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Ensuring Continuity of Medicaid Coverage for Former Foster Youth

by Tricia Brooks, Jennifer Pokempner, and Natalie Lawson

Key Findings

- Youth aging out of foster care have higher physical and mental health care needs than their peers, but often lack health insurance as young adults due to high costs. Medicaid provides affordable access to comprehensive medical and mental health care services to provide continuity of care and support their transition to independence.
- The ACA intended to expand coverage to all former foster youth who were enrolled in Medicaid at age 18 (or older age at state option), but a technical error in the law effectively limited coverage for in-state former foster youth. It also required states to collect information not needed to screen for eligibility for other mandatory groups before enrollment in the Former Foster Care Children group. Although the 2018 SUPPORT Act resolves these problems, it will not be fully phased in until 2031.
- States can seek Section 1115 demonstration authority to align coverage for all former foster youth and reduce the administrative burden of screening for other Medicaid coverage groups sooner than 2031, an action that the Centers for Medicare and Medicaid Services (CMS) has encouraged.¹
- Outreach after foster youth leave care can be challenging because this age group is highly mobile. Facilitating ongoing enrollment prior to exiting foster care, conducting youth-informed outreach, and streamlining application and renewal processes are important strategies to ensure that all former foster youth receive the care they need at this pivotal time.

Introduction

One of the most popular provisions of the Affordable Care Act (ACA)²—allowing young adults to stay on their parent's health plan until age 26—would neglect a vulnerable group were it not for another ACA provision extending Medicaid to former foster youth. Unlike other young adults, youth aging out of foster care do not have families to fall back on. The ACA's provision of Medicaid coverage for former foster youth until age 26³ was a significant policy change with dramatic impact on young people aging out of foster care. Being categorically eligible for health insurance as they make the challenging passage to adulthood provides a level of security that is critical to young adults as they navigate work, school, and living on their own.



Like other aspects of the ACA's expansion of coverage, the Former Foster Care Children (FFCC) group became effective on January 1, 2014. While the intent of the law was clear and the provision seemed straightforward, a technical error in the text limited coverage to former foster youth who remained in the state in which they were in foster care. It also added unnecessary administrative burden by requiring states to first assess eligibility for certain income-based mandatory Medicaid groups before enrollment in the FFCC group, which is not based on income. Congress amended the statute in the 2018 SUPPORT Act,⁴ but the fix gradually

phases in by age group and the administrative barriers to coverage for all former foster youth will not be completely resolved until January 1, 2031, unless states take action to hasten adoption of the new law.

This brief explains the importance of providing all former foster youth with access to health coverage, as well as the challenges in administering this coverage group. Importantly, it describes opportunities and ways to connect these young adults with coverage and highlights promising practices in streamlining enrollment and renewal processes.

The Importance of Health Coverage for Former Foster Youth

Former foster youth have high health care needs

Because of adverse childhood experiences, including abuse, neglect, domestic violence, and parental substance abuse, foster youth have a higher risk of serious health problems later in life, including severe obesity, diabetes, heart disease, cancer, stroke, chronic obstructive pulmonary disease (COPD), and broken bones.⁵ The research clearly illustrates that physical and mental health care issues persist over time for young people with experience in foster care. Alarming, former foster youth are twice as likely to experience Post-traumatic Stress Disorder (PTSD) compared with Iraq combat veterans; twice as likely to experience depression compared with the general population; and more likely to suffer from anxiety and attempt suicide.⁶

Health coverage is especially critical for former foster youth as they transition to adulthood

Former foster youth need health insurance to access essential medical, mental health, and substance abuse treatment services. In the past, as youth aged out of foster care, they rarely received the services they needed because of a lack of health insurance.⁷

Medicaid provides comprehensive benefits to former foster youth

All foster youth and the FFCC group under age 21 are entitled to Medicaid's Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit. EPSDT provides comprehensive and preventive health care services in Medicaid for all children and youth under age 21. All Medicaid-covered services that are deemed medically necessary must be provided (even if it is not included in the state Medicaid plan). This includes screenings, treatment, and other measures necessary to correct or ameliorate the child or youth's physical or mental conditions found through a screening or diagnostic procedure.

At age 21 or older, enrollees generally receive services through traditional Medicaid, which include an array of required and optional medical assistance items and services listed in statute. Although some states may provide services to adults in Medicaid through alternative benefit plan coverage (ABPs), where benefits are based on an overall coverage benchmark, the FFCC group is exempt from mandatory enrollment in ABPs.



Eligibility, Enrollment, and Renewal Processes

Best Practices for Covering all Former Foster Youth

1. Review transition planning protocols to ensure that foster youth are educated about the importance of health coverage, how to use their insurance, and how to stay enrolled in Medicaid.
2. Ensure that in-state foster youth are enrolled in the FFCC group during the 90-day transition period prior to leaving foster care at age 18 or older.⁸
3. Seek Section 1115 or 1902(e)(14)(A) waiver authority to cover out-of-state former foster youth under the age of 26 who turned 18 prior to January 1, 2023.
4. Conduct outreach using social media and through organizations led by youth,⁹ peer networks, and community-based organizations that serve former foster youth.
5. Create a simplified application form that facilitates enrollment of both in-state former foster youth who experience a lapse in Medicaid coverage and out-of-state former foster youth.
6. Ensure that online applications use dynamic questioning to collect only information that is needed to determine eligibility for the FFCC group.
7. Provide helplines and online tools to provide accessible information and assist young people with enrollment.
8. Accept self-attestation of former foster care status (as well as age/date of birth and state residency).¹⁰
9. Apply for a waiver to provide continuous coverage to the FFCC group until age 26 (see Arizona example in Appendix 2) or create automated (ex parte) renewal processes that ensure continuity of coverage at renewal until age 26.
10. Ensure that FFCC enrollees are evaluated for other categories of Medicaid when they age out of FFCC eligibility at 26.

