

ACF

Administration
for Children
and Families

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families

1. Log No: ACYF-CB-IM-23-04

2. Issuance Date: April 5, 2023

3. Originating Offices: Children's Bureau

4. Key Words: Medicaid; Affordable Care Act; Youth/young adult transitioning out of Foster Care; Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act

INFORMATION MEMORANDUM

TO: State, Tribal and Territorial agencies administering or supervising the administration of Title IV-E of the Social Security Act; Foster care managers; State information system administrators; and John H. Chafee Foster Care Program for Successful Transition to Adulthood administrators.

SUBJECT: Changes to Medicaid eligibility for youth/young adults age 18 who transition out of foster care and move to a new state.¹

LEGAL AND RELATED: Titles IV-E, IV-B and XIX of the Social Security Act (the Act); Patient Protection and Affordable Care Act (Public Law [P.L.] 111-148); Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act (P.L. 115-271).

PURPOSE: This Information Memorandum (IM) provides child welfare agencies with information about changes in Medicaid eligibility for young adults who turn age 18 on or after January 1, 2023 who move to a new state after transitioning from foster care.

BACKGROUND:

Each year, more than 20,000 young people exit foster care after turning age 18 or older. Medicaid is a primary source of health care coverage for these young people and a critical resource to ensure that they can access needed physical and behavioral health care services.

Since January 1, 2014, title XIX of the Act has provided that young adults who transition out of foster care at age 18 or older are eligible for Medicaid coverage until age 26 in the state from

¹ These SUPPORT Act changes apply equally to states, D.C., and the United States territories. Therefore, an individual who ages out of foster care in D.C. or a territory and moves to a state and applies for Medicaid is treated in the same manner as though the individual moved from another state. Likewise, the treatment of an individual who ages out of foster care in a state and moves to D.C. or a territory, or an individual who ages out of foster care and moves between territories or between D.C. and a territory, is the same.

whose foster care system they aged out.² This Medicaid eligibility group is generally referred to as the Former Foster Care Children (FFCC) group and there is no income test for this eligibility group. The original statutory authorization for the FFCC group limited eligibility in this group to individuals who remained residents of the same state that had placement and care responsibility while the young person was in foster care. However, the law did not require states to provide Medicaid coverage to young adults residing in their state who transitioned out of foster care from a *different* state's foster care system. States had the option to provide coverage to young adults who transitioned out of foster care in a different state, but only under section 1115 of the Act's Medicaid demonstration authority.³ Eleven states have received such approval.

On October 24, 2018, the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act (P.L. 115-271) was enacted. Section 1002(a) of the SUPPORT Act expanded the eligibility rules for the FFCC group to require states to extend Medicaid eligibility to young people residing in their state who transitioned out of foster care in different state. The changes in eligibility exclusively affect individuals in foster care who turn age 18 on or after January 1, 2023, and who move to a new state.

Ensuring continued coverage for these young people as they leave the foster care system and transition to adulthood is critical to addressing health and social inequities. Children, youth, and young adults with disabilities and Black, Hispanic, and American Indian/Alaska Native children are disproportionately represented in foster care and among those older youth aging out of foster care. Foster care placements, risks and challenges are also equally prevalent in rural and urban areas, with placements in rural areas sometimes at higher rates. Young people aging out of foster care can experience barriers to health and behavioral health coverage and services, which can exacerbate disparities in health and social outcomes. As a primary source of health coverage for youth/young adults formerly in foster care, Medicaid is uniquely positioned to support both the health, including behavioral health, and healthcare of this population. The implementation of the SUPPORT Act provision provides a concrete method for states to address the inequities and health disparities experienced by young people as they transition out of foster care.

INFORMATION:

On December 16, 2022, the U.S. Department of Health and Human Services' (HHS) Centers for Medicare & Medicaid Services (CMS) issued a [State Health Official Letter](#) on Coverage of Youth Formerly in Foster Care in Medicaid (Section 1002(a) of the SUPPORT Act) and a [slide deck](#) that provides additional technical assistance and operational strategies for states to

² Section 1902(a)(10)(A)(i)(IX) of the Act, as added by section 2004 of the Patient Protection and Affordable Care Act, P.L. 111-148. This provision parallels the ACA provision that allows young adults to remain on a parent's health insurance plan until age 26. Because young people transitioning from foster care at age 18 are unlikely to have the protection of private insurance coverage through a parent, the ACA promoted equity by requiring states to offer continued health coverage through Medicaid.

