



The Case for Investing in Child Health as a Matter of Our Nation's Security, Economy and Well-being

By Mark Wietecha, MS, MBA, and Christina D. Bethell, PhD, MPH, MBA

October 2016

As a nation committed to our collective future, our primary resource is our people—their capacities and their well-being. People drive our economy, lead our companies and communities, and protect us. If people are our chief concern and asset, then our children must be the focus for our attention, care and investment in our future. In one generation, today’s 80 million children will be at the front line of our economy, and in two generations, they will assume the leadership mantle of our corporations, government, military and social sectors. We will all rely on our children to take care of themselves, our nation and our planet. Their ability to thrive and cope, create, cooperate and lead is a matter of our national security on every level.

So, how are we doing with regard to investing in children as the chief focus of our care and our top strategic resource? The data suggest we should be alarmed.

Worrisome trends in the health of our children

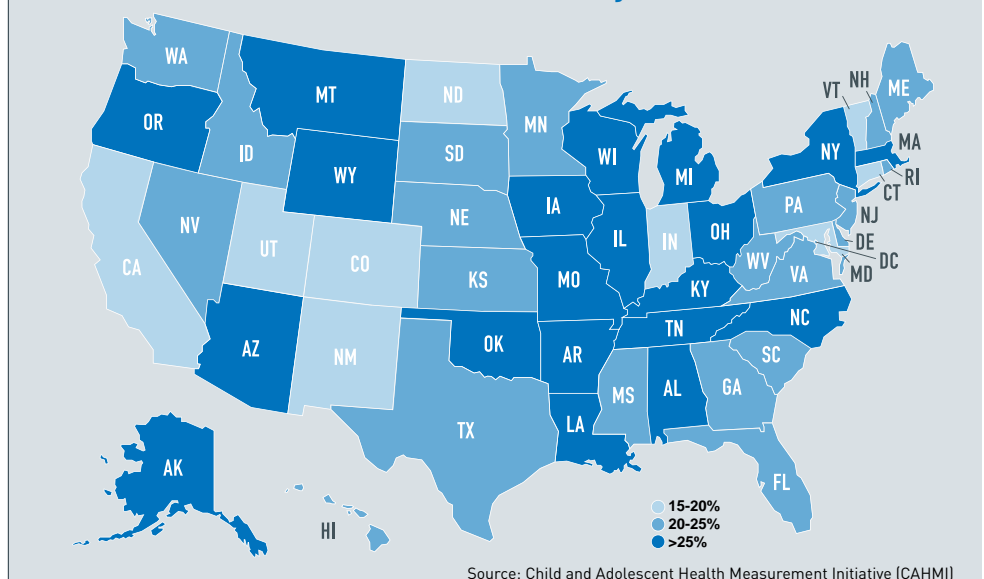
Given the United States is one of the world’s wealthiest nations, big gaps exist in what should be an upward trend in the health of our children. The Child and Adolescent Health Measurement Initiative tracks national child and family well-being and finds that only half of children meet basic criteria for flourishing. Similar high proportions of children

experience Adverse Childhood Experiences (ACEs), which have demonstrable impact on early brain and social development and subsequent adult health. Recent findings on ACEs among U.S. children illustrate what are near epidemic levels of stress and emotional, mental, and behavioral health problems: one in five U.S. children have an identified emotional, mental or behavioral (EMB) health problem, and over 75 percent of these children have had ACEs. ACEs and EMB health problems are strongly associated with family and community well-being. Children exposed to ACEs are over twice as likely to have chronic health problems after adjusting for other factors. In fact, an estimated 43 percent of U.S. children, some 32 million, currently experience at least one of 20 key chronic health conditions. This number increases to 54 percent if we include children who are overweight, obese, or at higher risk for social or emotional

developmental delays. Even among children with no ACEs (and regardless of household income) fewer than 55 percent of U.S. children thrive, as defined by basic measures of stress management, school engagement, curiosity in learning new things, being able to follow through on tasks, and maintaining close and satisfying relationships.

