



The Intersection of Medicaid and Child Welfare

Review of Proposed June Report Chapter



Medicaid and CHIP Payment and Access Commission

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Children and Youth Involved in the Child Welfare System

- Have either been removed from their home for abuse or neglect or are receiving in-home services
- Child welfare populations include: children in foster care, receiving adoption assistance, or under legal guardianship; youth that have aged out of care; and children served at home
- Have significant health, behavioral, and other social needs
- Have very low family incomes in order to be eligible federally funded child welfare services

Multiple Systems Share Responsibility for Their Care and Well-Being

- Child welfare is responsible for safety and well-being of children and connecting them to a permanent home
- Medicaid provides health coverage to many child welfare involved youth, but not all are guaranteed Medicaid eligibility
- Coordination across agencies is necessary to ensure appropriate access to services

Timely and Appropriate Care May Be Complicated by a Variety of Factors

- Frequent changes in placement and caregivers
- Trauma experienced by the child, both prior to and as a result of removal from the home
- Significant behavioral health needs that may not be appropriately addressed
- Fragmentation across Medicaid, child welfare, and behavioral health financing streams
- Poor interagency coordination and data sharing, with a lack of knowledge among program staff about each others' benefit programs

Source: Allen, K. and T. Hendricks, 2013, *Medicaid and children in foster care*, State Policy Advocacy and Reform Center (SPARC).

March 24, 2015

Background on Child Welfare Involved Youth and Medicaid

Children Served by Child Welfare

In FY 2013 –

- 2.1 million investigations/assessments conducted, involving 3.2 million children
- Approximately 1 million children received in-home, post investigation/assessment services
- 255,000 children entered foster care and 641,000 spent at least 24 hours in care
- More than 238,000 children left foster care
 - 60% reunited with parents or living with another relative
 - Almost 30% adopted or placed in legal guardianship
 - 10% aged out of care

Sources: Stoltzfus, E. et al., 2014, *Child welfare: Health care needs of children in foster care and related federal issues*, Congressional Research Service, R42378; U.S. Department of Health and Human Services, Administration for Children and Families, Children's Bureau, 2014, *AFCARS Report #21*.

Child Welfare Population Has Significant Health Care Needs

- The share of children in families investigated for abuse and neglect who have chronic health conditions (31%-49%) is at least 1.5 times higher than for their peers
- Children placed in foster care are more likely to have social competency and behavioral problems (32%-47%) compared to children who remain in their own homes (22%) and children generally (8%)

Sources: Stein, R. et al., 2013, "Chronic conditions among children investigated by child welfare: a national sample," *Pediatrics*; Ringeisen, H. et al., 2011, *NSCAW II baseline report: Children's services*; Casanueva, C. et al., 2011, *NSCAW II baseline report: Child well-being*; Casanueva, C. et al., 2014, *NSCAW II wave 3 report: Wave 3 tables*.

Primary Goals of Child Welfare Programs

- Child welfare goals: promote the safety, permanency, and well-being of children
- Child welfare agencies are required to ensure that the health needs of children in foster care are addressed
 - They cannot expend federal funds under Title IV-E program to meet these needs

Source: Stoltzfus, E., 2015, *Child welfare: An overview of federal programs and their current funding*, Congressional Research Service, R43458.

Intersection of Medicaid Eligibility and Child Welfare Assistance

- Automatic Medicaid eligibility linked to Title IV-E status, although may be eligible under another pathway
- Eligibility may be intermittent since children cycle in and out of system
- Federal Medicaid administrative data identify those eligible based on child welfare assistance, not all child welfare-involved youth

Children Eligible for Medicaid Based on Child Welfare Assistance

- About 1 million children reported as ever enrolled based on child welfare assistance (FYs 2010 and 2011)
 - About 1% of all Medicaid enrollees and 3% of non-disabled child enrollees
- Their Medicaid spending totaled \$5.8 billion (FY 2010)
 - About 2% of all Medicaid benefit spending and 10% of non-disabled child spending
- Medicaid spending per child enrolled based on child welfare assistance was \$5,767 (FY 2010)
 - Compares to \$2,000 per non-disabled child and \$14,216 per child enrolled based on disability

Sources: MACPAC analysis of MSIS State Summary Datamart; Stoltzfus, E. et al., 2014, *Child welfare: Health care needs of children in foster care and related federal issues*, Congressional Research Service, R42378.