States must cover the FFCC group in Medicaid

The FFCC group is a mandatory Medicaid category, meaning all states that operate a Medicaid program must cover these youth regardless of whether they have expanded Medicaid to low-income adults. In fact, because the FFCC is a mandatory group, former foster youth are not eligible to be enrolled under the adult Medicaid expansion group. Former foster youth who were in foster care, enrolled in Medicaid at age 18 or when they aged out of foster care, and who remain state residents are eligible in the state where they were in foster care. The SUPPORT Act additionally requires states to cover former foster youth who moved from another state if they turn age 18 on or after January 1, 2023. Older foster youth from other states are not eligible unless the state secures approval from CMS to align coverage for all former foster youth. Unlike most Medicaid categories, the FFCC group is not subject to an income test. (See eligibility chart on page 4.)

The Chafee Option and the FFCC Coverage Group

States that provide Medicaid coverage to foster youth after the age of 18 through the Chafee option can retain that form of coverage. However, they must transition the youth to the former foster youth group no later than when they hit the Chafee age limit if they are eligible. Maintaining the Chafee option remains important for foster youth who may not be eligible for the FFCC coverage group. (See appendix 3 for more details on the Chafee option.)

Eligibility for lawfully-residing immigrant former foster youth

Lawfully residing immigrant former foster youth are eligible for the FFCC group in the 35 states (including D.C.) that have taken advantage of the option to remove the five-year waiting period for children, but only up to age 21.¹¹ Once the youth turns 21, their eligibility for the FFCC group is based on immigration rules for adults, which exclude immigrants unless they have been legal permanent residents for five years. As a result, a former foster youth who is lawfully-residing may lose eligibility for any Medicaid category as an adult until they have met the five-year waiting period or become pregnant in states that have expanded immigrant pregnancy coverage.¹² Lawfully present immigrant former foster youth may otherwise be eligible for Marketplace financial assistance or for state-funded immigrant coverage, which are income-based.¹³



Former Foster Care Children's Group (FFCC) Medicaid Eligibility

Basic Eligibility

- Former foster care youth
- < Age 26
- Enrolled in Medicaid at 18 or when they aged out later. States also have the option to include former foster youth who were enrolled in Medicaid at any time.
- Citizen or lawfully residing immigrant in 32 states opting to cover lawfully residing children up to age 21
- State resident

Where was youth in foster care?

In-State Former Foster Youth

- Eligible

Out-of-State Former Foster Youth

- If individual turned 18 on or after January 1, 2023: Eligible for FFCC group in all states
- All FFY under age 26: Eligible for FFCC in states that adopted a waiver to accelerate phase-in by age
- Out-of-state FFY who turned 18 before January 1, 2023, are NOT eligible for FFCC but must be screened for other categories of eligibility

What happens at age 21 if the FFY is a lawfully residing immigrant?

- No longer eligible for federally-funded Medicaid
- May be eligible if pregnant and in a state that covers lawfully residing immigrants who are pregnant
- May be eligible in states that use state and/or other funding to cover adult immigrant groups
- May be eligible for financial assistance to purchase a Marketplace plan in non-expansion states if income is between 100% - 138% FPL

What happens at age 26?

- No longer eligible for FFCC group
- Eligibility must be reviewed for other categories of Medicaid that are income- or disability-based, including adult expansion
- May be eligible for financial assistance to enroll in Marketplace coverage



States should align eligibility for all out-of-state former foster youth using Section 1115 waiver authority

If a youth was in foster care and enrolled in Medicaid in any state and turned 18 on or after January 1, 2023, the youth is eligible for FFCC coverage in all states. However, a youth under age 26 who was formerly in foster care is not eligible for the FFCC group in a different state if they turned 18 before January 1, 2023. Section 1115 demonstration authority would allow states to immediately cover all former foster youth up to age 26, regardless of the state in which they were in foster care and covered by Medicaid. In its December 2022 guidance, CMS encourages states to align coverage for all former foster youth.¹⁴ By accelerating the phase-in of the SUPPORT Act's FFCC group eligibility changes, states can avoid the administrative challenges associated with the law's approach while extending needed health insurance to all former foster youth at a pivotal time as they transition to independence.

During the unwinding of the COVID-related Medicaid continuous coverage requirement, CMS also allowed states to use temporary waiver flexibilities under Section 1902(e)(14)(A) authority to align eligibility for all former foster youth. These waivers have been extended through June 2025.

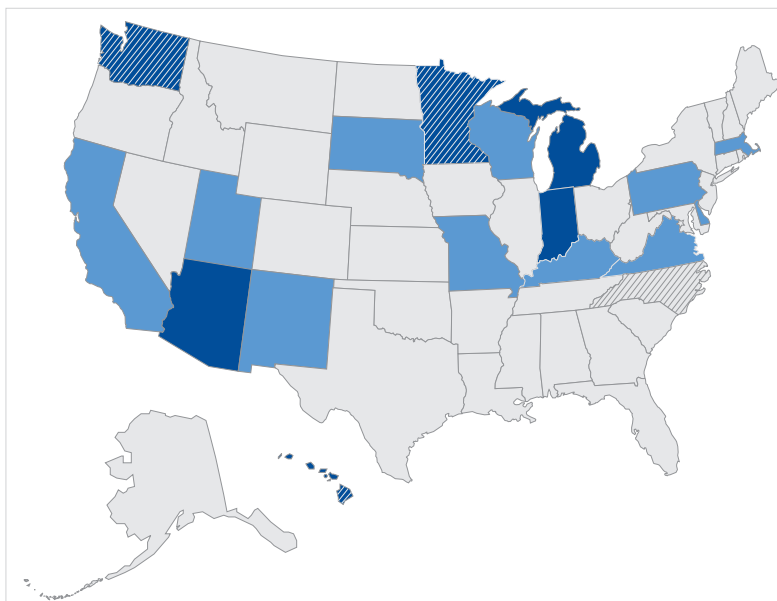
Screening former foster youth for other mandatory categories of Medicaid is not required

