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Story Memo

When I set out, I wanted to ask the question: How many foster care children have been diagnosed with mental illness? I decided to focus on those states with the largest percentages of children under 18 years old in foster care.

To decide which states to focus on, I found states with the largest percent increase of children entering foster care as well as the largest percent increase in number of children in care on the last day of fiscal year over a nine year period (2003-2012).

Using Department of Health and Human Service data on the number of children entering, exiting and in foster care, I found that Arizona, Texas and West Virginia had the highest percentages of kids entering and kids in care. The increases seem pretty drastic, especially in Arizona, so I decided to focus primarily on story ideas that could come from these three states.

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| State | % change of kids entering FC | % change of kids in FC on last day of fiscal year |
| Arizona | 71.76 | 80.22 |
| Texas | 44.35 | 35.34 |
| West Virginia | 47.42 | 36.06 |

The lowest states for percent of kids entering foster care were Hawaii and Delaware. Hawaii also had the largest decrease overtime of children in the foster care system – almost 63%. Upon doing some research I learned that Hawaii has an effective child welfare system in place – so much so other states have travelled there to see how their system is run. This could be an interesting story – what does Hawaii do differently to have such a decrease in the amount of children who need to go through the foster care system?

Just for comparisons sake, I used 2010 US Census data to find the total number of children (people under 18) in each state. Using this information, I found the percentage of the state population in foster care. From these findings, West Virginia had one of the highest percentages of their under 18 population who is in foster care (2.31% or 6,384 children)

To figure out how many of these children have mental illness, I looked at the Medicaid spending on therapy and in-patient mental health services. I found a report from the Urban Institute on Medicaid spending on foster children. The report points out that foster children are at a greater risk for mental health problems because of maltreatment as well as the trauma of being separated from their homes and families. The report says that studies show that as much as 80 percent of children who go through welfare agencies have some kind of mental or behavioral disorder.

The report used data from the Medicaid System Information Summary since that datamart has a special basis of eligibility designation for foster care children. Because of federal Title IV-E, foster children in all states are eligible for Medicaid.

I found the number of foster children that received benefits for in-patient mental health services as well as benefits for therapy. For the purposes of this initial research, it’s a good indicator of how many children have mental health issues. It’s not entirely complete because mental health is subjective and there could be children who are in therapy who are not mentally ill as well as kids with mental health issues who don’t receive treatment.

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| State | % of foster kids received MH treatment |
| Illinois | 27.94 |
| Louisiana | 23.97 |
| Maryland | 21.56 |
| Arkansas | 21.37 |
| South Dakota | 20.35 |
| West Virginia | 17.27 |

Only 1.86% of Illinois’s under 18 population is in foster care, but close to 28 percent of those children have been in some kind of mental health services. Could it be that Illinois has a good mental health program for Medicaid beneficiaries? Or have they just done the best job reporting their mental health services? To answer this, I looked at the amount states spent on therapy and in-patient mental health services. Turns out, even though Illinois has the highest percentage of kids receiving mental health services – they are the second to last when it comes to spending on it.

West Virginia has the highest percentages across the board. Over the ten-year period, there were consistent increases in the number of children entering foster care and only small amounts of kids exiting care. For example, in 2012 3,640 children had to enter the foster care system at some point and only 725 children exited. They have one of the highest percentages of children who’ve received mental health benefits, but are in the bottom six in the amount of money spent on those children. After looking up West Virginia’s Bureau for Children and Families, I found there is a huge shortage of foster care parents. How is the foster care system handling this?

More interesting though, I found that West Virginia has been found to not be complying with federal eligibility requirements for children in foster care and has had to pay over $200,000 back to the government. Basically, money was used for children who were not eligible for Medicaid and children who were eligible weren’t receiving benefits. It’d be interesting to follow up and see what policies and procedures have been changed to prevent this from happening again. Or if new policies were really being used.

Arizona on the other hand, spent zero dollars on these services. They reported zero in-patient services and zero therapy benefits for their foster children, and. This seems odd since they have one of the largest increases in their foster care population. Does Arizona use another system of treatment instead of Medicaid? Why is their percent increase so large?

Upon doing some research on the state of the Arizona foster care system, I found articles telling of the sharp increases of foster children coming into the Arizona system and their inability to find enough foster homes for children because more of the children coming into the system have behavior problems. So why aren’t they using mental health services for these kids? I also found that the state has cut programs that help families stay together (welfare, section 8 housing) so children don’t have to enter foster care in the first place.

In Texas, the number of children who enter and exit foster care is about the same. In 2012, 16,619 children entered foster care at some point and 16,892 exited care. The states falls in the middle on Medicaid spending for children in foster care, as well as the spending on the 3.14% of Texas foster children who have received mental health services.

The issue in Texas is that there were still almost 30,000 children in foster care, the second highest amount in the country even though foster children only make up a little over one percent of the states under 18 population. Why is there such an increase overtime of children needing foster care in the state? Are there other alternatives in the state that keeps children from having to enter the overcrowded system?

Spending in Texas, is high. The state has the second largest amount of foster children in the country (behind California) spends the most on Medicaid for foster children – over 95 million dollars more than any other state.

When I did some research, I found that the Texas foster care system is undergoing a structural redesign after eight children died while in care during the last fiscal year. While the redesign addresses issues of safety for Child Protective Services that include more unannounced visits.

As expected in all states there is a problem with overcrowded systems and shortages of caseworkers and foster homes for children to go to, and because of this it’s likely that the estimates of children in Medicaid, especially those who have received mental health services, aren’t the entire scope of foster children with mental illness. It’d be interesting to pinpoint there the cracks in a particular system are, since all states have different guidelines for foster homes. Also it’d be interesting to get demographics on what the make-up of foster homes in a particular state are.

Other things I found in this data set include the amount of Medicaid benefits per foster child – where there could be some interesting story ideas. On average for the whole country, $7447.27 is spent per year on each foster child. This includes all types of care not just mental health. States vary greatly on the amount spent per child with Vermont spending $19,679.08 per child and Massachusetts spending $3969.06 per child. Why does Vermont have to spend so much? Out of the states I focused on, West Virginia pays the most per child and Arizona spends the least. Texas spent the most overall on all spending for foster children, but as I mentioned they have thousands more children in care.

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| State | Total Medicaid Spending on Foster Children | Total Amount spent per child |
| Arizona | $63,905,935 | $4147.58 |
| Texas | $564,265,309 | $7734.22 |
| West Virginia | $80,757,14 | $9601.37 |

Another interesting thing that can be found from this data is the amount of foster children who are forgoing Medicaid. There could a number of reasons for this depending on the state, whether they are classified under a different eligibility or the children are using the insurance of their foster family. It also might be a good way to gauge which states let children slip through the cracks more often.

It’d be interesting to see if there are any special programs in the states with the largest amount of children forgoing Medicaid that could help other states with their funding and overcrowding problems. For example, in Ohio almost 25% of foster children who are eligible for Medicaid forgo it.

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| State | # Eligible | # Forgoing | % of Total Eligible |
| Ohio | 45,732 | 11,194 | 24.48% |
| Wyoming | 3,260 | 577 | 17.70% |
| Alabama | 11,314 | 1,864 | 16.48% |
| Illinois | 58,298 | 7,131 | 12.23% |