January 30, 2015

Senator Kathy Campbell
Chair, Health and Human Services Committee
Room 1402, State Capitol
Lincoln, NE 68509

Chairwoman Campbell and members of the Health and Human Services Committee,

On behalf of Nebraska Appleseed, I am here today to testify in support of LB 148.

Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans. We take a systemic approach to complex issues – such as child welfare, immigration policy, affordable healthcare and poverty.

The former foster care child provision of the Affordable Care Act (ACA) went into effect on January 1, 2014 and provides Medicaid coverage to age 26 for young people who age out of foster care.\(^1\) With our testimony today, we have attached two fact sheets: one with some background on this new category of Medicaid and another about what LB 148 does.

The intent of this new category of Medicaid for former foster care children is to put this population on par with their same-aged peers who can stay on their parents’ private insurance to age 26, under one of the most popular provisions of the ACA. And this makes sense because the state is the legal guardian for youth in foster care.

This coverage is also critical to the health of these young people and our state. Statistics show that young people with foster care experience are more likely to have physical health issues that require medical care.\(^2\) If these young people are not able to afford medical coverage, they may not receive treatment for health problems that could follow them into adulthood. This coverage is also essential to their economic security. Starting out adulthood with medical debt can create a financial hole, out of which is very difficult for young people to climb. And a new study recently showed that Medicaid is a good return on investment in terms of lifetime wages and taxes.\(^3\)

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\(^1\) Under 42 U.S.C. 1396a(a)(10)(A)(i)(IX), youth formerly in foster care are eligible for Medicaid coverage if they: 1) are under 26 years of age; 2) are not described in or enrolled under any [other mandatory category] or are [otherwise eligible under another category] but have income that exceeds the level of income applicable under the State plan for eligibility...; (3) are in foster care under the responsibility of the State on the date of attaining 18 years of age or such higher age as the State has elected [under the Fostering Connections Act]; and (4) were enrolled in [Medicaid] while in such foster care.


\(^3\) Cite study.
Unfortunately, in Nebraska, most young adults who are eligible for this coverage are not accessing it. Data provided by the Nebraska Department of Health and Human Services (DHHS) as part of LR 533 indicated that, as of July 2014, 3,144 young adults may be eligible for Medicaid to age 26 under this new category. However, only three percent of individuals who may be eligible were accessing coverage at that time.

LB 148 will improve access to this coverage so that young people who age out of foster care have the best chance at a healthy start to adulthood. LB 148 also addresses several barriers that were identified in LR 533.

**Specifically, we support LB 148 because it will:**

- **streamline enrollment for youth as they age out of foster care**

LB 148 streamlines enrollment so that eligible youth are transitioned over to this new Medicaid category as they age out of care without any interruption in coverage and without requiring a new application, unless the individual declines such enrollment. This makes sense – young people shouldn’t have to complete a new Medicaid application after they age out, especially because the information needed to determine their eligibility for the new category is already in the possession of DHHS – and this is in fact required by federal law as part of automatic processing.⁴

As part of the interim study, the Department indicated that the Division of Medicaid and Long Term Care is working with the Division of Children and Family Services to obtain the names of current individuals aging out of foster care to ensure their eligibility is reviewed under the former foster care category. This is exactly what needs to happen. However, the data suggests that processes need to be strengthened since it appears this is not happening in all cases. Therefore, LB 148 would ensure the process is streamlined and that all young people are automatically processed as required by federal law.

Similarly, LB 148 specifies that DHHS may terminate an individual’s eligibility for coverage only if the Department first determines that the individual is no longer eligible for coverage under this or any other category of Medicaid and that all due process requirements are met, such as providing a notice of termination that includes a clear statement of the reason/s why the individual was denied and an opportunity to be heard through a hearing to challenge the denial, including providing notice about the timeline and process to file an appeal. This is also required by state and federal law⁵, but it is particularly important because coverage for this population of young adults was intended to be seamless and to minimize barriers. Ensuring that such individuals are not wrongly terminated and do not experience gaps in coverage is critical to ensuring young people who age out of foster care have the best chance at a healthy start to adulthood.

