

SUBJECT: Providing Medicaid for transition from foster care to independent living

COMMITTEE: Public Health — favorable, without amendment

VOTE: 7 ayes — Gray, Coleman, Capelo, Delisi, Glaze, Maxey, Uresti

0 nays

1 present not voting — Wohlgemuth

1 absent — Longoria

SENATE VOTE: On final passage, April 20 — voice vote

WITNESSES: *(On companion bill, HB 98:)*

For — Irene J. Clements; Kim Bazan; Morris Lockett; *Registered but did not testify*: Nancy Holman, Texas Association of Leaders in Children and Family Services; Jesus Perchus; Loyce Holland

Against — None

BACKGROUND: Human Resources Code, sec. 31.002 establishes that a child in foster care is eligible to receive Medicaid services. The Health and Human Services Commission (HHSC) oversees the Medicaid program in Texas, which is administered by the Department of Human Services (DHS). Medicaid is the state-federal medical assistance program for the poor, elderly, and disabled.

The federal Foster Care Independence Act of 1999 (42 U.S.C. sec. 1396d) provides states with the option of providing Medicaid coverage to “independent foster care adolescents,” persons who are 18 to 21 years old and are making the transition out of foster care to independent living.

Human Resources Code, sec. 32.0255 requires the state to provide transitional medical assistance to someone who has been receiving Medicaid but has lost eligibility due to increased income or simply because the person has exhausted the benefits. Sec. 31.0065 limits the amount of transitional funds to 12 months.

DIGEST: SB 51 would amend the Human Resources Code to provide Medicaid assistance to a person who met the definition of “independent foster care adolescent” under the federal Foster Care Independence Act of 1999.

DHS would have to provide Medicaid assistance to an independent foster care adolescent who was not otherwise eligible for Medicaid and who was not covered by an adequate health benefits plan. The department could not consider a person’s income, assets, or resources in determining whether an independent foster care adolescent were eligible for Medicaid.

As soon as possible after the effective date of this bill, HHSC would have to amend the state’s Medicaid plan to include the provisions of this bill.

This bill would take effect September 1, 2001.

SUPPORTERS SAY: SB 51 is needed to help foster children make the transition into independent living. Approximately 800 youths in Texas a year leave the foster care system. Foster children currently are eligible to receive Medicaid until age 18, but when they turn 18 and leave their foster homes, groups homes, or residential treatment centers, they often face difficult transitions with high rates of unemployment, health problems, mental illness, and limited life skills and resources. Medicaid coverage is critical for these young people who are just starting out their lives when they leave foster care.

OPPONENTS SAY: These changes would increase Medicaid caseloads, which should be approached with great caution in an environment of rising costs and usage. Medicaid caseloads were higher than expected in fiscal 2000-01, requiring the Legislature to spend \$600 million more than it originally appropriated for Medicaid. Given that costs are projected to continue to rise in the coming biennium, the state should be cautious about even relatively small expansions of Medicaid eligibility.

NOTES: According to the fiscal note, the bill would cost an additional \$822,672 in fiscal 2002-03 and \$1,419,894 in fiscal 2004-05.