Security for America's Children: A Report from the Annual Conference of the National Academy of Social Insurance

The health and economic security of children and their families were discussed by an array of experts at a January meeting of the National Academy of Social Insurance. The Washington-based, nonprofit Academy promotes research and education concerning Social Security and other public and private programs that help to meet the Nation's economic and health care needs.

Its fourth annual conference addressed issues including:

- The social and political framework of current income and health care policy and its relationship to future policy development
- Alternative income security and health care policies
- The consequences of poverty for child development
- Maternal and child health experts' concerns with the various national health care reform proposals

The *Social Security Bulletin* is publishing summaries of the five major presentations in this issue and the next. This issue features the dinner speech by Social Security Commissioner Gwendolyn S. King and a paper presented by Sarah Brown, Senior Study Director for the National Forum on the Future of Children and Families (a joint research project of the Institute of Medicine and the National Research Council.

Social Security and America's Children

Social Security Commissioner Gwendolyn S. King presented the dinner speech, "How Does Social Security Protect America's Children?" Excerpts from her speech follow.

"The time has come to speak loudly and bluntly about the plight of the Nation's underprivileged children. The country's nonprofit organizations are devoting more of their energies and resources to children's issues. Within the government, HHS [Health and Human Services] Secretary Sullivan has created a panel that will explore exclusively public sector options for aiding America's youth. This Nation has the know-how and the resourcefulness to improve our children's well being. It is time for us to show that we have the will, the genuine desire, to put the health and welfare of our children first.

"I want to share some thoughts with you about Social Security's current and future role in the effort to help children in need, about the course of our national debate on government spending priorities, and about the challenges and needs that Social Security and other Federal programs *cannot* address in assembling an effective, comprehensive policy for America's children.

"But, most of all, I want to stress again the need for a widespread, intense national resolve to address these issues. In Social Security, we've got a strong foundation from which to build. Social Security is thought of by many, if not most, Americans as the institution that provides a measure of financial security to people when they reach retirement age. That is, of course, a job that Social Security has done very well for over half a century.

"But my agency has another responsibility as well, a responsibility to millions of children who are eligible for the benefits we provide—children who are underprivileged and afflicted with illness or disability, children who have a parent with a disability, children who have lost a parent and are now facing financial despair.

"When I think about my responsibility to these children, I am always deeply troubled by the statistics on poverty among the young. One in every five children under the age of 18 is poor. Among those 6 and under, the ratio increases to one in every four. Among children in families headed by adults under the age of 30—America's young families—one in every three children is in poverty. And among black children, the figures are truly despairing: one in every two is poor. Social Security's programs have kept those numbers from becoming worse. I am working to implement our programs more aggressively to make those numbers better.

"What people don't know about Social Security is the full extent of what it does for children and families. Last month [December 1991], to use the most recent numbers available, the Social Security Administration, through its Old-Age, Survivors, and Disability Insurance [OASDI] program and through the Supplemental Security Income [SSI] program, provided $970 million in benefits to nearly 3 million children under the age of 18. That's nearly as much money as the Aid to Families with Dependent Children [AFDC] program provides to children in a typical month. Social Security, in other words, is a relatively unknown but crucial component in the public sector effort to aid children.

"Survivors Insurance is probably the most overlooked portion—less visible than retirement or disability benefits—of the Social Security package of financial protection. Yet, for families, it is a critically important program.

"Survivors Insurance was made a part of Social Security under

the philosophy that the unexpected death of a family breadwinner should not be accompanied by financial tragedy as well.

"Of the 39 million people receiving OASDI benefits, nearly one in five is receiving survivors benefits. That includes almost 2 million children. The coverage of this program is extremely widespread. Right now, 98 of every 100 children could get benefits if a working parent should pass away.