CMS has determined that states do not need to seek section 1115 authority to enroll individuals who turned 18 prior to January 1, 2023, in the FFCC group even if the individual has a disability, is pregnant, or is a parent or caretaker relative and might be

eligible on one of those bases.¹⁵ Effectively, the FAQ eliminates the requirement for states to screen for other mandatory eligibility groups noting that gathering additional information, including income, would create an unnecessary administrative burden for both the individual and the state. However, if the state has sufficient information to determine eligibility for other mandatory groups, it must still enroll the individual in that group.

Coverage options for former foster youth who move to another state

Unless a state has a waiver, out-of-state former foster youth under the age of 26, who turned 18 before January 1, 2023, will only be able to enroll in Medicaid if they are eligible under a different category of Medicaid that is based on income or disability. These youth must complete the full Medicaid application, which requires income information, tax filing status, and access to other job-based health coverage that meets minimum value and minimum essential coverage standards. Documentation may be required if states are unable to verify eligibility through electronic sources, a process that is working better in some states than others.¹⁶ In non-expansion states, former foster youth, depending on income, may still be eligible for financial assistance to purchase a marketplace plan. However, in states that have not expanded Medicaid to adults, former foster youth (who are not pregnant or a parent) with incomes below 100% FPL will fall into the coverage gap in all non-expansion states except Wisconsin.¹⁷



States with Waiver Authority to Cover All Out-of-State Former Foster Youth in Medicaid

- Approved section 1902(e)(14)(A) waiver (temporary) (6 states)
- Approved section 1115 demonstration (11 states)
- ▨ Section 1115 demonstration application pending with CMS (4 states)

Source: Georgetown University Center for Children and Families review of Section 1115 waiver applications and approvals, and July 2024 email communication with CMS regarding states with current Section 1902(e)(14)(A) waivers.



Transitions, Education, and Outreach

✓ Educate foster youth about the importance of health coverage before they become independent

Foster youth should be enrolled in the FFCC coverage group as part of the required transition planning process prior to leaving foster care at age 18 or older. This obligation flows from the following two requirements of federal law:

- The transition plan must include “specific options on . . . health insurance . . .”¹⁸
- Prior to the discharge of a youth who is age 18 or older, they must be provided “health insurance information, including any cards needed to access care, and medical records.”¹⁹

Child welfare agencies should also incorporate health literacy and health insurance literacy in the information that youth must be provided beginning at age 14 to prepare them for the transition to adulthood.²⁰ The transition planning process becomes more specific and concrete as the youth ages and should be used to educate youth about the critical nature of health insurance and how Medicaid coverage works when they age out, including how to stay enrolled and what actions to take if they move to another state.

✓ Ensure enrollment in the FFCC group prior to exiting foster care

Nearly all youth are eligible for Medicaid while in foster care. Given the eligibility criteria for the FFCC group—being in foster care and covered by Medicaid—there should be no need for foster youth to complete a new application as they transition out of foster care. Since they are transitioning to a new coverage group where there is no income requirement, all that is usually required is changing an eligibility code and sending a notice of eligibility. Technically, this is considered a change of circumstances, at which time Medicaid must review ongoing eligibility for all other basis of eligibility. Since there is no income or asset test, the state Medicaid agency should have all the information it needs to switch the individual to the FFCC group.

Failure to take action to ensure continuity of Medicaid coverage puts the health and well-being of former foster youth at risk and undermines their access to essential physical and behavioral health care at a critical phase of life.

✓ Reach out to former foster youth

Enrollment can be challenging for youth who have not yet turned 26 but have aged out of foster care and were disenrolled from Medicaid. These young adults are highly mobile and may be difficult to identify for the purposes of outreach and engagement, so linking them to ongoing Medicaid coverage before leaving the foster care system is critical. States should develop a rigorous plan for outreach to former foster youth that is informed by young people. Because the most effective messengers to young people are their peers, child welfare agencies should seek input from young people about effective outreach strategies and it is recommended that they hire and train young people to connect and share information with former foster youth. In addition to providing a simplified application process (discussed below), states can facilitate enrollment by providing helplines and assistance in completing applications,²¹ as well as other online tools, such as pop ups and chat bots, that will quickly route young people to an application and assist with completion.

✓ Engage partners to maximize the effectiveness of outreach and education

As foster youth get closer to independence, information about Medicaid and the importance of health insurance should become more frequent and provided by an array of stakeholders, including social workers, foster parents, independent living workers, health care providers, and community-based organizations. Child welfare agencies should partner with these stakeholders so they understand how FFCC coverage works and can share this information with young people.



✓ Simplified application forms can facilitate enrollment

CMS encourages states to create a simplified application specifically for former foster youth that asks only for the required information to determine eligibility. This can be accomplished by creating a separate single page application (see California example in appendix 2) and by embedding dynamic questions in the online application that asks young people under age 26 who self-identify as eligible former foster youth to answer only the applicable questions.

