



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #511

Priority for Mental Health and Substance Abuse Services for Youths Leaving Out-of-Home Care (DHFS -- Children and Families)

[LFB 2001-03 Budget Summary: Page 396, #18]

CURRENT LAW

County departments of community programs are required to give first priority for alcohol and other drug abuse services to pregnant women who suffer from alcoholism or alcohol abuse or who are drug dependent if state, federal and county funding for substance abuse treatment services is insufficient to meet the needs of all eligible individuals. Current law does not require county departments of community programs to give priority for mental health services to any group of people if state, federal and county funding for mental health services these departments provide is insufficient to meet the needs of all individuals.

Under federal law, children in out-of-home care, up to 19 years of age that meet the financial eligibility criteria established under Title IV-E of the federal Social Security Act, are automatically eligible for medical assistance (MA). Additionally, Wisconsin exercises its option, under federal law, to extend MA coverage to children in out-of-home care that do not meet the Title IV-E criteria, if the child meets other MA financial criteria. After turning 19 years of age, an individual that had been in out-of-home care could be eligible for MA if they are disabled or have dependent children and meet all other financial eligibility criteria. Under MA, children in out-of-home care receive comprehensive health care services, including mental health and substance abuse services.

GOVERNOR

Require county departments of community programs to give first priority for mental health services to independent foster care adolescents, as defined in federal law, if state, federal and county funding from mental health services these departments provide is insufficient to meet

the needs of all individuals. Under federal law, an independent foster care adolescent is an individual who is at least 18 years of age but less than 21 years of age and who was in foster care on his or her 18th birthday.

In addition, require county departments of community programs to give second priority for alcohol and other drug abuse services to independent foster care adolescents, as defined in federal law, if state, federal and county funding for alcohol and other drug abuse treatment services is insufficient to meet the needs of all eligible individuals.

DISCUSSION POINTS

1. Approximately 500 youth "age out" of out-of-home care each year. Funding for support services for youth in out-of-home care terminates when the youth becomes 18 years of age, unless he or she is the recipient of an independent living grant or is continuing high school.

2. A study of foster youth transitions to adulthood, conducted by the University of Wisconsin-Madison, examined the experiences of youth after they were discharged from out-of-home care in Wisconsin. The study concluded that these youth are more likely to experience physical and sexual victimization, unemployment and underemployment, homelessness, incarceration and public assistance utilization than youth in this age cohort who have not been placed in the child welfare system.

3. In addition, the study showed that this population has higher than average health care needs, particularly mental health care needs, than youth in this age cohort who have not been placed in out-of-home care. The study reported that 47% of youth participating in the study received mental health services in the year before leaving foster care. In the year after leaving out-of-home care, 21% of these youth received mental health services. However, the study reported no change in their mental well-being from the previous year, when they were still in the child welfare system. The study concluded that, "although the receipt of mental health services decreased dramatically over time, there is no evidence that the young adults' need for services decreased."

4. The study also reported that 44% of participating youth had difficulty obtaining medical care most or all of the time after leaving foster care. The most frequently cited reasons for difficulty in accessing medical care were that they had no insurance coverage (51%) or not enough money to pay for the medical care (38%). The study reported that youth who have left out-of-home care are unlikely to have the income or savings to access needed health care -- 46% reported having over \$250 in savings upon leaving out-of-home care. Additionally, unlike other youth, these individuals do not have access to the same social resources (such as family members) that could assist them in accessing health services as youth in this age cohort who have not been placed in out-of-home care.

5. In its 2001-03 budget submission, DHFS proposed expanding MA services to these youth. The Governor did not include the DHFS request in his budget recommendations. However, the Governor's proposal is intended to address the need identified in the study. The Committee

could approve the Governor's recommendations to give service priority to these individuals, similar to the priority for substance abuse services that is currently granted to pregnant women. This could ensure that the mental needs of this population are addressed, and would not require additional funding to address this need.

6. However, the county departments of community programs, which provide mental health and substance abuse treatment services to eligible individuals, receive state and federal funding to support these services through community aids and supplemental funding provided by the county. Approving the Governor's recommendation would remove local control of these human services funds and could be viewed as a state mandate.

7. The federal Chaffee Foster Care Independence Act of 1999 authorized states to extend MA coverage for individuals 18 through 21 years of age who had been in out-of-home care on their 18th birthday. The state could exercise this option by expanding MA eligibility for individuals that were in out-of-home care on their 18th birthday so that they could remain eligible for MA through 21 years of age. Under this option, the Committee could specify this change would take effect January 1, 2002, and would first apply to individuals leaving out-of-home care, effective January 1, 2002.

The estimated cost to provide MA coverage to these individuals would be \$132,400 (\$54,900 GPR and \$77,500 FED) in 2001-02 and \$945,600 (\$392,400 GPR and \$553,200 FED) in 2002-03. This estimate assumes that 42 individuals per month would be eligible under this provision, at a monthly cost of \$150.10.

8. Providing MA coverage to these individuals has several advantages compared to the Governor's proposal. First, it would ensure that these individuals have access to all health services, rather than just mental health and substance abuse services, as under the Governor's recommendation. Second, it would reduce county costs of providing mental health and substance abuse services to these individuals after they leave out-of-home care. Finally, providing MA coverage would secure federal MA matching funding for the cost of services provided to these individuals.

9. However, the Committee should be aware of the estimated annualized cost of this proposal, once it is fully implemented. It is estimated that it would take three years before the full cost of this proposal would be realized. The estimated annualized cost of this proposal would be \$2,723,400 (\$1,130,100 GPR and \$1,593,300 FED).

10. Alternatively, if the Committee wanted to extend MA coverage to these individuals but wished to reduce the fiscal effect of the proposal in the 2001-03 biennium, it could delay the effective date to January 1, 2003. The estimated cost of this alternative would be \$132,400 (\$54,900 GPR and \$77,500 FED) in 2002-03.

ALTERNATIVES TO BILL

1. Approve the Governor’s recommendations.

2. Delete the provision. Instead, provide \$54,900 GPR and \$77,500 FED in 2001-02 and \$392,400 GPR and \$553,200 FED in 2002-03 to extend MA coverage to youths leaving out-of-home care, effective January 1, 2002, and specify that this would first apply to individuals leaving out-of-home care on January 1, 2002.

Alternative 2	GPR	FED	TOTAL
2001-03 FUNDING (Change to Bill)	\$447,300	\$630,700	\$1,078,000

3. Delete the provision. Instead, provide \$54,900 GPR and \$77,500 FED in 2002-03 to extend MA coverage to youths leaving out-of-home care, effective January 1, 2003, and specify that this would first apply to individuals leaving out-of-home care on January 1, 2003.

Alternative 3	GPR	FED	TOTAL
2001-03 FUNDING (Change to Bill)	\$54,900	\$77,500	\$132,400

4. Maintain current law.

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