³ Section 1115 of the Act gives the Secretary of Health and Human Services authority to approve experimental, pilot, or demonstration projects that are found by the Secretary to be likely to assist in promoting the objectives of the Medicaid program. For more information on section 1115 demonstrations see: <https://www.medicaid.gov/medicaid/section-1115-demonstrations/about-section-1115-demonstrations/index.html>.

implement the SUPPORT Act changes. This letter and subsequent guidance provides official CMS guidance to state Medicaid directors and other state health and human services officials on the changes related to covering young people who age out of foster care and who move to a new state. CMS also re-released a [slide deck](#) from 2019 that outlined the best practices related to determining eligibility, enrollment, and re-enrollment for such young people.

The Children's Bureau (CB) encourages all child welfare agencies to review the CMS guidance carefully with their state Medicaid agency partners. This IM provides child welfare agencies with a brief overview of the requirements and outlines actions they can take to support implementation.

In summary, the State Health Official Letter outlines two important changes in Medicaid eligibility enacted through the SUPPORT Act (see pages 5-7 of the State Health Official Letter):

- States are **now required** to enroll in the Medicaid FFCC category young people who aged out of foster care in another state, if they turn age 18 on or after **January 1, 2023**, provided they were eligible for Medicaid while in foster care and meet other applicable eligibility requirements.
- State Medicaid agencies can now enroll eligible young people in the FFCC group, if they turn age 18 on or after **January 1, 2023**, even if they are eligible for another mandatory eligibility group. This means that states can avoid the need to screen these individuals who were formerly in foster care for eligibility in all other eligibility groups prior to enrolling them in the FFCC group.

Together, these new requirements will make it easier for young people formerly in foster care to be enrolled in Medicaid coverage regardless of the state in which they live. The changes in law also create an opportunity for states to simplify enrollment processes for young people who need Medicaid during their transition from foster care.

The changes in Medicaid eligibility do not apply to young adults in foster care who turned age 18 before January 1, 2023, but states may seek authority from CMS to cover these young people in the same manner as under the SUPPORT Act. States interested in seeking this authority should reach out to CMS for more information. Absent such additional Medicaid authority, individuals who turned age 18 before January 1, 2023, may only qualify in the FFCC group under the group's original limitations.

Implementation Recommendations:

The CB has long encouraged child welfare agencies to work closely with their Medicaid partners to implement the FFCC benefit. The change in the provisions effective January 1, 2023, provides an opportunity to strengthen and renew the partnership to ensure that state processes support young people formerly in foster care in obtaining coverage.

The CB encourages all child welfare agencies to review and consider implementing the following action steps:

- 1. Engage youth/ young people with lived experience in the foster care system as critical partners in this work.** Young people will be key advocates to provide information on how to best support the implementation of the FFCC coverage and can also support their peers in navigating enrollment in and utilization of Medicaid.
- 2. Work with the State Medicaid Agency to Streamline Medicaid Enrollment Processes.** The new changes are an opportunity for child welfare agencies to work with their Medicaid agency counterparts to review the processes for referral, enrollment, and re-enrollment of young adults for coverage under the FFCC group. The State Health Official Letter reiterates that CMS is committed to strengthening and simplifying the enrollment process for young adults formerly in foster care and to supporting states in making necessary changes to their applications (paper and/or online). In the application for Medicaid, the individual is only required to provide the information necessary to determine eligibility for the FFCC group based on age and the eligibility criteria. (See pages 10-12 of the State Health Official Letter.)

Allowing Self-Attestation⁴ of Former Foster Care Status

In the State Health Official letter, **CMS encouraged states to accept self-attestation of former foster care and/or Medicaid enrollment status**, particularly for young adults who were enrolled in Medicaid in another state while in foster care at the time of age-out. Some states have already implemented self-attestation. From a young person's point-of-view, this approach to verifying former foster care status will likely be seen as the least burdensome and invasive way to enroll a young person, encouraging them to obtain needed coverage.

- 3. Support coverage for ALL young people who aged out of foster care.** The CB urges child welfare agencies to work with their state Medicaid agencies to consider submission of a section 1115 demonstration application to CMS to allow the state to cover young people who transitioned out of foster care in a different state and who turned age 18 prior to January 1, 2023, thereby providing coverage to ALL young people who aged out of foster care, not just those who turn age 18 on or after January 1, 2023.⁵ First and

⁴ Self-attestation is when the state collects information on an application or otherwise gets a statement from an applicant/beneficiary on their eligibility. With self-attestation the state does not attempt to verify the information but instead uses the information as verified information. (See page 13 of the State Health Official Letter.)