✓ Documentation should not be required to verify eligibility

Federal Medicaid rules only require states to verify income and citizenship or qualified immigration status. However, income is not an eligibility factor for the FFCC group, and citizenship/immigration status can almost always be verified electronically. All other eligibility criteria for FFCC coverage—age, state residency and former foster youth status—may be self-attested. States must first attempt to verify eligibility using electronic data from trusted sources before requesting documentation from the applicant or enrollee. If an applicant attests to citizenship or lawful presence that cannot be verified electronically, states must provide a minimum 90-day reasonable opportunity period for individuals to provide documentation, during which time they receive benefits.

✓ Streamline enrollment for in-state foster youth after they leave foster care

Youth who previously aged out of in-state foster care and experience a gap in Medicaid coverage will need to complete a new application, preferably using a simplified application designed specifically for the FFCC group. Depending on the length of the youth's break in coverage, the Medicaid agency may or may not need to re-verify citizenship or lawful immigration status but can generally do so electronically. All other criteria may be self-attested. While a state can require verification, it is not required to do so. If a state chooses to require proof of former foster care status, the state should be able to confirm eligibility for in-state youth from its own records.

✓ Streamline enrollment for out-of-state former foster youth

Out-of-state former foster youth will have to complete a new application when they move to a new state. While verification of citizenship or lawful immigration status will be required, all other eligibility criteria may be self-attested. If a state opts to require verification of former foster youth status, they can utilize the expertise of Independent Living Coordinators in the child welfare system to assist with verification of former foster care status for youth from other states. Each state has an Independent Living Coordinator,²² whose role is to provide Chafee Program services to eligible young people who are in foster care and who have aged out.²³ Because Chafee services must be provided to young people even if they are from out-of-state, Independent Living Coordinators are accustomed to verifying former foster care eligibility for youth from other states as well as performing outreach about services.

✓ Effective strategies to reach youth who have already aged out of the foster care system

Outreach to young adults after leaving care can be challenging because their age group is highly mobile. For that reason, strategies like automatic renewal through ex parte reviews are critical to keeping young people covered. If young people lose coverage or have not been enrolled after they leave care, the following strategies can be used to reconnect them to coverage:

- Hire young people to design and conduct outreach.
- Use various modes to communicate with young adults (e.g., FFCC dedicated webpages, renewal materials/notices, brochures/pamphlets, electronic communications, social media, public transit ads).
- Partner with organizations that serve young adults, like community colleges and universities, libraries, jobs programs, shelters, transitional housing programs, and health care providers, including community health clinics and family planning clinics.
- Partner with organizations that are effective in using social media and mobile apps to reach young people.



✓ Opportunities to provide temporary coverage while eligibility is being verified

Presumptive eligibility (PE) is a policy that enables states to use a qualified entity to screen for Medicaid eligibility and temporarily enroll an applicant while a regular Medicaid application is submitted and processed. Under the ACA, all states must allow hospitals to make presumptive eligibility determinations for all Medicaid former foster youth (and other groups), although some states have discouraged this practice. States may also opt to allow other qualified entities, like schools or community health centers, to make presumptive eligibility determinations for former foster youth if the state has adopted PE for pregnancy or child coverage. Under PE, an individual is covered until a full Medicaid determination is made or until the end of the month following the PE determination, whichever comes first. Qualified entities may include health care providers, schools, community-based organizations, agencies that determine eligibility for other health or social services programs, jails, or entities of the courts, among others.²⁴

✓ Promote continuous coverage until age 26

Because a young person's early 20s is often a time of mobility and change, keeping young people enrolled in Medicaid through age 26 provides a critical element of stability. There are several strategies states can take to effectively provide automatic renewal, which can greatly reduce a young person's risk of becoming uninsured.

Like income-based Medicaid eligibility groups, states must complete annual renewals for the FFCC group but must first attempt to confirm ongoing eligibility at renewal automatically via *ex parte*.²⁵ Because the FFCC category is not based on income and the young person's former foster care status does not change over time, renewing coverage should be straightforward. As

long as the individual continues to be a state resident, they remain eligible until age 26. Since states are required to take steps to update contact information on an ongoing basis, if the state has no information suggesting the individual has left the state, the state should renew coverage automatically.

Alternatively, states can apply for an 1115 demonstration waiver to provide automatic renewals for until age 26. For example, in 2022, Arizona passed HB 2622²⁶ to improve Medicaid coverage for young people by requiring annual automatic renewal of coverage until the young person reaches age 26 unless the individual notifies the Medicaid agency that they have moved out of state or may qualify for another eligibility category. While states do not need a law to provide automatic renewal of Medicaid coverage and can accomplish this administratively, this state legislation ensured that the policy would be effectuated and that a Section 1115 waiver application was submitted.²⁷





Conclusion

Youth transitioning out of foster care are at both a challenging and pivotal time of their lives. Having health care coverage through Medicaid provides security and stability as they make the steep climb to adulthood often on their own. Having insurance improves access to physical and behavioral health care, which allows young people to stay healthy, continue healing, and avoid financial and other crises that may arise from being uninsured. Data from the National Youth in Transition Database underscores the

need for policymakers to ensure that young people who are eligible for the FFCC coverage category get and stay insured.²⁸ Accelerating implementation of the SUPPORT Act provisions and tailoring application and renewal processes to streamline enrollment for former foster youth provide an excellent opportunity to ensure that no former foster youth lacks access to health care services that can make a permanent difference in their lives.

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Appendix 1. Legislative and Regulatory History of Efforts to Expand Medicaid Coverage to Former Foster Youth

Federal Legislation

1999 – The [John H. Chafee Foster Care for Successful Transition to Adulthood Independence Act](#) was one of the first pieces of federal law that specifically targeted the needs of young people transitioning from foster care to adulthood. The law allocated funding to states for the purpose of preparing older youth for adulthood and gives states the option to extend Medicaid to youth aging out of foster care up to the age of 21. States may provide Medicaid coverage to “independent foster care adolescents” and “any reasonable categories of such adolescents specified by the State.”

