

Medicaid Coverage for Former Foster Youth- Fact Sheet

Background

Youth aging out of the foster care system face unique challenges that can inhibit their ability to thrive and succeed as adults. Recognizing this, Congress included a provision in the Affordable Care Act that allows youth who age out of foster and enrolled in Medicaid to remain eligible for Medicaid coverage until the age of 26.¹ This provision was drafted as an equitable response to young adults being allowed to stay on their parent's insurance until the age of 26.²

Characteristics of Former Foster Youth

Currently, there are over 400,000 children in the foster care system. These youth have often experienced abuse, neglect, or been exposed to substances, which can have significant impacts on their physical and mental health.³ 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.⁴ Foster youth are also more likely than their peers to be prescribed multiple psychotropic medications.

Over 20,000 youth age out of care each year with little to no support as they transition into adulthood. As a result, many youth struggle to find housing, jobs, and obtaining a college degree. Studies show that almost 50 percent of former foster youth experience high rates of homelessness and less than 5 percent are able to obtain a four-year degree.⁵ Before the Affordable Care Act went into effect, over 48 percent reported not having health insurance after leaving foster care.

ACA Medicaid Coverage to 26 Provision

The Affordable Care Act provided a new Medicaid category for former foster youth. To enroll youth must be:

- Under 26 years of age;
- In foster care under the responsibility of the State on the date of attaining 18 years of age or such higher age as the State has elected;
- Enrolled in the Medicaid State plan or under a waiver of the plan while in foster care.

This provision went into effect January 1, 2014 and has helped tens of thousands of former foster youth obtain health coverage. This eligibility does not have an income requirement and states are required to cover all former foster youth regardless of whether the state has opted to expand Medicaid coverage. CMS projected that by 2017, 74,000 youth would be enrolled in this category.

State Option

¹ Patient Protection and Affordable Care Act (ACA, P.L. 111-148 as amended)

² Senator Landrieu Congressional Record, Senate Legislative Action pages S13731-13733

³ 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>

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.

⁵ 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

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The Centers for Medicare and Medicaid has interpreted the law as to only require states to cover former foster youth if they aged out in that state. States are given the option to cover youth who aged out of care in another state and then moved to that state. This is problematic as many youths move between states to pursue higher education or job opportunities and lose access to health coverage. Currently, only the following 14 states have taken up the state options:

- California
- Georgia
- Kentucky
- Louisiana
- Massachusetts
- Michigan
- Montana
- New Mexico
- New York
- Pennsylvania
- South Dakota
- Utah
- Virginia
- Wisconsin

In 2015, Senator Casey (PA) and Congresswoman Bass (CA- 37) introduced the Health Insurance for Former Foster Youth Act ⁶ to fix this technical issue. The bill was not voted out of committee and this issue continues to be a hurdle for youth

Keeping Former Foster Youth Covered

As the 115th Congress and the new Trump Administration roll out their proposals to reform the Affordable Care Act, it is important to ensure that the provision that covers former foster youth until age 26 is not forgotten. States agencies and advocates should continue to enroll youth if they meet the eligibility criteria, and collect data on how many youth are enrolling and what outcomes they are able to achieve through continued healthcare.

⁶ Health Insurance for Former Foster Youth Act, 114th Cong. (2015)