"A little-realized fact about the Survivors Insurance program is that it offers, for families and children, a greater value than most commercial life insurance policies. The protection offered to families through OASI survivors' protection is equivalent to a life insurance policy with a face value of $85,000. And, because OASI benefits vary according to the changing structure of the family, the value of that protection also varies and could be as high as $390,000 for young families with two or more children.

"The total survivors' protection offered to all children is currently estimated to be about $7.6 trillion.

"While Survivors Insurance is the primary means by which children receive benefits under Social Security, it is not the only one. Last month, we delivered checks to 986,000 children under the age of 18 who have a disabled worker as a parent. A smaller category contains children who were born to older parents who are now retired. Nearly 236,000 children are receiving benefits under this provision.

"All in all—through the OASDI program—we have a very effective safety net that protects—to a great degree—America's children from the vulnerabilities that affect their parents, be it death, disability, or retirement.

"There is another mechanism by which we assist children—in this case, our neediest children. SSI provides benefits to people going through very difficult times in their lives—people who are aged, blind, or disabled and have little or no income or assets. Children who are from needy families and who have a disability can be eligible for SSI benefits.

"There's good and bad news here. SSI is a critically important program because it gives us a tool with which we can begin to address the special needs of these children. With the benefits SSI provides, children with disabilities who are poor can receive dollars that can be used for food, for clothing, toward better housing. More importantly, SSI benefits are a key that opens doors to much-needed health benefits. Eligibility for SSI leads to eligibility for other government programs. That's the good news.

"The bad news is that these children, these potential beneficiaries, are among the most difficult for us to find and help. Throughout the history of the program, the government has not been successful in delivering SSI benefits to all of the citizens out there who are potential beneficiaries. That is particularly true with potentially eligible children, who are difficult to identify and locate and difficult to reach with information about the SSI program.

"Homelessness intensifies that problem. According to the 1990 report of the U.S. Conference of Mayors, families with children make up 34 percent of the urban homeless. Many of the Nation's children who could be benefiting from SSI dollars—either through their own benefits or benefits for which a parent may be eligible—have no fixed address and, thus, are very difficult to locate and assist.

"Let me make my feelings and my policy on this matter very clear. We have a responsibility to every one of these children who are eligible for benefits, whether they have an address or not. I will never accept an America in which children needing help from their government, eligible for help from their government, grow up in despair and receive no helping hand. That is not the America I know.

"Outreach is a major priority for the Social Security Administration. By developing more aggressive public information programs, by sending our employees into the shelters and the soup kitchens, by building coalitions with interest groups and community organizations for the single purpose of helping needy children, we are making progress.

"Our coalition-building is paying benefits. Two years ago, in December of 1989, just over 296,000 children who were blind or who had a disability were receiving Federal benefits. Today, nearly 439,000 children are receiving those benefits. That's a 48-percent increase in just 24 months. Some of that increase, admittedly, is due to the fact that we are getting the word out and we are finding the people, the children, who need our help.

"Today, we are experiencing unprecedented growth in our SSI disability program for children. It is our fastest growing category within our SSI caseload, both in terms of number of claims filed and in claims allowed.

"And we look for those numbers to continue to increase because of two noteworthy developments. First, we have recently added special childhood disability guidelines for children with HIV infection, children with AIDS. These new guidelines recognize the fact that younger children with HIV infection can differ from adults, or even older children, in the method of infection and in the course of the disease.

"We are cognizant of the fact that some children may not appear to have the exact conditions specified in the written guidelines. But they may have other signs and symptoms indicative of HIV infection which affect their ability to grow, develop, or engage in activities similar to children of the same age. We have established a policy that is both flexible and compassionate, enabling us to provide aid to children afflicted with this tragic disease.

"The other ongoing development involves the largest class action initiative the Social Security Administration has ever implemented. It involves a massive effort to locate children who were denied benefits from 1980 to 1991 and who, under revised disability criteria, may very well be eligible today for current and retroactive benefits.