Without a change in this trajectory, child health could see a decline, negatively impacting the lifelong mental, emotional and physical prospects of these children as they move into their adult years. Many adult health problems we see today are rooted in childhood adversities we can prevent and address now. Our possibilities for improvement are enormous. Thriving can be learned, and the negative impact of adversity can be healed. These essential results require more proactive approaches to cultivating healthy families and communities,

FIGURE 1:
Percent of Children with ≥ 2 ACEs by State



and more proactive development of resilience, hope and positive health.

Public awareness and concern

A recent large survey of adults by the C.S. Mott National Poll on Children’s Health confirmed that people recognize the decline in child well-being. Over 55 percent of adults observed that behavioral and emotional health in children is in decline, and over 40 percent concluded that physical health is also worse off compared to when adult respondents were growing up. These challenges to child health reduce the contribution potential of our future generations, reducing in turn the economic, intellectual, community, military and social progress of the nation.

The U.S. population trajectory greatly worsens this state of affairs. The Census Bureau has served as a reliable

forward indicator of national population for many decades, and the latest projection illustrates an unprecedented set of trends.

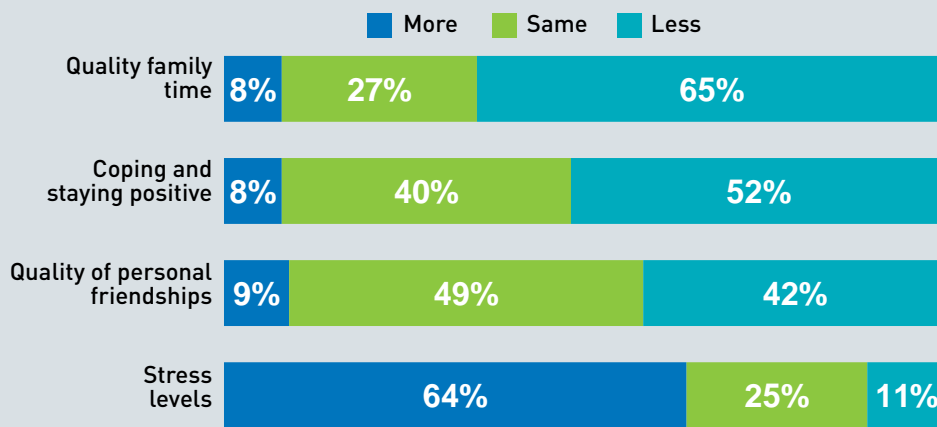
By 2050, the country will grow by approximately 80 million people, in and of itself, a steady and otherwise unremarkable number. The trend for half of this growth to occur among individuals age 65 and over will result in a doubling of the current population on Medicare, and has enormous implications for national health spending. This trend for the number of people age 65+ to outnumber children age 0-18 has no precedent. The growth in people age 65+ is projected to outpace the growth in children age 0-18 over the coming decades by a factor of 7 to 1. At current enrollment proportions, this translates to the growth of Medicare beneficiaries exceeding child beneficiaries in Medicaid by a factor of 15 times or more.

Spending on adults soars; spending on children at risk

Information from the Centers for Medicare and Medicaid Services (CMS) shows per capita spending on adults in Medicare exceeds Medicaid spending on children by a factor of 4 to 1. Whatever multiplier is applied, the conclusion is the same. For example, a 15 times demographic growth wave amplified by a substantial per capita spending multiplier results in new adult Medicare demand swamping Medicaid spending on children by 50 or more to 1. The magnitude of this trend isn’t simply large: it’s a tsunami. Given adult Medicare voters outnumber child voters by over 40 million to zero, we can expect children’s health priorities in the Medicaid program to be marginalized by the pressing federal need to continue expanding Medicare. All of this is happening in a national economy where the Congressional Budget Office (CBO) predicts the national debt will increase by upwards of \$10 trillion over the coming decade, ensuring a steady cost containment pressure on entitlement programs such as Medicaid.