2008 – [The Fostering Connections to Success and Increasing Adoptions Act](#) requires states to develop a transition plan for each individual to address such issues as health insurance prior to being discharged from foster care at age 18 or older. Prior to the discharge of a youth who is age 18 or older, they must be provided “health insurance information, including any cards needed to access care, and medical records.”

2010 – [The Affordable Care Act](#) created a new mandatory Medicaid coverage group such that any individual under the age of 26 who was both enrolled in Medicaid and in foster care on their 18th birthday is eligible until the age of 26. However, technical errors in the ACA effectively limited

eligibility in the Former Foster Children Coverage (FFCC) group to individuals who remain in the state in which they were in foster care and enrolled in Medicaid at age 18 (or later age at state option). It also imposed administrative barriers to the FFCC group by requiring that states screen and enroll in other mandatory Medicaid categories, including children, parent/caretaker, and pregnancy. The mandatory FFCC group became effective January 1, 2014.

2018 – The [Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities](#) (SUPPORT) Act sought to fix the unintended flaws in the ACA that fell short of covering all former foster youth and posed administrative barriers to enrollment. First, the law clarified that states must cover all former foster youth up to age 26 regardless of the state in which they were in foster care (and enrolled in Medicaid). It also eliminates the need for states to collect income and resource information to screen former foster youth under other mandatory coverage groups (children, parent/caretaker, or pregnancy). The provisions are phased in by age starting with young adults who turned 18 on or after January 1, 2023. Thus, it will take seven years—until January 2031—to fully implement what was intended when the ACA became effective in 2014.

Federal Regulation

| | Statutes | Regulations |
|--|--|------------------|
| Optional eligibility for independent foster care adolescents | 1902(a)(10)(A)(ii)(XVII); 1905(w)(1) | 42 CFR § 435.226 |
| Former foster care children | 1902(a)(10)(A)(i)(IX); 1902(a)(10) in subdivision (XVII) in the matter after G; 1905(a)(xiv) | 42 CFR § 435.150 |



Federal Guidance

December 27, 2013 – [Medicaid and CHIP FAQs: Coverage of Former Foster Care Children](#) Frequently Asked Questions

November 21, 2016 – [Section 1115 Demonstration Opportunity to Allow Medicaid Coverage to Former Foster Care Youth Who Have Moved to a Different State](#) CMCS Informational Bulletin

- [States That Provide Medicaid Coverage for New Adult Group](#)
- [States That Do Not Provide Medicaid Coverage for New Adult Group](#)

June 1, 2017 – [Ensuring Access to Medicaid Coverage for Former Foster Youth](#) Slide Deck

September 9, 2019 – [Ensuring Continuity of Coverage for Foster Youth Aging Out of Foster Care and Young Adults Eligible for the Former Foster Care Group](#) Slide Deck

December 16, 2022 – [Coverage of Youth Formerly in Foster Care in Medicaid \(Section 1002\(a\) of the SUPPORT Act\)](#).

This State Health Official letter (SHO) encourages states to use Section 1115 waiver authority to extend Medicaid coverage to individuals under age 26 who were in foster care in another state when they turned 18 or aged out of foster care, and who had been enrolled in Medicaid in the other state while in such foster care. The SHO also clarified that states were not required to screen eligibility for other mandatory groups if they were not enrolled.

December 16, 2022 – [Medicaid Coverage of Youth Formerly in Foster Care Changes under Section 1002\(a\) of the SUPPORT Act](#) Slide Deck

May 12, 2023 – [End of the Medicaid Continuous Enrollment Condition Frequently Asked Questions for State Medicaid and CHIP Agencies](#) Frequently Asked Questions #20

January 30, 2024 015 – [Former Foster Care Children Medicaid Policy Update](#) Slide Deck

September 26, 2024 – [Best Practices for Adhering to Early and Periodic Screening, Diagnostic, and Treatment \(EPSDT\) Requirements](#). This State Health Official letter (SHO) includes a section on “Improving Care for Children with Specialized Needs,” which discusses the unique needs of youth leaving foster care. The letter reminds states that they are required to cover former foster youth until age 26 and ensure that those under age 21 receive the full benefit of EPSDT services.



Appendix 2. Examples of State Promising Practices

Below are a few examples from states of effective practices for enrolling young people and keeping them covered under the FFCC coverage group.

Arizona: Automatic Renewal

In 2022, Arizona passed HB 2622¹ to improve Medicaid coverage for young people by requiring annual automatic renewal of coverage. The law requires automatic renewal until the young person reaches age 26 unless the individual notifies the Medicaid agency that they have moved out of state or may qualify for another eligibility category. While states do not need a law to provide automatic renewal of Medicaid coverage and can accomplish this through effective annual ex parte renewal policies, this state legislation ensured that the policy would be effectuated and ensured that an 1115 waiver application was submitted.²

California: Simplified Application and Renewal Process

California has implemented several strategies for enrolling former foster youth in Medi-Cal, the state's Medicaid program. The state developed a one-page application for former foster youth.³ Individuals simply fill out their name, date of birth, Social Security number, address, and the state where they were in foster care. The short, straightforward application allows individuals to bypass information that is not required to determine their eligibility as a former foster youth, including income or asset information. In fact, the application explicitly states: "If you are completing this application it is because you were in foster care. If you were in foster care in any state or tribe, you may qualify for the Medi-Cal program for former foster youth. You may be eligible to receive Medi-Cal benefits at no cost. Your income or resources (such as a car) do not matter, and you do not need to give your income or resource information for you to be eligible for Medi-Cal."⁴