"Last year, we sent notices to more than 450,000 children who

were denied benefits under the old regulation, offering them the opportunity to bring their cases back to SSA for re-examination and a new determination. So far, about 200,000 children and families have responded and we are processing their new claims. I expect to have a complete review of the class members completed by the end of the year and my goal has always been to make certain that these children wait no longer to get benefits that they should have already been receiving. I want to get them the assistance they need as quickly as possible, and we are working very hard to do just that.

"Through our OASDI program, through SSI, we are delivering critical financial benefits to nearly 3 million children who might otherwise be living lives without any hope. And we will continue our outreach efforts to find more children in this country who are eligible for assistance but are not, as yet, receiving it.

"The question remains then, where do we go from here? What do we, as policymakers and as policy analysts and scholars, do from this day forward, to help America's children? What can I—as Social Security Commissioner, as a citizen concerned about our Nation's future—advocate in order to keep this national discussion moving in a productive, forward direction?

"I have a couple of lines of thought I want to share with you. The first concerns Social Security and other Federal benefit programs and the current national debate over government spending priorities.

"The Social Security program, as I've explained, is among the government's most important programs in providing financial protection and security to our Nation's children. It is, therefore, incumbent upon future presidents and congresses, upon those of you who have strong and influential voices in determining the future of Social Security, to work to maintain a program that is as effective and as secure as it is today.

"It is very trendy, in many policy discussion circles, to cast this discussion about the welfare of children in the terms of an intergenerational debate. Each of us has seen the figures quoted many times, the far greater amount of public dollars spent on the elderly as opposed to the amount spent on children. One has to question, though, the relevancy of those statistics, given the different circumstances and challenges affecting the lives of children and the elderly. And one has to question the usage of that rhetoric if its real purpose is to undermine public support for vital programs like Social Security.

"It is an ugly thought, this idea of children and their grandparents at each other's throats for the same piece of the public pie. And it is a battle that is wholly undesirable and unnecessary.

"I subscribe instead to a passage penned by the author Pearl Buck. She wrote, 'I do not believe in a child world. I believe the child should be taught from the very first that the whole world is his world, and that adult and child share one world, that all generations are needed.'

"Those who have tried to advocate a public policy in which one generation must suffer in order for another to be better protected are not leading America in the right direction. We need to do a better job of articulating a public policy for a stronger, healthier America. We need to look at all programs, all initiatives, our entire domestic policy as a whole and determine how our dollars can best be spent for the greatest good of those with the greatest needs.

"And that brings me to the second line of thought that I wanted to share with you. That is, we cannot afford to look at the needs of our Nation's children as needs that can be addressed solely through the dollars provided by Federal benefit programs. This conference is dedicated to "Security for America's Children," and I will submit that the challenge of achieving that security is too broad and too complex to be met with money alone.

"I found very striking a study that was published recently in *Science* magazine, a study performed by researchers from Stanford and from the National Bureau of Economic Research, that showed a decline in the well-being and performance of children over the last 3 years despite a rise in government spending on programs that benefit children.

"This study showed that between 1960 and 1988, student test scores have dropped, teen suicide rates have tripled, and teen homicide rates have tripled as well, a rate of increase that exceeds that of adults.

"Other statistics not included in that study tell the same story. Teenage birth rates, for example, have exploded. In 1988, over 20,000 teenagers gave birth to not their first, not their second, but their third child. Not only are those teenage mothers facing lives of great difficulty, but so, tragically, is an entire generation of infants and toddlers who will have little chance of escaping the cycle of poverty they have entered.

"We cannot repair the damage being done to our Nation's children through benefit programs alone.

"It is necessary for governments, for schools, for businesses, for communities, and for individuals who care to adjust to today's realities.

"Workplaces, for example, in this day of two-earner and single-parent households, need to recognize the importance of onsite childcare, of flexible hours, of work-at-home options in order to give their employees the ability to be both productive professionals and nurturing parents.