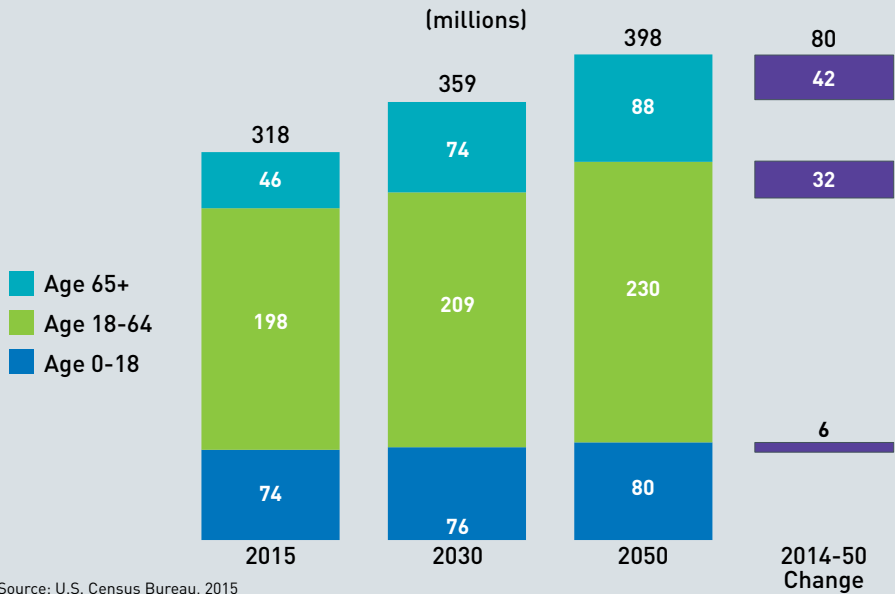
Medicaid currently serves as the health care program for over 30 million children, and is the nation’s single largest health sponsor of children in the nation. The Children’s Health Insurance Program, set to expire in 2017 and also at risk, accounts for several million more children. Medicaid’s Maintenance of

FIGURE 2:
Adult views of children today compared to when they were kids



Source: C.S. Mott Children’s Hospital National Poll on Children’s Health in coordination with the Children’s Hospital Association, 2016

FIGURE 3:
Projections of the Population by Age Group: 2015 to 2050



Source: U.S. Census Bureau, 2015

Effort requirement for children’s eligibility is set to expire in 2019. These key elements of the child health safety net are at risk at a time when budget pressures are mounting.

This rapid growth in adult health care demand over this coming decade is forecast to steadily dilute our national investment in children, with children’s share of the federal budget trending down from 10 percent to 8 percent, according to Kid’s Share 2015. Of the total growth in the federal budget over the coming 10 years, only two pennies of each dollar increase of our rate of spending will be allocated to children.

We’re investing the vast majority of our new federal dollars in the later life stages of our adult population, and a tiny fraction in the children who will be the future for our nation for decades to come. This math does not indicate a great future for the United States. That this

trend continues at a time when the health status of children is already questionable only makes these long-term problems worse.

This convergence poses an enormous risk to our future as a nation. Our ability to fix this investment imbalance decreases with each passing year, exacerbated by the pressure to support our rising adult health demand. Every year of investment deferral results in lost time we cannot recover.

Investing in children: mission critical for the nation

Now is our moment to step forward and invest in the critical elements of childhood we know support healthier and emotionally stronger children. These children—our kids and grandkids—must become the thriving adults who will lead our future nation and make a contribution to the world.