Medicaid Service Use and Diagnoses for Children in Foster Care

- Share of children eligible for Medicaid based on foster care who had at least some health care service use (89.3%) similar to that of other children (85.0%) in 2010
- However, children in foster care had:
 - Many more outpatient visits per year than other children (27 vs. 9 visits for those with at least 1)
 - Much longer inpatient stays (31 vs. 6 days)
 - Higher prevalence of mental health (49.4%) and substance use disorder (3.3%) diagnoses than other children (10.9% and 0.6%)

Source: Substance Abuse and Mental Health Services Administration, 2013, *Diagnoses and health care utilization of children who are in foster care and covered by Medicaid.*

Psychotropic Medications

- About one-quarter of children enrolled in Medicaid based on child welfare assistance have psychotropic drug prescriptions
- About half of these children are prescribed two or more psychotropic drug classes during the year, and 20% are prescribed three or more
- Risks associated with these medications include suicidal thinking and behavior, as well as weight gain and metabolic disorders

Sources: MACPAC, 2015, *Use of psychotropic medications by Medicaid beneficiaries: Patterns and policy issues*, February public meeting presentation; Center for Health Care Strategies, 2013, *Identifying opportunities to improve children's behavioral health care*.

March 24, 2015

Selected Policy Issues

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Policy Issues: Eligibility

- Continuity of Medicaid coverage
 - Given that Medicaid eligibility varies based on Title IV-E status, potential for coverage loss as a child moves in and out of the child welfare system
 - Depending on situation, child may be eligible for Medicaid through another mandatory or optional pathway

Policy Issues: Eligibility (continued)

- Implementation of new pathway up to age 26
 - Hierarchy of eligibility
 - Identifying, enrolling, and retaining former foster youth
 - Connecting current child welfare youth to Medicaid during transition planning
 - Youth that have already aged out
 - Identifying and reaching them
 - Verification of former foster care status
 - Proposed state option to cover youth aging out of foster care in other states

Policy Issues: Services and Access to Care

- Concerns about receipt of timely and appropriate care (as with all children)
- Screening services required under EPSDT benefit are key to identifying health conditions and referring children to follow-up treatment
- However, delayed or missed screenings are common for children in foster care

Policy Issues: Services and Access to Care (continued)

- Although EPSDT requires coverage of all medically necessary services, actual receipt depends on degree to which states have policies and infrastructure in place to facilitate access
- Special concerns about access to behavioral health services due to children's prior history

Policy Issues: Services and Access to Care (continued)

- Child welfare agencies are ultimately responsible for monitoring and oversight of the health of children in their care
- However, given that most of these children are enrolled in Medicaid, interagency collaboration is important
- As previously discussed, there are particular concerns regarding psychotropic drug use

Interagency Collaboration Examples – Psychotropic Drugs

- Quality improvement collaborative among six states to develop new approaches to medication use
- Collaboration since 2011 by Administration for Children and Families, Centers for Medicare & Medicaid, and Substance Abuse and Mental Health Services Administration
- President's FY 2016 budget proposes funding for joint ACF and CMS effort to reduce over-prescription

Other Policy Issues

- Use of state dollars previously allocated for child welfare to draw federal Medicaid match
- Availability and sharing of data
 - Medicaid provides 90 percent federal match for upgrades to integrated eligibility systems
 - Electronic health records can facilitate health information exchange among providers and state agency staff, and give foster parents and emancipated youth a record of health conditions and service use
- Medicaid for parents with child welfare contact
 - Provides an opportunity to facilitate access to mental health, substance abuse, or other services as needed