Moreover, the state does not require these youth to provide documents proving their foster care status. If youth aged out of the California foster care system, the state will verify through their own Child Welfare System/Case Management System. For youth that aged out of care in another state, California will reach out to the other state to verify foster care. Youth are enrolled in Medicaid while the state verifies foster care status, ensuring access to health care.⁵

Additionally, California automatically enrolls foster youth into the Medicaid foster care category who are still in foster care on their 18th birthday, and automatically renews their coverage each year on their birthday until they turn 26. California also has an 1115 waiver that will allow the coverage of young people who were in foster care in another state and reached age 18 prior to January 1, 2023.⁶

Georgia: Proactive Enrollment

Georgia has implemented a proactive process to help former foster youth transition to adulthood, which starts with counseling youth in the year before they turn 18 about their options to receive extended foster care with Medicaid or to retain Medicaid if they exit care. The state provides information verbally and in writing about eligibility for health coverage through the Chafee Option and through the FFCC group. If a youth leaves care, the Georgia Department of Human Services (GDHS) will transition the individual to either the Chafee option or the FFCC group. The process eliminates the need for the individual to complete an application.⁷



Georgia policy allows self-attestation of receipt of foster care in another state at the time the youth turned 18 or aged out of the foster care to reduce barriers to access health coverage.⁸

The state first attempts to verify determined electronically and only requires proof if an electronic data match is unsuccessful. After confirming eligibility, the appropriate steps are taken to enroll the individual in the former foster youth category.

Indiana: Enrollment and Renewal

In 2017, Indiana enacted two laws that help ensure that eligible young people are enrolled and stay enrolled in Medicaid under the FFCC category. First, the law requires that the Medicaid agency assist the department of child services in the enrollment of eligible young people before they become 18 years of age or are emancipated from foster care.⁹ It also prohibits the Medicaid agency from requiring the submission of eligibility information after the individual's enrollment in the Medicaid program under the FFCC category.¹⁰ Second, the law amended the state transition plan requirement to specifically require that the transition plan include “information concerning the individual's eligibility and participation in the Medicaid program” to help ensure that coverage is in place prior to discharge.¹¹

New York: Enrollment

Like California, New York takes a simplified approach to enrolling former foster youth. It is the policy of the state to automatically enroll eligible youth as they age out and provide automatic renewal until age 26.¹² State policy requires that enrollment in the FFCC category take place as part of the transition planning process and that the caseworker is responsible for providing any needed information to the Medicaid office.¹³ The child welfare agency issues letters to young people to inform them of their new coverage category. State policy indicates that former foster youth who aged out in another state do not need to provide proof of foster care status, and that the Medicaid agency will do any verification that is necessary.¹⁴

North Carolina: Smooth Enrollment through Managed Care

North Carolina provides an example of how Managed Care Plans may assist in ensuring automatic enrollment into the FFCC category as well as continuous care as a youth leaves foster care. In 2023, North Carolina's Medicaid agency launched a managed care plan called the Children and Families Specialty Plan (CFSP). This Managed Care Plan includes children and youth connected with the child welfare system and youth under age 26 in the FFCC eligibility category.¹⁵ The Plan provides case management services that include ensuring that proper planning occurs around important transition points, including the transition out of foster care. The Managed Care Plan case manager participates in the child welfare 90-day transition plan and is tasked with facilitating continued Medicaid coverage and with developing a “Health Passport” that contains critical health care-related information for each young person.¹⁶



Appendix 2 Endnotes

¹ HB 2622, <https://legiscan.com/AZ/text/HB2622/id/2600965>. The bill is codified at AZ Rev Stat § 36-2903.04 (2023).

² All of Arizona's 1115 Waiver application documents can be found here: <https://www.azahcccs.gov/Resources/Federal/PendingWaivers/YATIWaiverRequest.html> and the final application for the Former Foster Youth - Annual Automatic Renewal Waiver can be found here: <https://www.azahcccs.gov/Resources/Downloads/Federal/FinalAHCCCSFormerFosterYouthWaiverAmendmentProposal.pdf>.

³ Form MC250A, Application for Medi-Cal for Former Foster Care Youth, available at https://www.dhcs.ca.gov/formsandpubs/forms/Forms/MCED/MC_Forms/MC250A_Eng.pdf.

⁴ Ibid.

⁵ See All County Welfare Directors Letter No.: 14-41, Enrollment in the Former Foster Care Children's (FFCC) Program for Mandatory Coverage Group and Optional Coverage Group - County Process for Medi-Cal Applicants and Beneficiaries (Feb 5, 2015), pages 4-5, available at <https://www.dhcs.ca.gov/services/medi-cal/eligibility/letters/Documents/c14-41.pdf> ("... verification is the responsibility of the county and if an applicant does not have this information, it is not a barrier to immediate enrollment into this program.")

⁶ Centers for Medicare and Medicaid Services, "CalAIM 1115 Approval Letter and STCs," (December 29, 2021), available at <https://www.dhcs.ca.gov/provgovpart/Documents/CalAIM-1115-Approval-Letter-and-STCs.pdf>.

⁷ Georgia Division of Family and Children Services Child Welfare Policy Manual, Policy No. 13.10, "Medical Insurance for Youth 18 Years of Age and Older and the Georgia Advance Directive for Health Care" (October 2015), available at <http://odis.dhs.state.ga.us/ViewDocument.aspx?docId=3005930&verId=1>.

⁸ Georgia Division of Family and Children Services Medicaid Policy Manual, Policy No. 2819, "Former Foster Care Medicaid" (November 2020), available at <http://odis.dhs.state.ga.us/ViewDocument.aspx?docId=4001489&verId=1>.

