

CHAFEE MEDICAID EXTENSIONS FOR EMANCIPATED FOSTER YOUTH

By Phil Ladew

Every year, thousands of foster youth age out of care and find themselves without housing, employment, or healthcare. Two years ago, with the implementation of the 1999 Chafee Foster Care Independence Program, federal lawmakers opened a window for states to address some of these basic needs. Under Chafee, states may opt to extend Medicaid eligibility to foster youth until age 21. The only requirements for this extension are that 1) the youth aged out of foster care on her 18th birthday, and 2) the young adult updates her address annually.

Well over two years after Chafee was passed into law, however, only a few states have opted to take on this new eligibility category.¹ To realize the full potential of Chafee, and secure healthcare for this especially vulnerable population, advocates should galvanize and convince their states to take advantage of these federal dollars to help youth.

There are barriers, however. The price tag that accompanies the addition of new Medicaid eligibility categories is a very real concern for states, thanks to limited budgets and ever-increasing Medicaid costs. Furthermore, the downturn in the economy has states tightening their belts when it comes to spending, making any expansion hard to sell.

For example, *Making Medicaid Better*, a recent paper prepared for the National Governor's Association, bemoans the increasing burden Medicaid places on

state budgets.² While some of its suggestions might be worth reviewing, most are fairly obvious and merely relate to the need for increased federal funding to states.³ Additionally, the paper suggests removing "eligibility categories," much like this "aged-out of foster care" category, and allowing states to simply set their own state-defined income levels for eligibility. The message is that Medicaid is too expensive as it is, and adding a new eligibility category is a poor fiscal choice.

Also, a March 2001 Mathematica policy brief indicates that foster youth are responsible for a "disproportionately large" percentage of Medicaid expenditures.⁴ The same brief (reporting seven-year-old data) reports that foster children were more likely than other groups of Medicaid children to have "a mental health or substance abuse condition." Implying that Medicaid is too expensive, and that increasing aid to foster youth (or former foster youth) is fiscally unsound.

Despite such data, it is difficult to believe that states are having a hard time finding the dollars needed to expand Medicaid to former foster youth. States in

¹ Alaska, Arizona, California, Mississippi, New Jersey, Oklahoma, South Carolina, Texas, and Wyoming. (Alaska Denali KidCare Program extends coverage to age 19; Ariz. Rev. Stat. 36-2901 sec. 11; Cal. Welf. & Inst. Code § 14005.28; Miss. Stat. § 43-13-115 sec. 23; N.J. Stat. 30:4D-3 sec. 17; Okla. Stat. T. 10 § 7004-1.6 sec. D (2003); South Carolina amended Medicaid State Plan, July 2000, S.C. Section 2.2, Attachment A., page 23d; Tex. Hum. Res. Code, Section 32.0247; Wyoming amended Medicaid State Plan, July 2000, Wyo. Section 2.2, Attachment A., item 24, page 23d; respectively.)

² Vernon K. Smith, Ph.D., *Making Medicaid Better: Options To Allow States to Continue to Participate and to Bring the Program Up to Date in Today's Health Care Marketplace*, Prepared for the National Governors' Association, (March 15, 2002); available online at:

www.nga.org/cda/files/makingmedicaidbetter.pdf.

³ The Federal Medical Assistance Percentage (federal match rate) for Medicaid and SCHIP is available online at: www.aspe.hhs.gov/health/fmap.htm.

⁴ Margo Rosenbach, *Children in Foster Care: Challenges in Meeting Their Health Care Needs Through Medicaid*, Policy Brief: Mathematica Policy Research Inc., (March 2001). Available online at: www.mathematica-mpr.com/PDFs/fostercarebrief.pdf. See also Margo Rosenbach, Kimball Lewis, and Brian Quinn, *Health Conditions, Utilization, and Expenditures of Children in Foster Care*, Final Report: Mathematica Policy Research Inc., (September 2000). Available online at: aspe.hhs.gov/hsp/fostercare-health00/

the North, South, East, West and Midwest are all managing to serve this population. California has around 100,000 youth in out-of-home care – the most in the nation – yet Governor Gray Davis managed to expand Medicaid eligibility to emancipated foster youth by including it in his “Governor’s Mental Health Initiative.”⁵ The people in South Carolina’s Department of Social Services got together with their Medicaid people, thought “this is a very good idea – it’s the right thing to do,” and changed their state Medicaid Plan.⁶ Wyoming did the same thing.⁷ Alaska, Arizona, Mississippi, New Jersey, Oklahoma, and Texas all managed to effect this change as well.

Other states, like Missouri and Kansas, have so few emancipating foster youth that an extension of healthcare benefits should be a non-issue. The *Kansas City Star* reported that, “just 289 teens left Missouri custody last year to live on their own. Similar figures were unavailable for Kansas, but one estimate placed the number at 150.”⁸ That means that if Missouri were to extend Medicaid benefits to former foster youth, at any given time they would have less than one thousand eligible youth – many of whom might not take advantage of the program.⁹ Kansas would have less than 500. With so few eligible youth, the cost to the state would be quite manageable.

⁵ Codified at Cal. Welf. & Inst. Code § 14005.28; also see ACWDL Nos. 00-41 (Aug. 14, 2000) available online at:

www.dhs.ca.gov/mcs/mcpd/meb/acls/pdfs/acwdls/2000acls/40s/00-41.pdf. Also of interest is Continuous Eligibility for Children (CEC), where any former foster youth, whether they aged-out of care or not, is covered at least until their next annual re-determination or they reach 19, whichever comes first; see ACWDL Nos. 02-20 (April 5, 2002) available online at:

www.dhs.ca.gov/mcs/mcpd/meb/acls/pdfs/acwdls/2002acls/20s/02-20c.pdf.