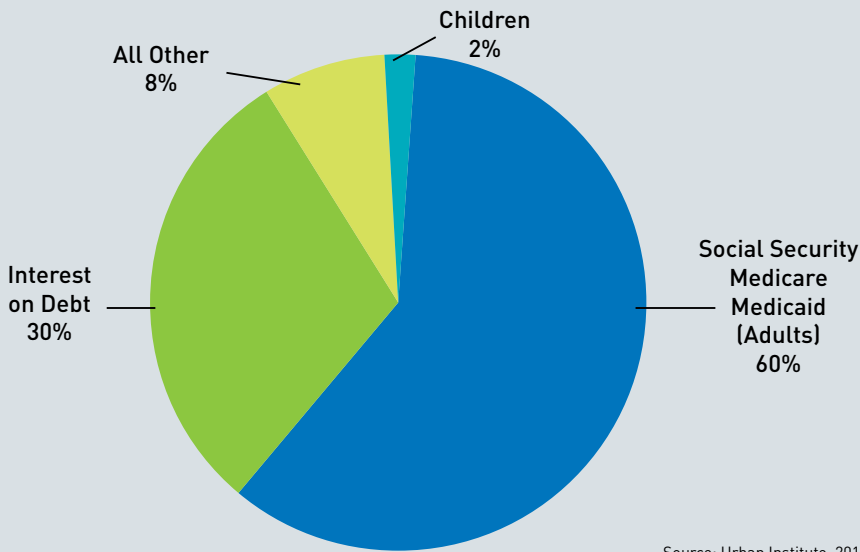
We know that investing in the health, education and security of young children produces returns in their future lives, productivity and contributions back to society. David Brown and his colleagues estimate the government has recouped 56 cents on each dollar spent on childhood Medicaid by the time these children reach age 60. James Heckman won a Nobel Prize for his work on the substantial future returns generated by investments in public education. All such returns through public policy can only be fully realized if we can also ensure the better health

FIGURE 4:
CBO Projections: 2016 to 2026

	(billions)		2016-2026 change
	2016	2026	
Revenues	3,376	5,035	1,659
Outlays	3,919	6,401	2,482
Total Deficit	(544)	(1,366)	822
Debt Held by Public as a % of GDP	75.6	86.1	10.5

Source: U.S. Congressional Budget Office, 2016

FIGURE 5:
Allocation of Growth in Federal Outlays: 2014 to 2025



It's time we make greater investment in our children as a nation. While we have many daunting challenges including poverty, disparities, job insecurity and the threat of terror, they are not new. Preceding generations of Americans have risen to the call of these realities, and it's our turn to do the same. We cannot solve every socioeconomic problem, but we can do better. It's time we step up and strengthen our public policy and increase and protect national funding for children through proven programs such as Medicaid and CHIP.

and well-being of children, improving their ability to thrive as adults.

Advances in neuroscience and therapeutic breakthroughs illustrate the tremendous possibilities for prevention and healing by strengthening family functioning, promoting positive health, and promoting resilience in children and adolescents. We must invest in smart and focused programs to ensure nurturance, teach mindfulness and improve coping skills, and better

support children and families at home, in school, and in their neighborhoods. We must strengthen the behavioral health resources available to children, and better integrate behavioral and physical health in our training, research, and provision of care. Smith and Smith have assessed the long-term costs of failing to intervene in childhood psychological problems, including decreases in educational attainment and family income over subsequent lifetimes.

Tom Brokaw, noted in *The Greatest Generation*, how "They became part of the greatest investment in higher education that any society had ever made...The GI Bill, providing veterans tuition and spending money for education, was a brilliant and enduring commitment to the nation's future." We have an opportunity to contribute this same level of impact, this same promise, to ensure the next generation of children thrives, with better health and stronger futures. We have no greater legacy.

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Wietecha, Mark, and Bethell, Christina D., “The Case for Investing in Child Health as a Matter of Our Nation’s Security, Economy and Well-being,” Commentary, *Children’s Hospitals Today*, Vol. 24, Issue 4.

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