CHCS Center for Health Care Strategies, Inc.

Children in Child Welfare Systems: Public Sector Managed Care Issues

Today, most states enroll children in child welfare in Medicaid managed care. However, the unique characteristics and complex needs of this population challenge both managed care and fee-for-service Medicaid programs. This fact sheet outlines issues related to enrolling these children in managed care and other considerations for program design.

Child Welfare Populations

Twenty-nine states and two territories include the child welfare population in Medicaid managed care, with more than 400,000 children in child welfare enrolled in managed care systems.[1] Following are key characteristics of the population:

- Approximately 63% of managed care systems incorporate special provisions for children in child welfare, such as care coordination and interagency collaboration.
- Only 10% of managed care systems use risk-adjusted rates for this population.[2]
- About half of managed care systems provide services to family members even if only the child is covered.
- 42% of managed care systems are responsible for screening children who enter state custody for health and behavioral health problems.
- A little over a quarter of managed care systems (29%) include funding from the child welfare system; nearly three quarters of child welfare systems (72%) continue to have access to Medicaid funds outside of Medicaid managed care systems for health and behavioral health services.

Managed Care Impact on Service Continuity and Coordination

Continuity of care for children in child welfare systems is often lacking. A Washington state study found that "foster care status was associated with decreased continuity of care relative to non-foster managed care status. Non-foster fee-for-service status was associated with lower continuity than non-foster managed care and slightly higher continuity than foster care status."[3]

Another study found improved coordination of care between child welfare systems and mental health services managed by Medicaid behavioral health carve outs in comparison to coordination between child welfare and mental health services under Medicaid fee-for-service.[4]

Racial and Ethnic Disparities

A study examining differences in access to service use among minority children in foster care in the transition to capitated managed care found "persistent declines in inpatient and outpatient use for all ethnic groups, persistent under-representation of Hispanic persons and black persons in treatment regardless of managed care, and greater use of residential treatment centers by black persons and Hispanic persons that is attributable in part to managed care." The study concluded that "Black and Hispanic children received more rather than less mental health care under capitated managed care, due primarily to increased use of residential treatment"[5]

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[1] Center for Medicare and Medicaid Services, U.S. Department of Health and Human Services, "National Summary of State Medicaid Managed Care Programs as of June 30, 2004," http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/Downloads/nationalsummreport04.pdf (September 2006).

[2] B. Stroul, S. Pires and M. Armstrong, 2003. "Health care reform tracking project: Tracking state managed care systems as they affect children and adolescents with behavioral health disorders and their families-2003 State Survey," (Tampa, FL: University of South Florida, 2003).

[3] D.L. DiGiuseppe and D.A. Christakis, "Continuity of Care for Children in Foster Care," *Pediatrics* 111 no. 3 (2003): e208-e213.

[4] A.E. Cuellar, A.M. Libby and L.R. Snowden, "How capitated mental health care affects utilization by youth in the juvenile justice and child welfare," *Mental Health Services Research* 3 no. 2 (2001): 61-72.

[5] A.E. Cuellar, A.M. Libby and L.R. Snowden, "Minority youth in foster care: managed care and access to mental health treatment," *Med Care* 41 no. 2 (2003): 264-74.

[6] J. McCarthy and C. McCullough, *A view from the child welfare system* (Washington, D.C.: Georgetown University Center for Child and Human Development, 2003).

The Center for Health Care Strategies is working to improve the quality of physical and behavioral health care services for children in the child welfare system, particularly those covered under managed care.

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Customizing Managed Care Systems for Children in Child Welfare

Managed care programs should consider the following issues when designing programs to meet the needs of children in child welfare systems.[6]

Collaboration	▪ Plan publicly funded managed care systems in collaboration with child welfare systems. ▪ Coordinate between managed care plans and child welfare agencies to create a full array of acute and extended care therapeutic services and supports
Access	▪ Provide access to services for children entering child welfare and transitioning youth through expedited eligibility, enrollment, and clear communication between child welfare agencies and managed care plans.
Screening and Assessments	▪ Provide physical, developmental, and behavioral health screens for all children entering the child welfare system and link children to appropriate assessments as indicated.
Clinical Criteria and Utilization Review Procedures	▪ Provide flexibility in use of medical necessity criteria for the child welfare population. ▪ Adapt utilization review standards to reflect the high service needs of the child welfare population.
Providers	▪ Contract with managed care providers who have knowledge and experience in serving children in child welfare.
Focus on Families	▪ Instill a focus on the family in service planning, including child and family services/ supports that are coordinated between the managed care plan and child welfare agency.
Racial and Ethnic Disparities	▪ Track service use and outcomes by culturally diverse children. ▪ Include culturally diverse providers in service networks. ▪ Train staff in cultural competence.
Care Coordination	▪ Establish mechanisms to ensure coordination of and between managed care plans and child welfare workers.
Quality Management	▪ Collect and use data to meet the results of the federal Adoptions and Safe Families Act. ▪ Assess the satisfaction of families and child welfare agencies involved in child welfare.
Information Technology	▪ Develop the capacity to share data between managed care plans and child welfare agencies.
Funding and Risk Structuring	▪ Structure risk to protect children in child welfare from under-service and protect managed care plans from over-exposure to high costs; development risk-adjusted rates.
Training	▪ Cross-train managed care and child welfare staff in the special issues associated with child welfare services and managed care operations.

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