- **cover young people who age out of foster care in another state and move to Nebraska**

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⁴ 42 C.F.R 435.930 and 435.916
LB 148 directs Nebraska to join at least a dozen other states\(^6\) in providing coverage to young people who exit foster care in other states and move to Nebraska and ensures these individuals are provided the same rights as other citizens of Nebraska. Advocates we have talked to in states that provide this coverage have indicated that the estimated number of young people (who aged out in other states and seek coverage) and the estimated cost to be relatively small. In fact, it has been difficult to obtain data from these other states because many of them simply do not track the actual number of out-of-state youth at this time. But though the numbers are likely small, the impact on the individual can be very significant if a young person is forced to choose between their health care coverage and the opportunity to pursue education or job opportunity or family connections that may bring them to Nebraska. Young adults who remain on their parents’ private insurance do not face this same limitation so this is also a matter of fundamental fairness.

The bill also directs DHHS to accept self-attestation for individuals who aged out in another state and seek coverage under this category in Nebraska. This means that the applicant can self-attest (e.g., sign a form) to the primary information necessary for the state to determine their eligibility for this Medicaid coverage (i.e., that they aged out of foster care in another state and were enrolled in Medicaid when they aged out). This is important because, for young people who aged out of foster in another state and moved to Nebraska, this information is \textit{not} in the possession of Nebraska DHHS.

Self-attestation is specifically allowed by federal law;\(^7\) however, states can still later verify the information,\(^8\) so there should be no concerns about fraud. In this situation, Nebraska could still verify the foster care and previous Medicaid enrollment with the other state. In California, for example, administrative policy directs the counties to contact the independent living program managers for out-of-state verification if the applicant cannot verify the information. I would also note that self-attestation for Medicaid eligibility is not new for Nebraska. Nebraska accepts self-attestation for other eligibility factors for Medicaid including: residency, household composition, and pregnancy.

\begin{itemize}
  \item \textbf{improve outreach and track enrollment}
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With only three percent of young adults who may be eligible accessing coverage under this provision, improvements in outreach are needed to reach young adults who have already left foster care. While automatic enrollment requirements will improve coverage for youth as they age out of foster care, it is more difficult to reach young adults who have already exited the system but are under age 26 and may be eligible. LB 148 directs DHHS to develop procedures to identify and enroll such individuals and to conduct outreach to ensure they are aware of the ability to reenroll. This could include directly reaching out to potentially eligible individuals through letters, brochures, electronic media, and public service announcements. It should also include connecting with other programs serving these populations, including the Bridge to Independence program and other adult services and community providers.

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\(^6\) To date, 12 states have taken up the option to extend coverage to youth who aged out in another state: California, Georgia, Kentucky, Louisiana, Massachusetts, Michigan, Montana, New York, Pennsylvania, South Dakota, Wisconsin, and Virginia (pending state plan amendment). \textit{See Medicaid to 26 for Former Foster Youth: An Update on the State Option and State Efforts to Ensure Coverage for All Youth People Irrespective of Where They Aged Out of Care, State Policy Advocacy and Reform Center (SPARC)} (October 2014), available at http://childwelfareparc.org/wp-content/uploads/2014/10/Medicaid-to-26-for-Former-Foster-Youth7.pdf.

\(^7\) 42 C.F.R. 435.945.

\(^8\) 42 C.F.R. 435.945, 435.952 and 435.956.
Finally, LB 148 requires DHHS to provide an annual report to this Committee regarding the number of individuals eligible and enrolled in this category of Medicaid, including those from other states, and the department’s outreach efforts. We think this will be helpful to better track the enrollment of young people formerly in foster care in Nebraska.

In conclusion, we want to thank Senator Crawford for her leadership on these issues and this Committee for your important role in improving Nebraska’s foster care system, and particularly for your commitment to improving outcomes for youth transitioning from foster care to adulthood.

We respectfully request that the Committee vote to advance LB 148.

Sincerely,

Sarah Helvey, J.D., M.S.
Child Welfare Director

Attachments:  Fact Sheet: Medicaid to Age 26 for Youth Formerly in Foster Care  
Fact Sheet: LB 148: Improving Access to Health Care for Youth Formerly in Foster Care