# Medicaid for Some Former Foster Youth… But Not All

Family & Community Health

**Date Posted:**

Apr 14, 2014

This blog post was originally posted on Penn's Leonard Davis Institute of Health Economics' Voices Blog. You can find the original blog post here.

Authors: Janet Weiner, MPH, Associate Director for Health Policy, LDI; Anna Barnwell, MPH/MSW Candidate

---

A little-known provision in the Affordable Care Act (ACA) extends Medicaid coverage for individuals under age 26 who were receiving Medicaid when they aged out of foster care. As of January 1, 2014, these former foster youth are categorically eligible for their state's Medicaid, regardless of income or assets. About 180,000 former foster youths are now Medicaid-eligible and another 25,000 will qualify each year. All states are required to provide this coverage, whether or not they have chosen to expand their Medicaid programs.

The ACA is silent on whether states were required to cover former foster youth who had aged out in a different state. But in interpreting the provision, the Centers for Medicare & Medicaid Services made coverage of these youth a state option, not a mandate:

> We are interpreting that requirement as meaning the individual was in foster care and enrolled in Medicaid in the same state in which coverage under this eligibility group is sought. However, we are proposing to give states the option to cover individuals under this group who were in foster care and Medicaid in any state at the relevant point in time.

How many states have taken that option? To find out, we contacted state officials and reviewed Medicaid State Plan Amendments. To date, only 11 states have extended coverage to former foster youth who aged out in a different state.

**States providing Medicaid to former foster youth from other states: CA, GA, KY, LA, MA, MI, MT, NY, PA, SD, WI**

Congress had partially addressed this problem through the Foster Care Independence Act of 1999, often referred to as the Chafee Option. This act allowed states to expand Medicaid coverage to youth formerly in foster care until their 21st birthday. Thirty states took that option, although only four chose to cover former foster youth who aged out in a different state. An Urban Institute report offers state-specific information on adoption of the Chafee Option, and draws lessons from the states' experience that might apply to implementation of the ACA provisions. There is some debate about whether Congress intended this gap to exist. Children in foster

care are covered by Medicaid, but prior to the ACA, they faced a loss of health insurance once they aged out of the system. This is particularly problematic for former foster youth, who are high risk for a range of mental health and chronic medical conditions.

The ACA leaves out another group of foster youth: those who age out of the child welfare system while under the jurisdiction of the juvenile justice system. Still, the ACA provides extra years of crucial health insurance for some former foster youth who may otherwise slip through the coverage cracks, as they largely cannot take advantage of the option to remain on a parent's plan until age 26.

Even with these policy changes, extending coverage to former foster youth may still be challenging for a number of reasons. Three significant barriers to consider:

First, awareness remains remarkably low. A recent Kaiser Health News article indicates that many enrollment workers are unaware of the provision and unaware of their state's specific policy, increasing the risk that these youth will be denied coverage by the state.

Second, there is no systematic database tracking residential or insurance information of former foster youth. Without a federal foster care registrar, Medicaid eligibility verification is difficult. The District of Columbia cited this barrier as the reason it would not extend coverage, saying it would be "administratively burdensome" and "require additional resources" to manually verify the status of non-District individuals.

Third, funding challenges may arise: this population is not part of the Medicaid expansion for which the federal government is paying 100% until 2017. States will receive only their federal Medicaid matching rate for this population, which ranges from 50% to 73%, depending on the state.

A rule proposed by CMS in January 2013 would mandate Medicaid coverage for former foster youth who aged out in any state, but to date this proposal has not been acted upon. Nearly 70 national and local organizations sent a joint letter to CMS in support of this proposal, along with other suggestions on how to notify and enroll as many former foster youth as possible.