

How can jurisdictions ensure consistent health care access for children and youth in foster care?

BY THE [CENTER FOR HEALTH CARE STRATEGIES](#)

Children in foster care are [one of the nation's most vulnerable populations](#). These children, who often have a complex array of physical and behavioral health needs, are often served by multiple public systems, including behavioral health, child welfare, education, juvenile justice, and primary care. This puts them at risk for fragmented and uncoordinated care. Most children in foster care are eligible for Medicaid by virtue of their foster care status. However, these children often experience gaps in coverage when they are reunited with their families due to the complex procedures for keeping them enrolled in coverage.

Continuous eligibility for Medicaid and Children's Health Insurance Program (CHIP) guarantees stable coverage for up to 12 months, thereby reducing "churn" and ensuring that children have consistent access to needed health care services that can improve health outcomes and reduce health care costs. Additionally, continuous eligibility benefits the state by saving staff resources and reducing administrative costs associated with unnecessary reprocessing of applications.



ISSUE BRIEF

TRANSFORMING CHILD WELFARE SYSTEMS

Medicaid provides free or low-cost health insurance coverage to low income Americans, seniors, and individuals. It provides access to primary care, specialty service, behavior health services, and prescriptions drugs. For eligible children, including children in foster care, Medicaid provides access to comprehensive primary, preventive, and treatment service.

Are children and youth in foster care a mandatory Medicaid eligibility group?

States have options for providing health care coverage to individuals in certain categories regardless of income, and coverage may be based on enrollment in another federal program. The [most common eligibility pathway to Medicaid for children and youth in foster care is through Title IV-E](#). Under federal law, all children eligible for Title IV-E foster care payments are also eligible for Medicaid in every state. Title IV-E provides federal matching funds to states for payments on behalf of children who have been removed from their homes and placed in foster care, provided the children were receiving cash assistance before being removed from their homes or were eligible for cash assistance.

Children and youth in Title IV-E programs include:

1. Children and youth who are Title IV-E eligible through foster care.

A child or youth who has been removed from his/her home and placed in foster care is categorically eligible for Medicaid in the state of residence.

2. Children and youth who are Title IV-E eligible through Guardianship Assistance Program (GAP) payments.

A child or youth who has Title IV-E guardianship assistance payments made on his/her behalf is [categorically eligible for Medicaid](#) in the state of residence, including a youth up to age 21. Such a child or youth is eligible for Medicaid (if Title IV-E GAP payments are received for such a child or youth) whether or not the Title IV-E agency in the state of residence has taken the option to provide extended Title IV-E assistance.

3. Children and youth subject to a Title IV-E adoption assistance agreement.

Generally, Title IV-E adoption assistance agreements are available for children or youth who are deemed to have “[special needs](#)” as defined by the Title IV-E agency, and they are children or youth for whom adoption might not be feasible without the adoption assistance agreement. A child or youth who is subject to a Title IV-E adoption assistance agreement is [categorically eligible for Medicaid](#) in the state of residence, including a youth up to age 21. Such a youth is eligible for Medicaid (if the Title IV-E assistance agreement is in effect for such a youth) whether or not the Title IV-E agency in the state of residence has taken the option to provide extended Title IV-E assistance.

For children and youth in foster care who are not Title IV-E eligible, [there are other ways that they may be eligible to receive Medicaid](#):

- a. **Income Eligibility:** This allows a child, for purpose of Medicaid eligibility, to be viewed as a household income of one. All states are required to provide Medicaid for children in households of 133% of the federal poverty level (FPL) and some states have a higher income limit established. If a child is placed out of home in the state's custody, and the parents will not be claiming him/her as a tax dependent, this option can be considered. Additionally, CHIP allows states to cover higher income limits and may also apply.
- b. **Optional Coverage:** States may elect under 42 CFR part 435.308(b)(1) to provide Medicaid for "individuals in foster homes or private institutions for whom a public agency is assuming a full or partial financial responsibility. If the agency covers these individuals, it may also provide Medicaid to individuals placed in foster homes or private institutions by private nonprofit agencies."
- c. **Ribicoff Option:** The Ribicoff option allows states to cover what is called a "reasonable category" of children, such as those who are in foster care but not eligible for Title IV-E funding, if they meet the income limits established under [Aid for Families with Dependent Children \(AFDC\)](#).
- d. **State-Funded Adoption Assistance Pathway:** The optional state adoption assistance pathway allows states to provide Medicaid coverage to children who are receiving state-funded adoption assistance if they would not be able to be placed without medical assistance due to their significant health needs.

What is the effective date of Medicaid coverage?

Once an individual is determined eligible for Medicaid, coverage is effective either on the date of application or the first day of the month of application, depending on the state. Benefits may also be covered retroactively for up to three months prior to the month of application if the child or youth would have been eligible during that period had he/she applied. Coverage generally stops at the end of the month in which a person no longer meets the requirements for eligibility.

What policies affect continuity of Medicaid coverage?

Children and youth whose Medicaid eligibility is tied to their Title IV-E status lose their Medicaid coverage when they leave foster care. However, [federal regulations](#) require that enrollees be screened for other Medicaid eligibility categories prior to termination of Medicaid coverage. This means that children and youth who were categorically eligible because of their connection to the child welfare agency should be given an opportunity to enroll under another category before the state can disenroll them. Federal regulations also require that states first attempt to renew coverage administratively. Most children reunited with their families are likely to remain eligible for Medicaid based on their family's income. Children not eligible for Medicaid are likely to qualify for CHIP. CHIP provides health coverage to children in low- and moderate-income families with incomes too high to qualify for Medicaid but generally not higher than twice the

- In Maryland, newborns are provided 12-month continuous eligibility.
- In Texas, a child in CHIP with income below 185% receives 12 months of continuous eligibility; at or above 185% FPL, a child in CHIP receives 12 months of continuous eligibility unless there is an indication of a change at a six-month income check that would make the child ineligible for CHIP.

How do states implement and administer continuous eligibility?

In the state plan, states indicate whether they elect the option to provide continuous eligibility coverage and, if so, provide information as to the administration of continuous eligibility. States that elect to provide continuous eligibility must indicate the:

- Age at which the state will apply continuous eligibility;
- Policy for the beginning date of continuous eligibility (i.e., begins on the effective date of the child's most recent determination or redetermination of eligibility);
- Length of the continuous eligibility period; and
- Exceptions, if any, to continuous eligibility.

Once a state has elected to provide continuous eligibility coverage, it must implement some administrative functions to ensure that children and youth in foster care who are covered by Medicaid maintain coverage once they are reunified with their families or are no longer in state custody. States must ensure their automated eligibility systems are updated to prevent the improper disenrollment of children leaving foster care.



This issue brief is part of a series designed to help state child welfare agency staff understand the Medicaid landscape, and to coordinate with their Medicaid partners in providing timely and quality health-related services to children and youth in foster care. This edition focuses on how states can ensure better continuity of care for children in foster care by implementing continuous eligibility for Medicaid and Children's Health Insurance Program (CHIP) coverage. The other technical briefs in the series cover Medicaid state plan amendments and waivers, and Medicaid financing for children's residential treatment.

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