"We need to adopt more legislative mechanisms aimed toward the welfare of children, like the Child Support Act which will, among its other features, enable us to use Social Security numbers to find fathers that failed to meet their financial obligations to their children.

"Schools, churches, communities, all of us need to work together to find ways to reach out to children that are without guidance, without direction, and without a compelling reason to go to school, to study hard, to work to improve themselves and their prospects in life.

"To lay out an entire agenda for what we could do together would require another speech at another time. Social Security,

"Improving the practice of family planning might well be one of the most useful strategies we could pursue for the improvement of maternal and child health over the long term. The Allan Guttmacher Institute has estimated that 54 percent of pregnancies in 1982 were not intended at the time of conception, and they believe that in more recent years, the percentage is higher. Further, unintended pregnancy is linked to late or no prenatal care, which in turn is associated with low birthweight and infant mortality.

"In 1982, 1.3 million pregnancies resulted in unwanted or mistimed births; 1.6 million pregnancies were terminated by induced abortion; and 400,000 unintended pregnancies were miscarried.

"Can there be any doubt that family planning in the United States is inadequate? How can it be that discussions of improving the health of mothers and children—and of health care reform generally—so often ignore this whole area?

"(3) We need greater support for providing health services in a wide variety of settings that are effective in caring for children and pregnant women, especially the medically underserved.

"Several settings that are well suited to providing care to children and pregnant women are not routinely supported by private third-party payers, and grants to establish and maintain them are often inadequate and unreliable. For example, school-based health clinics serving adolescents, birthing centers, comprehensive community-based health centers, and home-based health care for certain diseases and conditions have proven both economical and effective, yet have limited support.

"Comprehensive community health centers (CHCs), migrant health centers (MHCs), maternal and child health services in local health departments, school-based clinics, and similar organizations can blend the various services needed by high-risk individuals into units understandable to both consumers and providers.

"(4) Closely related to the issues just covered, we need to increase the number and diversity of providers caring for children and pregnant women, particularly those who are poor, high-risk, or living in inner-city or isolated rural areas.

"This problem of "provider maldistribution" is exceedingly complicated, reflecting longstanding patterns of practice and payment. Although a single reform plan may not be able to solve this problem quickly and efficiently, it should nonetheless offer some constructive steps.

"One time-tested method of addressing the provider distribution problem is to fund special clinics in underserved areas, as just described. Five other strategies have merit: (a) the direct placement of health care providers in medically underserved areas through the National Health Service Corps and similar programs; (b) the use of mid-level practitioners in appropriate settings; (c) solutions to the medical liability situation; (d) encouraging private providers to accept more patients whose care is paid for by public funds; and (e) increased emphasis in graduate medical education for health professionals on primary and community-based care rather than on tertiary care.

"Of all these, my favorite is expanding the use of certified nurse-midwives, obstetric and gynecologic nurse-practitioners, and similar mid-level personnel in the health care system.

"(5) Reforming the health care system requires that we assess and, where necessary, preserve the functions now being performed by existing government grant programs in maternal and child health that finance direct health services to children and pregnant women, as well as many planning, evaluation, and training tasks.

"Expanding the availability and affordability of health insurance intensifies the ongoing debate about the future role and structure of the public health system in providing personal health services, and it raises specific questions about the fate of many public health grant programs. Examples of such programs that are especially important to children and pregnant women include:

- Title V, the Maternal and Child Health Services Block Grant
- The Preventive Health Services Block Grant
- Childhood immunization grants to States
- Health services that are part of special education programs
- Pediatric emergency medical services
- Title X family planning services
- Pediatric AIDS health care demonstration program
- Injury control grants
- Grants for lead poisoning prevention and abatement
- Poison control activities

"Given the importance of these public health grant programs, their future role should be considered in reform proposals. Are they to be eliminated? Folded into the new public system? Retained as is? If the intent is to fund all, or most, personal health services through insurance, what is to be the fate of the functions that public health grant programs often encompass, such as planning, evaluation, and training?