Supplemental Information on Medicaid Eligibility and Data

Pathways to Medicaid Eligibility by Child Welfare Population and Title IV-E Status

| Title IV-E eligible | Not Title IV-E eligible |
|--|--|
| <p>Foster care: Less than half of all children in foster care are Title IV-E eligible Legal guardianship: Optional IV-E category provided by 32 states as of early 2015</p> | |
| <ul style="list-style-type: none"> • Mandatory Medicaid Title IV-E pathway for children removed from home that IV-E agency found met the 1996 AFDC need standard and who meet all other IV-E foster care or IV-E guardianship criteria | <ul style="list-style-type: none"> • Medicaid pathways unrelated to child welfare; may meet criteria for mandatory pathway (e.g., based on low income or disability) or optional pathway (e.g., Ribicoff for “reasonable categories” of low-income children) |
| <p>Adopted: About 85% of children adopted from foster care found to have special needs</p> | |
| <ul style="list-style-type: none"> • Mandatory Medicaid Title IV-E pathway if state IV-E agency finds child has “special need” and, if applicable, child met the 1996 AFDC need standard or the child qualifies for SSI (however, note that all income standards are being phased out) | <ul style="list-style-type: none"> • Optional Medicaid state adoption assistance pathway if child does not meet applicable IV-E income standard but state finds child has special need; OR • Medicaid pathways unrelated to child welfare (see above) if no special need |

Notes: AFDC is Aid to Families with Dependent Children; SSI is Supplemental Security Income.

Source: Congressional Research Service and MACPAC compilation.

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Pathways to Medicaid Eligibility by Child Welfare Population and Title IV-E Status (continued)

| Title IV-E eligible | Not Title IV-E eligible |
|--|---|
| <p>Aged out of care: Youth may receive services supported with Chafee or Title IV-B funds</p> | |
| <ul style="list-style-type: none"> • Not applicable | <ul style="list-style-type: none"> • Mandatory Medicaid foster youth pathway for youth who aged out of foster care at age 18 (or up to age 21), were receiving Medicaid, and are not eligible for Medicaid under pre-ACA mandatory pathways; eligible up to age 26 • Optional Medicaid Chafee pathway for youth who aged out of foster care at age 18 or later; eligible up to age 21 |
| <p>Served in the home: Title IV-B funds may be used to serve children in the home both to protect them from abuse or neglect, and to prevent their entry or re-entry to foster care</p> | |
| <ul style="list-style-type: none"> • Not applicable | <ul style="list-style-type: none"> • Medicaid pathways unrelated to child welfare; if the child has not entered foster care or has left care to be reunited with his/her parents, may meet criteria for mandatory pathway (e.g., based on low income or disability) or optional pathway |

Notes: ACA is Patient Protection and Affordable Care Act.

Source: Congressional Research Service and MACPAC compilation.

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Size of Child Welfare Population and Number Identified in Medicaid Data

- Child welfare data: Foster care (FY 2013)
 - 641,000 children spent at least 24 hours in foster care
 - 402,000 on the last day of the year
- Child welfare data: Title IV-E (FY 2013)
 - 608,000 with Title IV-E assistance on an average monthly basis
 - Most are adoption assistance (432,000), followed by foster care (159,000), and guardianship assistance (17,000)
- Medicaid data: Children enrolled on the basis of child welfare assistance (FY 2011)
 - 965,000 reported as ever enrolled
 - Includes mandatory IV-E pathway or optional adoption assistance and Chafee pathways

Sources: Child welfare agency reporting via AFCARS (for foster care); child welfare agency Title IV-E assistance claims (for Title IV-E); MACPAC analysis of MSIS State Summary Datamart (for Medicaid).

Definition of Foster Child: Federal Child Welfare Versus Federal Medicaid Data

| Adoption and Foster Care Analysis Reporting System (AFCARS) | Federal Medicaid Statistical Information System (MSIS) data |
|--|---|
| <ul style="list-style-type: none"> • Any child who is: <ul style="list-style-type: none"> • under the “placement and care” responsibility of the state child welfare agency (generally as ordered by a state court); and • living in a foster care setting (foster family home or congregate) on a 24-hour basis | <ul style="list-style-type: none"> • Any child who is: <ul style="list-style-type: none"> • receiving Title IV-E assistance, including children in foster care and children who left care for adoption or guardianship; • eligible for Medicaid under the optional state adoption assistance pathway; • in state-funded “special needs” foster care; or • eligible for Medicaid under Chafee pathway • Transformed MSIS (T-MSIS) data will include separate categories for mandatory IV-E, mandatory former foster children up to age 26, optional adoption assistance, and optional Chafee pathways |
| <ul style="list-style-type: none"> • Does not count children formally discharged from foster to adoption or to legal guardianship, or due to age | <ul style="list-style-type: none"> • Does not clearly count children who are in foster care but not eligible for Title IV-E |