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Senate Health Bill Would Damage NC's Child Welfare System

When children come to the attention of the child welfare system, they have invariably experienced significant trauma that demands a robust array of services and support to help them recover. Just weeks ago, North Carolina passed sweeping child welfare reform legislation to improve our state's level of care for these children. Unfortunately, pending federal health care reform threatens to undermine our state's good work to protect children from abuse and neglect and to help victims recover.

The Senate health care bill contains unprecedented cuts in federal funding for Medicaid, which provides health care for nearly one million children in North Carolina, including the 11,014 children currently in foster care. The Congressional Budget Office report on the Senate's bill projects Medicaid cuts of $772 billion over 10 years with accelerating cuts after 2026. According to a new Urban Institute report, the Senate bill would result in 553,000 more uninsured North Carolinians and the loss of $1.83 billion in federal Medicaid funding by 2022.

Medicaid provides the cornerstone for prevention and mitigation of child abuse and neglect. Given the crucial role Medicaid plays for these children and their families, deep cuts to the Medicaid program will inevitably lead to reductions in the quality and availability of needed services.

- **Kids in foster care rely on Medicaid to cover their significant physical and mental health care needs.** The National Conference of State Legislatures reports that "up to 80 percent of children in the foster care system have significant mental health issues, compared to approximately 18-22 percent of the general population." Another study by the Substance Abuse and Mental Health Services Administration (SAMHSA) found similarly high rates of mental health disorders among children in foster care in addition to increased rates of physical health problems, including vision issues, tooth decay, and developmental disorders.

  Medicaid is the health insurance program for all children in foster care in North Carolina. The loss of nearly $2 billion over the next five years and even deeper cuts in the following years will lead to reductions in benefits for enrollees and provider reimbursement rates, which would undermine North Carolina's ability to provide the high level of services these children need.

- **Medicaid is a lifeline for those children impacted by the opioid crisis.** The opioid crisis is sending more and more children into foster care. Since SFY 2012, there has been a 20 percent increase in children entering foster care due to parents' drug use. Medicaid offers the best opportunity for low-income addicted parents to get the treatment they need to beat their addiction and provide their children with a stable and nurturing home. Furthermore, babies born to mothers in active addiction need not only intensive

medical treatment immediately after birth, but also mental health and developmental support in their earliest years. Lastly, children in foster care and those who have aged out are at high risk of substance abuse disorders themselves and need a strong Medicaid program to provide effective treatment options.

- **The tremendous gains that North Carolina has made in expanding evidence-based trauma treatment for abused and neglected children will be jeopardized.** Innovative programs, such as the Child Treatment Program, have significantly expanded the accessibility of evidence-based trauma treatment models such as Trauma-Focused Cognitive Behavioral Therapy, Parent Child Interaction Therapy, and Child-Parent Psychotherapy, which rely on licensed Medicaid providers to deliver services to children across North Carolina. Medicaid cuts will jeopardize the ability of this network of providers to continue to provide these effective mental health treatment programs.

- **Adoptions of foster children with serious medical conditions or disabilities may be affected.** DHHS's ability to offer prospective adoptive parents the assurance that Medicaid will cover the care of children with very costly medical or behavioral health needs is vitally important in providing permanent homes for those children.

- **Children aging out of foster care will have reduced access to care.** Youth aging out of care often need continued treatment for mental health conditions, which they experience at a much higher rate than the general population. A diminished Medicaid program would jeopardize access to care.

- **Future expansion of evidence-based child abuse prevention programs is contingent on Medicaid funding.** Programs such as the Nurse-Family Partnership and Child First have been proven to reduce child maltreatment and address trauma, but are only available to a small percentage of families. Medicaid cuts will prevent future expansion of these programs and, in the case of Child First, could reduce access further.