"Dealing with these questions will be exceedingly difficult, not only because each has its own bureaucracy and constituency, but also because not all are under the jurisdiction of the same congressional committees.

"(6) Cost-management measures must accommodate the special needs of children and pregnant women.

"A popular cost-management approach at present that appears in many reform bills is managed care. Managed care arrangements often are designed to contain costs by negotiating reduced fees with providers enrolled in the system, limiting consumers' freedom of choice, and, in theory, improving the care of patients through increased access to private physicians (in the case of Medicaid) and increased monitoring of provider behavior.

"Despite their growing popularity, managed care systems have yet to demonstrate conclusively that they contain costs.

by doing what it is doing very well, can only address one dimension of this issue: to bring better, more promising lives to our Nation's young people requires broader, multidimensional thinking.

"And I know that, wherever I am in the years ahead, whatever I am doing, this is something I can never walk away from. We need to strengthen the resolve within ourselves to keep this country's commitment to its children alive. This is my personal priority and it has been a great privilege to spend this time with all of you who have made it your priority as well."

Children's Health Security

Sarah S. Brown, Senior Study Director for the National Forum on the Future of Children and Families discussed her forthcoming paper entitled "Including Children and Pregnant Women in Health Care Reform.[1]"

Ms. Brown expressed concern that the health care system might be reformed within the next few legislative sessions in a way that fails to reflect the special needs of pregnant women and young children.

Specific worries she cited include:

- A "mismatch" between the primary and preventive care needed by pregnant mothers and children and the larger system's focus on insuring against risks.
- Growing competition for health care dollars, leading to a most unfortunate and unpleasant conflict between the generations as the population ages and requires an even larger proportion of health resources.
- A prediction that if the needs of children and pregnant women are not well-attended now in a health care reform law, it will be years before the Nation's policy leaders will be willing to again take up this topic. That is, there is a "window of opportunity" for influencing the reform debate and, if lost or missed, years might pass before another window is open.

Ms. Brown described 6 of 11 maternal and child health issues that have been developed by the National Forum on the Future of Children and Families. Her discussion of these six issues is summarized.

"(1) All children and pregnant women should have access to an affordable and continuous source of payment for health care—typically, health insurance.

"Achieving this goal requires that coverage be available regardless of employment status, family income, age, health, marital status, family composition, or geographic location. It also requires that coverage be continuous, despite changes in any one or more of these factors. In particular, a change in the employment status of an adult should not disrupt coverage of his or her dependents.

"However straightforward this goal, it remains elusive under present arrangements. In 1989, 29 percent of the U.S. population was under age 21, but they represented 36 percent of the uninsured—that is, 12.4 million children under the age of 21 were uninsured in that year.[2] In addition, the National Commission on Children has estimated that in 1990, 433,000 pregnant women had no health insurance, representing 9 percent of all pregnant women.[3]

"Expanding the availability of health insurance will not be enough (for pregnant women and children) simply because access to health insurance is not equal to access to health care.

"Although having a source of payment for care helps matters greatly, other equally potent issues require attention. Financial barriers are a major—some say *the* major—obstacle to health care services, but other important barriers can also be defined for children and pregnant women.[4]

"These obstacles include benefit packages that do not reflect the health care needs of this population; inadequate diversity, supply, and distribution of providers; poorly organized or even absent health care services in such areas as inner cities and rural communities; tangled relationships between public and private systems of care; and insufficient collection and evaluation of data to monitor the health of children and pregnant women.

"(2) The benefits that are covered by health insurance should emphasize primary and preventive care, include the diagnosis and management of a variety of diseases and conditions, and also include specialized care to handle complex health problems.

"Deciding which services should be financed under a given health insurance scheme has proven to be one of the most contentious issues in health policy. This is especially true for maternal and child health, where many of the most important services do not fit well with a risk-based insurance model and where many therapeutic interventions are as much educational, social, and behavioral as medical.