⁵ States that want to seek temporary flexibility to cover youth formerly in foster care who turned age 18 before January 1, 2023 can request from CMS temporary waiver authority under section 1902(e)(14) of the Act to support implementation of the eligibility requirements. This temporary authority would simplify eligibility determination processes until the state comes into full compliance with the state plan requirements or is approved for a section 1115 demonstration given the significant workload states are experiencing due to "unwinding" from the Medicaid continuous enrollment condition under the Families First Coronavirus Response Act (FFCRA). (Please see reference [slide deck](#) released December 2022 for more information, available at:

foremost, this will promote equitable access to health care for young people by providing them access to Medicaid services. It will also simplify the eligibility rules and processes Medicaid uses for all young people in this eligibility category. (See pages 9 and 10 of the State Health Official Letter for more information.)

- 4. Update Transition Plan Materials and Foster Care Status Verification Letter.** Child welfare agencies should review all transition plan materials to update the content relating to health insurance to align with the new Medicaid eligibility requirements. Furthermore, federal law requires child welfare agencies to provide any official documentation necessary to prove former foster care status for young adults aging out of foster care (who were in foster care for more than 6 months).⁶ The CB recommends that child welfare agencies review the state’s verification letter or document to ensure that it clearly identifies the young person’s eligibility for the FFCC Medicaid benefit and that it provides an agency point of contact to respond to questions. Taking this action will allow a young person who moves to a new state that requires documentation to be able to provide such documentation without delay.

The CB also encourages child welfare agencies to invest in digital solutions/portals, including mobile applications specifically designed for use on smartphones and tablets, that allow young people ongoing access to documents, case record information, and requests for assistance.

- 5. Update Websites, Establish a Point of Contact, and Promote Awareness.** Child welfare agencies should review agency websites and update the information related to the FFCC group, including information on whether the agency is covering young people who turned age 18 in the foster care system of another state before January 1, 2023. State websites should link to applications or other resources to assist young people in understanding how to enroll in and utilize the state’s Medicaid benefit. Websites should also include contact information, including how to obtain verification that the young person is eligible for the FFCC group from the state. The CB encourages child welfare agencies to designate a contact to manage all requests for verification of eligibility of young people, in coordination with the state Medicaid agency.

States should also reach out to their Tribal partners to ensure that eligible youth in or aging out of foster care under the jurisdiction of a Tribe are aware of the new benefit.

<https://www.medicaid.gov/medicaid/eligibility/downloads/former-foster-care-coverage-changes.pdf>). Since March 2020, as a condition of receiving an increased federal matching rate established by the Families First Coronavirus Response Act (FFCRA), states have been required to maintain enrollment of nearly all Medicaid enrollees. Under the Consolidated Appropriations Act 2023 (CAA, 2023), enacted in December 2022, the FFCRA Medicaid continuous enrollment condition will end on March 31, 2023. When the continuous enrollment condition expires, states will have up to 12 months to return to normal eligibility and enrollment operations, including disenrolling ineligible individuals. This process has commonly been referred to as “[unwinding](#).” For more detail, see CMS’s State Health Official letter #2-002 (issued on January 27, 2023), available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/sho23002.pdf>.

⁶ See section 475(5)(I) of the Act. Documentation that a child was previously in foster care added by section 50753(e) of the Bipartisan Budget Act of 2018 (P.L. 115-123), effective February 9, 2018.

States and Tribes should partner together to determine how the State can support Tribes and Tribal youth with enrollment or verification of eligibility, as needed.

Finally, to increase awareness of the new eligibility changes, the agency should reach out to the legal and judicial community, foster care alumni organizations, and other community partners.

- 6. Strengthen collaboration between child welfare agencies and Medicaid agencies to promote the health of all children and youth in and transitioning from foster care.** On June 30, 2024, child welfare agencies will be required to submit their “Health Care Oversight and Coordination Plan” for fiscal years 2025-2029 (section 422(b)(15)(A) of the Act) which plans for the ongoing oversight and coordination of health care services for children in foster care. Child welfare agencies must develop the plan in coordination with the state title XIX (Medicaid) agency, and in consultation with pediatricians and other experts in health care, and experts in and recipients of child welfare services. The implementation of the FFCC group requirements is one area where state agencies can work together to meet the needs of young adults in transition from foster care.

Conclusion:

Child welfare agencies should coordinate actively with their state Medicaid agencies to implement the SUPPORT Act, which should create clear pathways so that young people transitioning from foster care can get access to essential physical and behavioral health care services. By working proactively in partnership with state Medicaid agencies, child welfare agencies can help create seamless Medicaid enrollment processes for young adults, so that they can access benefits and services that directly promote their health and well-being, regardless of where they live after leaving foster care.

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/s/

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