

Background

Currently, over 20,000 youth age out of the foster care system each year with little to no support as they transition into adulthood.¹ High-quality coordinated care is fundamentally important for children and youth who have been involved in the child welfare system because they tend to have high rates of acute and chronic medical, mental health and developmental needs. According to the Congressional Research Service, 35–60 percent entering foster care have at least one chronic or acute health condition, such as asthma, cognitive abnormalities, visual and auditory problems, dental decay, and malnutrition, and 50-75 percent show behavioral or social competency problems that may require mental health services. Foster youth are also more likely than their peers to be prescribed multiple psychotropic medications.²

Recognizing that youth who age out of the foster care system face unique challenges that can inhibit their ability to thrive and succeed as adults, Congress included a provision in the Affordable Care Act that allows youth who age out of foster care and enrolled in Medicaid to remain eligible for Medicaid coverage until the age of 26. This provision was drafted as an equitable response to young adults being allowed to stay on their parent's insurance until the age of 26.³ Before this provision of the Affordable Care Act went into effect, 48% of former foster youth reported not having health insurance after leaving foster care.⁴

Unfortunately, the way the current provision is drafted if a young person moves to a state after they age out in their “home jurisdiction,” that state has an option to cover these youth via a 1115 demonstration waiver, but is not required to do so. So far, only 9 states (CA, DE, KY, MA, PA, SD, UT, VA, WI)⁵ have received approval for this waiver, leaving many young people who leave the state for job opportunities or to pursue a higher education ineligible for Medicaid.⁶

What the Health Insurance for Former Foster Youth Act Does

The Health Insurance for Former Foster Youth Act (S.1797), introduced by Senator Casey (D-PA) and Senator Blumenthal (D-CT) reduces barriers for youth to who have aged out of foster care to get access to health coverage. Specifically, the bill:

- Clarifies that states must cover former foster youth who aged out of care no matter which state they aged out from;
- Provides Medicaid coverage for youth who left foster care at age 14 or higher for a legal guardianship with a kinship caregiver;
- Requires state Medicaid agencies and child welfare agencies to work together and create a plan for outreach and enrollment of youth who are eligible for Medicaid coverage;
- Removes requirement that youth be enrolled in Medicaid during the time they were in foster care to be eligible for the former foster youth category.

Bill Analysis

This bill addresses a number of gaps that prevent former foster youth from having access to Medicaid coverage after they age out. Many young people are not aware that they are eligible for health coverage after they age out and should be given materials and relevant documents on Medicaid coverage before they age out. In addition, youth may cross state lines without realizing that they could lose their Medicaid coverage. S. 1797 addresses these issues by closing the loophole that states don't have to cover youth who aged out in a different state and requires Medicaid agencies and child welfare agencies to work together to ensure former foster youth are enrolled. State by state data has shown that a significant number of youth who are eligible for Medicaid coverage are not currently enrolled. In addition, more placements for youth are being made with kinship caregivers. Many of these families have limited resources to provide supports for children in their care, and this bill ensures that youth who leave foster care at 14 or older are also eligible for Medicaid coverage. If passed, this bill will help empower former foster youth reach their full potential so that they can focus on achieving their educational and professional goals without worrying about unexpected medical bills that could accrue if they fall sick.

¹ U.S. Department of Health and Human Services. (2015). The AFCARS report: Preliminary FY 2014 estimates as of July 2015 (22). Retrieved from <http://www.acf.hhs.gov/sites/default/files/cb/afcarsreport22.pdf>

² 4 U.S. Congressional Research Service. Child Welfare: Health Care Needs of Children in Foster Care and Related Federal Issues. (R42378; November 19, 2014), by Stoltzfus, Emilie, Baumrucker P. Baumrucker, Adrienne L. Fernandes-Alcantara, and Bernadette Fernandez.

³ Patient Protection and Affordable Care Act (ACA, P.L. 111-148 as amended).

⁴ Mark E. Courteny et al., Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Age 26, Chapin Hall Center for Children University of Chicago, 2011 <http://www.chapinhall.org/research/report/midwest-evaluation-adult-functioning-former-foster-youth> pg. 12, 21

⁵ Confirmed by CMS on June 15, 2018

⁶ Section 1115 Demonstration Opportunity to Allow Medicaid Coverage to Former Foster Care Youth Who Have Moved to a Different State, CMCS Information Bulletin. Nov. 21, 2016 <https://www.medicaid.gov/federal-policy-guidance/downloads/cib112116.pdf>