⁹ See Indiana Code 12-15-2-16.2 (b) ("The office shall assist the department of child services in the enrollment of an individual described in subsection (a) before the individual becomes eighteen (18) years of age or is emancipated from the foster care program.")

¹⁰ See Indiana Code 12-15-2-16.2 (c) ("The office may not require an individual described in subsection (a) to submit eligibility information to the office after the individual's enrollment in the Medicaid program during the individual's eligibility for the Medicaid program under this section.")

¹¹ Indiana Code 31-25-2-21 (a)(4).

¹² Administrative Directive, 15-OCFS-ADM-17, "Patient Protection and Affordable Care Act and Medicaid to Age 26," (September 1, 2025), page 3, available at https://ocfs.ny.gov/main/policies/external/OCFS_2015/ADMs/15-OCFS-ADM-17%20Patient%20Protection%20and%20Affordable%20Care%20Act%20and%20Medicaid%20to%20Age%2026.pdf.

¹³ Ibid. at page 6.

¹⁴ Office of Children and Family Services, "Former Foster Care Youth and the Affordable Care Act and SUPPORT Act," available at <https://ocfs.ny.gov/main/sppd/health-services/affordable-care-act.php>.

¹⁵ North Carolina Department of Health and Human Services, Division of Health Benefits, "North Carolina's Children and Families Specialty Plan Frequently Asked Questions (FAQs)," available at <https://medicaid.ncdhhs.gov/north-carolinas-children-and-families-specialty-plan-faqs-0/download?attachment>.

¹⁶ North Carolina Department of Health and Human Services, Division of Health Benefits, "Update on North Carolina's Children and Families Specialty Plan North Carolina Department of Health and Human Services Division of Health Benefits," Pages 16-17 (January 16, 2024), available at <https://medicaid.ncdhhs.gov/documents/children-and-families-specialty-plan-policy-paper/open>.



Appendix 3. The FFCC Mandatory Group and the Chafee Option

The Chafee option for Medicaid coverage became available to states in 1999 with the enactment of the Chafee Foster Care Independence Act.¹ The law allows states to provide Medicaid coverage to what the law calls “independent foster care adolescents”² and “any reasonable categories of such adolescents specified by the State . . .”³

While there is significant overlap in eligibility under the two groups, the FFCC group does not necessarily cover all youth who would be eligible under the Chafee option. For this reason, there remains good reason for states to take up this option to expand the number of youth with experience in foster care who are covered by Medicaid as they transition to adulthood.

Unlike the former foster care group, eligibility under the Chafee option requires that the youth be in foster care but does not require the individual to be enrolled in Medicaid when they turn 18. Nor are they required to reside and seek coverage in the same state they aged out of foster care. However, under the Chafee option, foster care youth may be subject to an income test.

States that have taken the Chafee option must transition eligible youth to the mandatory FFCC coverage group no later than when they hit the upper age limit for coverage under the Chafee Option as required by federal regulation.⁴

Comparison of Eligibility Requirements for Mandatory FFCC Medicaid Group and the Chafee Option

| | Mandatory Former Foster Care Children Group | Chafee Option |
|---|---|--|
| Age range | 18 or aging out of foster care to age 26 | 18 up to age 21, state option |
| Required to have been enrolled in Medicaid when they turned 18? | Yes | No |
| Required to have aged out in the same state in which the individual is applying for coverage? | No, if the youth turned age 18 on January 1, 2023 or after. | No |
| Income test required? | No | State option |
| Type of Foster Care? | Title IV-E foster care and state-funded foster care | Title IV-E foster care and, at state option, individuals in state-funded foster care |

¹ P.L. 106-169. Codified at 42 U.S.C.A. 677.

² See 42 U.S.C.A. 1396d (w)(1)(An individual “(A) who is under 21 years of age; (B)who, on the individual’s 18th birthday, was in foster care under the responsibility of a State; and (C)whose assets, resources, and income do not exceed such levels (if any) as the State may establish consistent with paragraph (2).”)

³ 42 U.S.C.A. 1396a(a)(10)(XVII).

⁴ Prior to making a determination of ineligibility, the agency must consider all bases of eligibility, consistent with 42 C.F.R. §435.916(f)(1).



