program. Like the child health care crisis, the immunization crisis was invented by groups seeking to create an entitlement. Immunization rates are lowest where federal programs already offer free vaccines.

Why pump more money into a health care system that has shown itself to be reactive, fragmented, repetitive and expensive? Irwin Redlener, president of the Children's Health Fund, a New York-based program that provides health care to poor and homeless children, notes that the need

for "broad-based care, for case management is very extensive." Indeed, often the best sources of integrated care are not huge HMOs or the public health bureaucracies, but small, community-based organizations that are created specifically to care for children.

The Children's Health Fund provides state-of-the-art care to children who, despite being on Medicaid, have not seen a doctor since they were born. The fund uses medical vans to take the care to where the children are. Each child is evaluated by a pediatrician, who refers any chronic illness to specialists. These teams stick with a child for the long haul to ensure that follow-up care is provided. And parents are provided with information about childhood illnesses and a toll-free phone number to contact a member of the care team at any time. Kids in these programs get top-notch care that is convenient, friendly and accessible.

There are many similar organizations committed to children's health. But to thrive and grow in numbers, such groups need more control over medical resource and medical decisions.

Regulatory Barriers

Regulatory barriers that keep school churches, community centers and other local organizations from offering health care services either on their own or in cooperation with insurers and managed care organizations need to be cut. The federal government, using Medicaid money and other sources, can enact a tax credit that would allow individuals and corporations who "invest" in grass roots health organizations a dollar-for-dollar reduction in tax liability.

We can provide families with good health care without having to raise taxes or create new entitlements. The question is, will the elites who control the health care system and make health care policy give families medical freedom? Or will they prop up a system that consistently provides shoddy and disorganized treatment? Child "advocates" might think that more coverage equals more health. In fact, a federal entitlement for kids would be a cure that makes the disease worse.

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