April 11, 2025

Health Care Access for Children in Foster Care

Study Findings

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Overview

- Background
  - Unique circumstances of children in foster care
  - Federal requirements
- Methodology
- Findings
  - Collaboration between Medicaid and child welfare agencies
  - Early and periodic screening, diagnostic, and treatment (EPSDT)
  - Behavioral health challenges
  - Specialty managed care plans
- Next steps

Background

Unique Circumstances of Children in Foster Care

- Trauma
  - Trauma includes abuse and neglect leading to placement in foster care, removal from family, and placement instability
  - Placement instability and disruption can exacerbate existing mental health challenges, lead to psychiatric diagnoses in young adulthood, and increase risk of suicide
- Placement disruption
  - The removal from home and placement changes while in foster care leads to fragmented health care access for children, negatively impacts their physical, behavioral, and oral health, and makes them uniquely vulnerable to developmental delays
- Siloed health care information
  - Data regarding children in foster care are spread out across Medicaid and child welfare agencies and these separate systems vary in their ability to exchange information

Federal Requirements

- Agency coordination
  - Federal rules do not require state Medicaid agencies to coordinate with their state child welfare agency counterparts when developing Medicaid policies
- Data sharing
  - Interagency data sharing is not codified in federal statute nor clarified in implementing regulations
- Medicaid managed care
  - States are increasingly enrolling children in foster care in Medicaid managed care, including specialty managed care organizations (MCOs) to deliver benefits
  - A recent study indicated that as of 2021, 42 states and the District of Columbia (DC) were enrolling children in foster care in managed care, with 14 of these states and DC using specialized MCOs

Methodology

- Federal policy review
- Literature review
- In-depth study of seven states
- Stakeholder interviews

Findings

Collaboration Between Medicaid and Child Welfare Agencies

- Collaboration
  - Stakeholders identified shared leadership priorities and established workgroups as keys to interagency collaboration
  - Agency personnel explained individual agency mandates make sustained, consistent interagency collaboration challenging. States reported implementing new programs (including therapeutic foster care) as opportunities for effective collaboration
- Coordination
  - In the absence of federal law mandating state Medicaid agencies coordinate with child welfare agencies on Medicaid program design, some states do so voluntarily. States pointed to engagement on specialty managed care plans for children in foster care as an example
- Data sharing
  - The lack of federal statutory and regulatory authority mandating data sharing between Medicaid and child welfare agencies results in inconsistent state practices hampered by perceived legal barriers, and technical and financial limitations

EPSDT

- Physical health
  - Several states reported children in foster care perform higher on physical health and preventive service measures compared to the overall child Medicaid population when care coordination supports are available
- Behavioral health
  - Stakeholders indicated children in foster care do not have timely access to behavioral health screenings and follow-up care due to workforce shortages nationwide. This finding was consistent across Medicaid delivery models
- Oral health
  - National experts and state officials identified a lack of Medicaid dental providers nationwide as the cause of delayed access to oral health screenings and dental visits, including (but not limited) for children in foster care

Behavioral Health Challenges

- Workforce shortages
  - State Medicaid and child welfare agency officials reported workforce shortages within their own agencies, as well as with provider networks, as barriers to children in foster care receiving the continuum of behavioral health services needed

- Prevention and placement stability
  - State child welfare officials reported a shift in focus to preserving families and preventing children from entering foster care to ameliorate its negative effects
  - Stakeholders cited mobile crises services and therapeutic foster care programs braiding Medicaid and child welfare funding as promising strategies to preserving foster care placements for those children who do enter out-of-home care

Specialty Managed Care Plans

- State administrative burden
  - Officials in states that use a single specialized MCO for children in foster care reported reduced burden on state agencies, improved communication with MCO staff, easier resolution of concerns, and the ability to advocate for enrollees

- Population-specific reporting
  - CMS and state Medicaid and child welfare officials noted that states with specialized managed care plans often require them to develop specific quality improvement initiatives to address the unique needs of children in foster care
  - State and federal officials also highlighted population-specific data and outcomes reporting as benefits of a specialized MCO model

Next Steps

- Commissioner feedback on the findings from this study that should be emphasized for a descriptive chapter

- Additionally, Commissioner input on potential areas for future work regarding children in foster care is welcome, such as:
  - Use of managed care, including specialty managed care organizations
  - Collaboration and data sharing between state Medicaid and child welfare agencies

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