



The Honorable Max Baucus
U.S. Senate
Chairman, Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles E. Grassley
U.S. Senate
Ranking Member, Finance Committee
135 Hart Senate Office Building
Washington, DC 20510

May 22, 2009

Dear Chairman Baucus and Ranking Member Grassley:

The Child Welfare League of America (CWLA), representing hundreds of public and private child- and family-serving member agencies across the country that work directly with abused, neglected, and otherwise vulnerable children, youth, and their families, appreciates the opportunity to comment on the Finance Committee's description of policy options for *Expanding Health Coverage: Proposals to Provide Affordable Coverage to All Americans*. CWLA greatly appreciates the open and transparent process that the Senate Finance Committee is using and the strong commitment its members have towards achieving comprehensive and meaningful health reform. CWLA particularly thanks Chairman Max Baucus and Ranking Member Charles Grassley for their leadership and the bipartisan manner in which they are approaching these important changes to our nation's health care system.

CWLA is committed to the goal of accessible, affordable, and comprehensive health coverage for all children and families. When discussing expanding health coverage and during *every* step of the reform process, it is essential that vulnerable populations such as children and youth in our nation's child welfare and foster care systems are not left behind. Children who come into contact with the child welfare system receiving placement and in-home services typically demonstrate more intensive health needs that warrant attention in this debate. These children have a higher rate of physical and mental health issues, stemming either from abuse and/or neglect or from preexisting health conditions and unmet long-term service needs. Before they walk through the service delivery door, many of these children have been exposed to multiple traumas, including domestic violence, physical and emotional abuse, neglect, community violence, and exposure to other risk factors such as parental mental health problems, substance abuse, and poverty. When compared to the general population, children younger than 6 in out-of-home care have higher rates of respiratory illness (27%), skin problems (21%), anemia (10%), and poor vision (9%).¹ An estimated 54%–80% of children in out-of-home care meet clinical criteria for behavioral problems or psychiatric diagnosis.²

Child welfare agencies are responsible for meeting the health and mental health needs of all children in state custody. Virtually all children in foster care and many in other permanent settings such as kinship care are eligible for and obtain health care services for both acute and long-term conditions through Medicaid. The Children's Health Insurance Program (CHIP, formerly SCHIP) is also unquestionably vital, as it has successfully broadened health coverage for low-income children and families, especially families that are at-risk and children transitioning out of foster care. CWLA is concerned about all changes made to the health care system, but because of the key roles of Medicaid and CHIP in covering vulnerable children and youth, it is these programs on which CWLA focuses our comments.

CWLA is pleased that the Finance Committee is committed to expanding health care to the 46 million Americans who are currently uninsured and to improving quality of care to all. CWLA also applauds the Committee for opting to build on existing structures and rather than dismantle programs, preserve and improve both Medicaid and CHIP. The Medicaid program, and in particular its Early Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, is aptly suited to the complex health and mental health needs of vulnerable populations, including children and youth in foster care. Another benefit of building on Medicaid and CHIP beneficiaries' health care disrupted. CWLA wishes to submit comments on the following specific portions of the Committee's Expanding Health Care Coverage policy options paper:

SECTION IV: Role of Public Programs

Eligibility Standards and Methodologies and Options for Medicaid Coverage

CWLA supports the notion of raising all State Medicaid programs income eligibility levels to at least 150% of the federal poverty level (FPL). Should boundaries of populations covered by Medicaid change, CWLA urges that Medicaid coverage for children and youth in foster care not be disrupted or threatened. This population's health and mental health is simply too vulnerable. Having been removed from their families for factors beyond their control, it is the role of Medicaid to help get them back on a healthy trajectory.

