

THE AFFORDABLE CARE ACT  
& IMPLICATIONS FOR YOUTH AGING OUT OF FOSTER CARE

**Youth in foster care or formerly in foster care** represent a vulnerable population with high occurrences of chronic medical conditions and mental health needs. Specifically, the Congressional Research Services reports that between 35 to 60 percent of youth entering foster care have at least one chronic or acute medical condition that requires treatment.<sup>1</sup> Twelve percent of youth in the Midwest Study – which surveyed former foster youth from Iowa, Illinois and Wisconsin in their transition to adulthood - reported having at least one health condition or disability that limited their daily activities.<sup>2</sup> An additional study found that young adults who had spent their adolescent years in foster care were more than twice as likely as their peers to struggle with mental health problems.<sup>3</sup> Despite the high medical and mental health needs of older youth aging out of foster care, studies have found that their access to care is significantly lower compared to their peers. According to findings from the Midwest Study, 41 percent of youth interviewed reported not having health insurance compared to only 21 percent of their peers.

In response to the needs and vulnerabilities of this population, regulations in the **Affordable Care Act** require states to provide, as of January 2014, the full Medicaid benefit<sup>4</sup> to all youth who were in foster care on, or after, their 18<sup>th</sup> birthday in their state until age 26.<sup>5</sup> This provision applies to all youth who are currently in care and those youth who would have fit these eligibility criteria at any point since January 1, 2007. States have the option to provide coverage to all foster youth regardless of which state system they aged out of.

Additionally, current Medicaid regulations require eligibility to be continued automatically whenever the state has information sufficient to demonstrate continued eligibility.<sup>6</sup> For foster youth who age out of care on, or after their 18<sup>th</sup> birthday, this information can be considered sufficient to demonstrate continued eligibility and thus eliminate the need for states to conduct regular eligibility reviews. This is particularly important for young people who may move around – even within the same state - and be less likely to receive mail notification that they need to meet with a worker for a review of their eligibility; and because studies show this population is less likely to take advantage of the service if they have to actively enroll.

### Recommendations for State Child Welfare Agencies:

As states determine how they will implement the ACA regulations and which options to elect, the data suggest that the following recommendations will not only increase the number of former foster youth with access to health insurance but will also increase health outcomes for these youth by providing access to continuous and quality insurance. States and child welfare agencies should:

<sup>1</sup> Golden, O., & Emam, D. (2013). How Health Care Reform Can Help Children and Families in the Child Welfare Systems Options for Action. Low-Income Working Families: Paper 25. Washington DC: Urban Institute.

<sup>2</sup> Courtney, M., Dworsky, A., Brown, A., Cary, C., Love, K., & Vorhies, V. (2011). Midwest evaluation of the adult functioning of former foster youth: Outcomes at age 26. Chicago, IL: Chapin Hall at the University of Chicago.

<sup>3</sup> Pecora, P. et al. (2006). Educational and Employment Outcomes of Adults Formerly Placed in Foster Care: Results from the Northwest Foster Care Alumni Study. *Children and Youth Service Review*, 28, 1459-81.

<sup>4</sup> States are required to provide youth aging out of care with the full Medicaid benefit and not the alternative benefit that the state is allowed to child for adults who are newly eligible for insurance based on their income level. Until the youth turns 21 years old they will be covered by Medicaid's package for children and subsequently will be covered by their state's full benefit package for adults.

<sup>5</sup> Affordable Care Act of (2010), §435.150.

<sup>6</sup> Golden, O., & Emam, D. (2013).

- *Elect the option to cover former foster youth regardless of where the youth was in care.* This vulnerable population should be able to pursue opportunities in other states without losing access to health insurance.
- *Utilize an automatic enrollment process for youth prior to aging out of care.* Evidence shows that passive enrollment, which does not require the youth to actively opt-in, is the most effective strategy for ensuring all eligible youth are enrolled.
- *Implement a one-time eligibility determination.* To increase the continuity in insurance coverage, states should make a one-time eligibility determination that will allow the youth to have continuous insurance from the time they age out of care until they turn 26.
- *Engage former foster youth in designing an outreach campaign to reach all former foster youth who may be eligible for Medicaid coverage under the new regulations.* This population is highly transient and experience high rates of homelessness, which can make reaching them difficult. Engaging former foster youth and child welfare workers in identifying successful outreach strategies may increase the number of youth who enroll under this provision.
- *Select the most appropriate managed care program for this population when possible.* Some states require the Medicaid recipient to select a managed care plan within a designated time period otherwise they are automatically enrolled in a state-selected plan. In these states, child welfare representatives should work with youth to select the most appropriate plan while simultaneously working with Medicaid agencies to ensure that the automatically assigned plan is the most appropriate.
- *Educate all child welfare agency representatives.* Frontline workers may not be knowledgeable about the criteria and process for enrollment. *Child welfare agencies and other stakeholders should advocate for states to implement integrated care models, for example Health Homes<sup>7</sup>.* These models will ensure the continuity and increase the quality of services for youth aging out of care, especially those with both medical and mental health needs. For states that have applied for Health Homes to target the needs of specific groups, child welfare agencies and stakeholders should explore how these models can serve youth who have aged out of care. Other integrated models include primary care medical homes, demonstration projects for integration of mental health and primary care and accountable care organizations.<sup>8</sup>
- *Work with Medicaid agencies to coordinate enrollment and eligibility of former foster youth after their 26<sup>th</sup> birthday.* Moving forward, agencies should develop plans to support the continuity of insurance after a youth reaches age 26 and is no longer covered under these eligibility criteria.

<sup>7</sup> Medicaid Health Homes are designed to coordinate care, including primary, acute, behavioral health and long-term services, for people who fall into one of five categories: have two or more chronic conditions, have one chronic condition and are at risk for a second, have one serious and persistent mental health condition. States can also target health home services geographically.

<sup>8</sup> Hanlon 2010 and Howell et al. 2013 as cited in Golden and Emam 2013