⁶ South Carolina amended Medicaid State Plan, July 2000, SC Section 2.2, Attachment A., page 23d.

⁷ Wyoming amended Medicaid State Plan, July 2000, WY Section 2.2, Attachment A., item 24, page 23d.

⁸ Grace Hobson, *Help Slow In Coming For Ex-Foster Children Thrown Into The Adult World*, *Kansas City Star*, Sun., Apr. 14, 2002.

⁹ Assuming that coverage is extended to age 21, thus having three years of eligibility.

If foster youth are the “state’s children,” then why are legislators so reluctant to provide for them as they would their own? Under Montana’s state-provided healthcare plan, children of Montana’s legislators are covered until age 23, regardless of whether the child is enrolled in school.¹⁰ Yet in 2001, the 150-member Montana legislature refused to take the opportunity to extend health benefits to former foster youth to age 21, with “the fiscal note being the barrier.” A fact made more deplorable considering Montana emancipates about 100 foster youth a year.¹¹

Even for the few states in which youth might otherwise qualify for coverage, it is more than worthwhile to institute this Medicaid extension. Here’s why. Depending on eligibility requirements, some former foster youth may be eligible to receive Medicaid for reasons such as low income or pregnancy. This however, would require that the youth trudge through the application process and assumes that they are aware that they are eligible for services. The beauty of the new eligibility category is that coverage can be extended automatically, with no disruption of benefits and no resource test. Therefore, a youth who is eager to escape the dependency system is more likely to have coverage when she needs care.

Financial times are tight and many advocates are stymied at the mere thought of asking their state legislatures to approve yet another Medicaid eligibility category. Here are some suggestions that might help advocates enact Medicaid extensions.

Read up on the issue. Become grounded in the basics. Some good

¹⁰ Assuming the legislator chooses the state employee health plan (they may take the cash value and apply it to another plan of their choosing). As per phone interview with Karen Berger, of the Financial Services Office of the Legislative Services Division, April 3, 2002 4:00 P.M. Pacific Time.

¹¹ Children’s Bureau, *Child Welfare Outcomes 1999: Annual Report*, Montana Outcomes Data, table. 3.4 Exits to Emancipation, AFCARS/DHHS, 1999. Available online at: www.acf.dhhs.gov/programs/cb/publications/cwo99/outcomes.pdf.

resources include: Abigail English's and Kathi Grasso's article, *The Foster Care Independence Act of 1999: Enhancing Youth Access to Health Care*,¹² and the Medicaid section of the National Foster Care Awareness Project's highly regarded *Frequently Asked Questions II*.¹³ Both articles offer a "how to" approach to wooing your state into helping former foster youth.

Get ready now. In such trying economic times, it is best to prepare the legislation and the statistics, so that advocates are ready to pounce as soon as the legislature in your state feels comfortable funding important issues again.

Advocate, advocate, advocate – and do it statewide. Many states reported that a bill was defeated simply because "there was not enough interest generated from advocate groups or political leaders." Get groups involved who can garner broad support.

Get foster youth to testify to the legislature. The power of youth advocating for themselves should not be overlooked. Oftentimes the easiest way to light a fire under a legislator is to have him or her hear the problems from foster youth first hand.

¹² Abigail English and Kathi Grasso, *The Foster Care Independence Act of 1999: Enhancing Youth Access to Health Care*, Clearinghouse Review/Journal of Poverty Law and Policy, Vol. 34, Nos 3-4, (July-August 2000).

¹³ Susan H., Badeau, MaryLee Allen, Robin Nixon, Susan A. Weiss, *Frequently Asked Questions II About the Foster Care Independence Act of 1999 and the John H. Chafee Foster Care Independence Program*, National Foster Care Awareness Project (December 2000). Available online at: www.nrcys.ou.edu/documents/faq2_final.pdf.

Change your State Medicaid Plan. Some states (like Georgia and North Carolina) might be prime for agency reform. As was the case with South Carolina and Wyoming, your state's social services department might be willing to team with your health department to change your state's Medicaid plan to include this particularly needy group.

Take baby steps. Perhaps your state is unwilling to extend Medicaid to former foster youth until age 21. Regardless of the reason, Chafee allows considerable leeway. Try to extend Medicaid to age 20 or 19. You can amend the law to include more youth down the road. Foster youth would at least get some sort of cushion to land on.

Take leaps. If you feel your state is ready, then put in as much as you can. Try to extend coverage to youth in college until 23. Because it is often difficult to finish a state school curriculum in four years, it makes sense to cover youth until they graduate. While there are no federal funds for this, the small number of youth who would utilize such a provision would make it very affordable.

Educate advocates and foster youth. Even if your state extends Medicaid, if no one knows about it, it fails its purpose. Foster youth should know that if they choose to emancipate before their 18th birthday, they are not eligible. Also, if they plan on moving they should know that coverage does not follow them to a state that has not implemented the extension (and perhaps not even to one that does).

Batten down the hatches. Lastly, all states should do what Arizona is doing – prepare arguments and

written statements as to why this Medicaid extension is needed so desperately. Then, when the state's budget axe comes to your door, you will be prepared to hold onto these much-needed services for former foster youth.

There are a few essentials that foster youth must have when they leave care – housing, employment, and healthcare. Extending Medicaid to former foster youth gives them access to at least one. For additional information about the work that NCYL is doing in the area of Foster Care, see the article on this page entitled Foster Youth in Transition.

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