Endnotes

- ¹ Centers for Medicare and Medicaid Services, “SHO #22-003: RE: Coverage of Youth Formerly in Foster Care in Medicaid (Section 1002(a) of the SUPPORT Act),” (December 16, 2022), available at <https://www.medicare.gov/federal-policy-guidance/downloads/sho22003.pdf>.
- ² KFF Health Tracking Poll, “After the Election, the Public Remains Sharply Divided on Future of the Affordable Care Act,” shows that 85% of American favor allowing young adults to stay on their parent’s insurance plans until age 26, available at <https://www.kff.org/affordable-care-act/press-release/after-the-election-the-public-remains-sharply-divided-on-future-of-the-affordable-care-act/>.
- ³ 42 U.S.C.A. 1396a (a)(A)(i)(IX).
- ⁴ Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act, Pub. L. 115-271, 132 Stat 3894 (2018).
- ⁵ Centers for Medicare and Medicaid Services, “CMS All State SOTA Call: Ensuring Access to Medicaid and Coverage for Former Foster Care Youth,” (June 1, 2017), available at <https://www.medicare.gov/state-resource-center/mac-learning-collaboratives/downloads/foster-care-ensuring-access.pdf>.
- ⁶ Centers for Medicare and Medicaid Services, “The Coverage Learning Collaborative: Ensuring Continuity of Coverage for Foster Youth Aging Out of Foster Care and Young Adults Eligible for the Former Foster Care Group,” (September 9, 2019), available at <https://www.medicare.gov/state-resource-center/mac-learning-collaboratives/downloads/foster-care-ensuring-coverage-continuity.pdf>.
- ⁷ P. Jaudes, et al., “Policy Statement: Health Care of Youth Aging Out of Foster Care,” *Pediatrics* 130, no. 6 (December 2012), available at <http://pediatrics.aappublications.org/content/130/6/1170.full.pdf>.
- ⁸ The transition plan must be developed at least 90 days before a youth leaves foster care at age 18 or older. It must include “specific options on . . . health insurance . . .” 42 U.S.C.A. § 675(5)(H). In addition, prior to the discharge of a youth who is age 18 or older, they must be provided “health insurance information, including any cards needed to access care, and medical records.” 42 U.S.C.A. § 675(5)(I).
- ⁹ FosterClub developed an effective campaign and materials to spread the word to young people that can be found at [https://www.fosterclub.com/healthcareffy#:~:text=Under%20federal%20law%2C%20youth%20are,Youth%20\(%E2%80%9CFFY%E2%80%9D\)](https://www.fosterclub.com/healthcareffy#:~:text=Under%20federal%20law%2C%20youth%20are,Youth%20(%E2%80%9CFFY%E2%80%9D)).
- ¹⁰ CMS has stated that “states that enroll all foster care children (including state-funded foster care children) in Medicaid may assume that an applicant indicating they were formerly in foster care in the state was also enrolled in Medicaid.”
- ¹¹ T. Brooks, et al. “A Look at Medicaid and CHIP Eligibility, Enrollment, and Renewal Policies During the Unwinding of Continuous Enrollment and Beyond,” Appendix Table 4, (Washington, KFF, June 2024), available at <https://www.kff.org/report-section/a-look-at-medicaid-and-chip-eligibility-enrollment-and-renewal-policies-during-the-unwinding-of-continuous-enrollment-and-beyond-appendix-tables/#Table4>.
- ¹² Ibid.
- ¹³ Note that young people applying for Special Immigrant Juvenile Status (SIJ) are not legal permanent residents until they secure their green card.
- ¹⁴ CMS describes this approach in a State Health Official Letter dated December 16, 2022, available at <https://www.medicare.gov/federal-policy-guidance/downloads/sho22003.pdf>.
- ¹⁵ See question 20, available at <https://www.medicare.gov/federal-policy-guidance/downloads/caa-2023-unwinding-faqs-05122023.pdf>.
- ¹⁶ There is no benefit to former foster youth to be enrolled in these other eligibility groups, and no financial implications for either the state or federal government since all categories receive the same federal financial participation. CMS has indicated that if states do not receive all the information needed to verify eligibility for other mandatory groups, they should enroll eligible youth in the former foster care group. However, it is not clear that state systems and processes are in place to ensure these applications are not denied arbitrarily when there is missing information needed for other coverage groups. This lack of clarity provides additional support for states to apply for an 1115 waiver so that a uniform and streamlined application process can be used for all young people.
- ¹⁷ As of this publication, states that have not taken up Medicaid expansion are Alabama, Florida, Georgia, Kansas, Mississippi, South Carolina, Tennessee, Texas, Wisconsin, and Wyoming.
- ¹⁸ 42 U.S.C.A. § 675(5)(H).
- ¹⁹ 42 U.S.C.A. § 675(5)(I).
- ²⁰ The case plan for a child who has attained age 14 and older must include “a written description of the programs and services which will help such child prepare for the transition from foster care to a successful adulthood.” 42 U.S.C.A § 675 (1)(D).
- ²¹ Customer service scripts can be developed for helpline staff to equip them to provide tailored support to young people who may be eligible for the FFCC coverage category.
- ²² A list of state Independent Living Coordinators can be found at <https://www.childwelfare.gov/resources/states-territories-tribes/state-child-welfare-agency-education-contacts-independent-living-and-education-and-training/?rt=808>.
- ²³ 42 U.S.C.A. § 622(b).
- ²⁴ Centers for Medicare and Medicaid Services, “Implementation Guide: Medicaid State Plan Eligibility Presumptive Eligibility Former Foster Care Children – Presumptive Eligibility,” page 3, available at <https://www.medicare.gov/resources-for-states/downloads/macpro-ig-former-foster-care-children-presumptive-eligibility.pdf>.
- ²⁵ Centers for Medicare and Medicaid Services, “CMCS Informational Bulletin: Medicaid and Children’s Health Insurance Program (CHIP) Renewal Requirements,” page 16, (December 4, 2020), available at <https://www.medicare.gov/federal-policy-guidance/downloads/cib120420.pdf>.
- ²⁶ HB 2622, <https://legiscan.com/AZ/text/HB2622/id/2600965>. The bill is codified at AZ Rev Stat § 36-2903.04 (2023).
- ²⁷ All of Arizona’s 1115 Waiver application documents can be found at <https://www.azahcccs.gov/Resources/Federal/PendingWaivers/YATIWaiverRequest.html>, and the final application for the Former Foster Youth - Annual Automatic Renewal Waiver can be found at <https://www.azahcccs.gov/Resources/Downloads/Federal/FinalAHCCCSFormerFosterYouthWaiverAmendmentProposal.pdf>.
- ²⁸ In fiscal year 2021, only 68% of young people were covered by Medicaid at age 21. Administration for Children and Families, “National Youth in Transitions Database, Outcome Data Snapshot: National,” (FY 2017 - 2021), available at <https://www.acf.hhs.gov/sites/default/files/documents/cb/nytd-outcomes-national-2021.pdf>.