Of the various options proposed for extending Medicaid coverage, CWLA encourages the Finance Committee to extend traditional Medicaid coverage to all eligible beneficiaries. While likely a costly option, we view it as justified and logical, as it would maintain Medicaid's unique health coverage for its unique subpopulations and avoid disruption of care for our nation's neediest. It would be important to monitor and ensure that states have the support they need so that optional Medicaid services that are vital to so many vulnerable populations are not dropped or not taken due to budgetary constraints. For example, Medicaid's Targeted Case Management (TCM) option is extremely important to children and youth in foster care. Children in foster care who receive Medicaid TCM services are more likely to receive physician services (68% compared to 44%); prescription drugs (70% compared to 47%); dental services (44% versus 24%); rehabilitative services (23% versus 11%); inpatient services (8% versus 4%); and clinic services (34% compared to 20%).³

Should the Committee choose to not extend traditional Medicaid coverage to all, CWLA encourages the Committee and Congress to minimize disruption of care for current Medicaid beneficiaries who will now have to purchase through the newly created Exchange. For individuals and families not eligible for Medicaid who will be purchasing through the Exchange, there must also be adequate protections to ensure they get the health coverage they need. For example, premium subsidies should be provided to low- and moderate-income individuals. Reasonable limits that are tied to family income should be placed on cost-sharing so that individuals are not forced to forego necessary care. Finally, all plans in the Exchange should be comprehensive in nature so that individuals and families do not have to look elsewhere for certain needed services or risk not receiving the services they need because they are not covered by their health coverage package.

CWLA recommends two additional Medicaid expansion proposals not included in the Finance Committee's paper that would promote the physical and mental wellbeing of children and youth in foster care. First, CWLA recommends establishing therapeutic foster care (TFC) as a Medicaid reimbursable service. Maintaining a full continuum of care is important so that each child can receive the most appropriate intervention for his or her particular situation. TFC is an integral part of that continuum, as it provides clinically and cost-effective individualized treatment within a family setting

for children and adolescents experiencing serious mental illness, emotional or behavioral disorders, or other disabilities. Unlike Title IV-E which covers only slightly more than 40% of children and youth in foster care due to the outdated eligibility link to the Aid to Families with Dependent Children (AFDC) program, such a service category would be available to nearly all TFC foster children and would help ensure their access to needed clinical and rehabilitative services in the least restrictive setting. A new Medicaid service category for TFC would also provide a transparent funding stream, as opposed to the patchwork of funding that states currently rely on to provide evidence-based TFC. Legislative language establishing TFC as a new Medicaid service category can be found in Section 101 of S. 3611, the Medicaid Services Restoration Act, as introduced in the 110th Congress by Senator Debbie Stabenow.

CWLA also recommends expanding Medicaid coverage by extending Medicaid coverage to all youth formerly in foster care until at least age 21. Each year, 20,000-25,000 youth “age out” of the foster care system due to a set, statutory age at which point federal funds are cut off. Once formally out of the system, these young adults truly find themselves on their own. Few have adequate financial resources, a place to live, and sufficient support from family, friends, and the community. Their uphill battle is often made steeper because many times, their health needs which have often erupted in response to abuse, neglect, or other trauma linger into adulthood. Foster care alumni experience higher rates of general mental health problems (54.4% versus 22.1%), post-traumatic stress disorder (25.2% versus 4%), and major depression (20.2% versus 10.2%) and are significantly less likely to have health insurance.⁴ States currently have the option to extend Medicaid to youth formerly in care beyond age 18, but many have not taken up that option and significant gaps remain. Legislative language to extend Medicaid to all youth formerly in foster care can be found in HR 1376, the Medicaid Foster Care Coverage Act, as introduced in the 110th Congress by Congressman Dennis Cardoza.

Medicaid Enrollment and Retention Simplification

CWLA supports the Finance Committee’s proposals to streamline and simplify Medicaid enrollment and retention. Approximately one-quarter of all uninsured individuals, and about three-quarters of uninsured children, are eligible for public programs like Medicaid and CHIP but remain unenrolled, sometimes because they are simply unaware they qualify.⁵ Seamlessly retaining Medicaid coverage is particularly vital to children and youth in foster care who may be shuttled around through various placements over a matter of several years. The Finance Committee’s proposals to require states to implement 12-month continuous Medicaid eligibility, to eliminate the state option to rely on face-to-face interviews when determining Medicaid eligibility, and extending administrative automatic renewal and Express lane renewal to all Medicaid beneficiaries are particularly effective ways to improve enrollment and retention.