"In the face of limited resources, disagreements arise about the definition of essential health services, what works (or, in current parlance, has been shown to be 'effective') and what should be included in a benefits package."

Ms. Brown gave three examples of problems that can arise in designing benefits packages. First, "coverage for pregnancy-related care can be thin and incomplete. Women who are experiencing high-risk pregnancies requiring hospitalization may find that pregnancy coverage applies only to uneventful pregnancies."

Second, "well childcare can also be covered inadequately. Immunizations are frequently excluded or coverage ceases after a child's first birthday—even though the recommended immunization schedule alone extends well into middle childhood."

Third, and "even worse, is the position occupied by family planning services and contraceptive supplies. These services are typically excluded from coverage in private plans and are even left out of many of the reform bills now being considered—a situation I find both outrageous and shortsighted."

"From the maternal and child health perspective, the critical issue is whether managed care arrangements meet the health care needs of this population. Limited data and anecdotal experience with managed care for children and pregnant women identify several concerns.[5]

"First, because inappropriate, excessive hospitalizations and referrals to specialists occur disproportionately in adults as compared to children, there remain some questions about whether there is much need in a pediatric population for the 'gatekeeper' function that managed care offers.

"Second, managed care networks may place strict limits on access to providers who are not enrolled in the plan, even when their skills are not available from plan providers; although such limits may be appropriate for essentially well children, they can pose major obstacles to necessary, appropriate care for children with more serious and rare diseases and conditions.

"And third, managed care can generate conflicts between the fundamentals of good medical care and the pressures of cost containment. This is exemplified by the growing practice among managed care plans of denying more than 24 hours of hospitalization after a normal vaginal delivery and limiting coverage to post-partum home-based nursing care for early discharge patients.

"If a reform proposal incorporates systems of managed care, the concept should be clearly defined to include not only the goal of cost containment, but also the provision of high-quality care that is appropriate to the level of need. In addition, the proposal should specify that, over time, managed care will be evaluated not only on the extent to which it limits costs, but also on the extent to which it ensures access to needed services and achieves positive health outcomes."

Ms. Brown emphasized, however, that the fee-for-service system also has significant liabilities over and above its role in health care cost inflation, such as overuse of physician services, tests and procedures, and poor coordination across individual providers. This suggests that, over time, all forms of medical practice—fee-for-service, managed care and other arrangements—require careful oversight from the perspective of both cost and quality.

Finally, there is the need for "achieving administrative simplicity in the health care system particularly from the perspective of children and families who try to use the health care system, and the providers who try to work in it. This is a problem for all populations, but particularly for children and pregnant women. Because children are unable to arrange for needed care on their own behalf, they are highly vulnerable to the bureaucratic whims and administrative foibles of others. And because pregnancy is a ticking clock, requiring concentrated care in a relatively brief time, care delayed by administrative complexity is care denied."

Notes

[1] Copies of the Forum paper may be requested from the National Forum on the Future of Children and Families, National Academy of Sciences/CBASSE, 2101 Constitution Ave., NW., Washington DC 20418.

[2] J.D. Foley, *Uninsured in the United States: The Nonelderly Population without Health Insurance—Analysis of the March 1990 Current Population Survey* (Special Report 10), Employee Benefit Research Institute, Washington, DC, April 1991.

[3] National Commission on Children, *Beyond Rhetoric: A New American Agenda for Children and Families*, Washington, DC, 1991, p. 137.

[4] Institute of Medicine, *Prenatal Care: Reaching Mothers, Reaching Infants*, National Academy Press, Washington, DC, 1988.

[5] Jennifer D. C. Cartland and Beth K. Yudkowsky, "Barriers to Pediatric Referral in Managed Care Systems, *Pediatrics*, vol. 89, February 1992, pp. 183-88.