Inequitable financing mechanisms contribute to the current level of preventable mortality and morbidity today among American infants, children, and adolescents. Current financing systems must be improved to maximize access to and ensure the quality of comprehensive pediatric care.

The American Academy of Pediatrics (AAP) advocates universal and insured financial access to quality health care for all pregnant women and infants, children, and adolescents through age 21 years, hereinafter referred to as pregnant women and children. Such insurance should be a comprehensive benefit package which contains preventive care, including immunizations, and acute and chronic care services.

As the public and private sectors and the AAP continue to explore the structure of health care financing, the following principles will be used to evaluate proposed changes:

   - All pregnant women and children have a right to comprehensive health care.
   - Financial barriers should not prevent pregnant women and children from receiving comprehensive health care.
   - When families are not covered by insurance provided by an employer, purchase of a private plan, or personal means, pregnant women and children should be insured by public funding.
   - Health care financing mechanisms should permit the patient and his/her family to choose a health care professional who provides quality pediatric care, particularly pediatricians whose offices will serve as the medical home and from which referrals would be made only as appropriate.
   - Managed care plans should not restrict access to qualified pediatric primary care or appropriate referral to pediatric subspecialty and inpatient care. All plans should be required to include representatives of all pediatric subspecialties and inpatient facilities having designated pediatric units in their panel of providers.

2. Standards for Equity, Comprehensiveness, and Quality Assurance.
   - Health care financing mechanisms should cover all health care needs of infants, children, and adolescents through age 21 years as defined by the AAP’s Scope of Health Care Benefits for Infants, Children and Adolescents Through Age 21 Years.¹
   - Health care financing mechanisms should include incentives to promote continuity and coordination of care by primary care pediatricians.
   - Health care financing mechanisms should recognize the value of evaluation and management services, care coordination, and performance of medical/surgical procedures.
   - Appropriate mechanisms for quality improvement including assessments of structure, process and outcome, access, and patient satisfaction must be incorporated into all child health financing systems. Such mechanisms must include appropriate peer review.
   - Health insurers should be prohibited from denying coverage through the use of preexisting conditions exclusion clauses or other inappropriate medical underwriting practices.
   - The specifications and limitations of all health financing plans must be stated clearly and be readily understood by all parties.
   - Health care financing mechanisms should be flexible and pluralistic. Fair competition among health financing and delivery plans is desirable. Competing plans should assure access to quality care. There should be standardization of benefits among programs and requirements for administrative efficiencies such as uniform claims forms and payment mechanisms.
   - Regulations governing health care financing should encourage access to quality care.

   - Cost containment is essential, but must not impair the quality of care. Physicians must play an important role in ensuring quality in any cost containment process.
   - Responsibility for controlling costs should be shared by patients, providers, payors, and administrators of health care plans.

The recommendations in this statement do not indicate an exclusive course of treatment or procedure to be followed. Variations, taking into account individual circumstances, may be appropriate.

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• Financial incentives should be used to encourage systems that promote quality and efficiency.

• Health care financing mechanisms should encourage delivery of services in the most appropriate and least expensive setting (eg, physician office versus emergency department).

• Cost-sharing should not be applied to preventive and/or health supervision services, including immunizations.

**Committee on Child Health Financing, 1991 to 1992**

Anthony T. Hirsch, MD, Chairman

Jerold M. Aronson, MD
Stephen Berman, MD
Gilbert A. Buchanan, MD
Katherine S. Lobach, MD
Hays Mitchell, MD
Donald Muirhead, Jr., MD, MPH
Edward A. Penn, MD

**REFERENCE**

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