Transparency in Medicaid and CHIP Section 1115 Waivers

CWLA supports the Finance Committee’s policy proposal to statutorily require certain elements of transparency in the development, implementation, and evaluation of Medicaid and CHIP section 1115 waivers. Section 1115 waivers can provide important opportunities for states to test new territory and coverage options, but as Chairman Baucus noted in his June 19, 2008 letter to HHS and as the GAO has repeatedly stated, transparency and public input for these quite drastic changes is vital, yet often absent. To ensure consistency in openness and opportunity for public input, CWLA supports reasonable statutory requirements at both the state and federal level.

Automatic Countercyclical Stabilizer

CWLA strongly supports putting in statute an automatic increase in the Medicaid FMAP during times of economic downturn. A statutory formula for determining when such FMAP increases would occur

and how much states receive would grant states fair notice and would decrease the likelihood of them having to cut health services needed by vulnerable populations.

The Finance Committee's proposal excludes Title IV-E Foster Care, Adoption Assistance, and Kinship Care from receiving the same FMAP increase state Medicaid programs would receive during economic downturns. CWLA encourages the Finance Committee and Congress to temporarily increase the Title IV-E match in conjunction with the Medicaid FMAP match. Economic downturns place additional stressors on families that make children and youth more vulnerable to abuse and neglect. Reports of abuse and neglect often increase, while state resources to handle and thoroughly investigate such reports are severely strained. Increases to the Title IV-E match should be made in conjunction with Medicaid FMAP increases to ensure that our most vulnerable children and youth are kept safe and do not fall through the cracks.

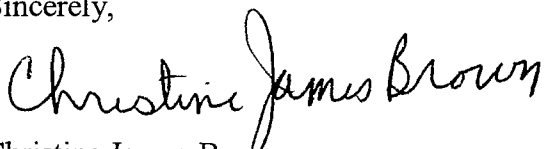
SECTION VIII: Options to Address Health Disparities

CWLA supports the Senate Finance Committee's commitment to achieving high quality, affordable health care coverage for all and in line with that goal, urges the Committee to significantly reduce or eliminate health disparities as part of health reform. CWLA supports the Finance Committee's proposals to strengthen data collection, improve language access and permit states to waive the current five-year bar to Medicaid and CHIP coverage for non-pregnant adults. CWLA would also support providing full Medicaid and CHIP coverage to lawfully residing immigrants automatically, beyond a state option. This would decrease disparities across state lines and promote equality of health coverage.

Conclusion

CWLA commends the Senate Finance Committee for its leadership and commitment to comprehensive health reform. We look forward to working with you as the process moves forward to ensure that vulnerable children, youth, and families receive the accessible, affordable, quality health coverage they need and deserve.

Sincerely,



Christine James-Brown
President/CEO

¹ Takayama, J.I., Wolfe, E., & Coulter, S. (1998). Relationship between reason for placement and medical findings among children in foster care. *Pediatrics*, 101, 201-207.

² Halfon et al., Mental health services for children in foster care; dosReis, S., Magno Zito, J., Safer, D.J., & Soeken, K.L. (2001). Mental health services for youths in foster care and disabled youths. *American Journal of Public Health*, 91(7), 1094-1099.

³ Geen, R., Sommers, A.S., & Cohen, M. (2005) *Medicaid spending on foster children*. Washington, DC: Urban Institute.

⁴ Pecora, P., Kessler, R., Williams, J., O'Brien, K., Downs, A.C., English, D., White, J., Hiripi, E., White, C.R., Wiggins, T., & Holmes, K. (2005) *Improving family foster care: Findings from the Northwest Foster Care Alumni Study*.

⁵ Holahan, J., Cook, A., & Dubay, L. (2007). Washington, DC: Kaiser Commission on Medicaid and the Uninsured, "Characteristics of the Uninsured: Who is Eligible for Public Coverage and Who Needs Help Affording Coverage?"