

The Child Welfare Impact of the Opioid Epidemic

Increasing Health Care Access to Strengthen North Carolina Families

Whitney Tucker | *Research Director, whitney@ncchild.org*

Introduction

Children flourish in stable and supportive families. Unfortunately, the presence of substance misuse and substance use disorders can disrupt family life and render parents unable to provide a safe and nurturing environment for their children. In North Carolina, families statewide are feeling the impact of the nation's opioid epidemic as parental substance dependence gives rise to a second crisis in the state – a rapid increase in the number of children entering foster care due to parental substance misuse. The high cost of health insurance often means that parents do not have access to the resources to successfully fight addiction and reunite their families.¹

The U.S. Substance Abuse and Mental Health Services Administration (SAMHSA) estimates that from 2015-2016, approximately 533,000 North Carolinians ages 18 and up (7%) had a substance use disorder, a disease defined as regular use of alcohol or other drugs causing clinically and functionally significant impairment.² These conditions can put significant strain on families, as untreated or

improperly managed substance use can negatively impact a parent's ability to prioritize their child's basic physical and emotional needs, putting that child at high risk for abuse and neglect.

This brief will explore key elements of the growing crisis of substance misuse by parents on child welfare in North Carolina. Particularly for working families who cannot afford private health insurance but earn too much to qualify for Medicaid, the author proposes that closing the Medicaid coverage gap is a promising policy to protect children and keep North Carolina's families strong.

Substance Use Disorders are on the Rise in NC

Parental substance misuse and disorder continue to plague North Carolina's families, with serious and far-reaching effects on child well-being. Opioid use in particular has risen due to the unprecedented availability of cheap heroin and fentanyl, drugs now driving overdose deaths across the state.

Three North Carolinians died each day from opioid overdose between 2015-2016.³ For every opioid poisoning death in the state, there were just under three hospitalizations, nearly four emergency department visits due to medication and drug overdose, over 380 people who misused prescription pain relievers, and nearly 8,500 prescriptions for opioids dispensed.⁴

From 1999-2016, opioid-related overdose fatalities increased by more than 800 percent in North Carolina, resulting in more than 12,000 preventable deaths statewide and a marked increase in the number of children heading into the state's foster care system.⁵

Parental Substance Misuse Disrupts Children's Healthy Development

To grow up healthy and be successful, children need a safe, stable, nurturing environment within their family and community. Positive and responsive relationships with adults build strong brain architecture for children and establish a sturdy foundation for their future learning and development.

Addiction compromises a parent's ability to appropriately care for their children. Under the influence of alcohol or other drugs, parents may be unable to provide consistent and developmentally responsive care, or unable to ensure a safe environment for their children. Parental substance misuse can lead to housing instability, food insecurity, child abuse and neglect, and a host of other negative outcomes for children.

Household member substance misuse is so detrimental to children's development that it is considered an Adverse Childhood Experience (ACE), a traumatic event that occurs in a

child's life before the age of eighteen. ACEs are particularly harmful to children because research has shown them to increase the likelihood of childhood exposure to "toxic stress" – the extreme, repetitive, and extended activation of the body's natural stress response. Toxic stress fundamentally changes a child's developing brain and has been associated with poor physical and psychological outcomes persisting into adulthood.⁶

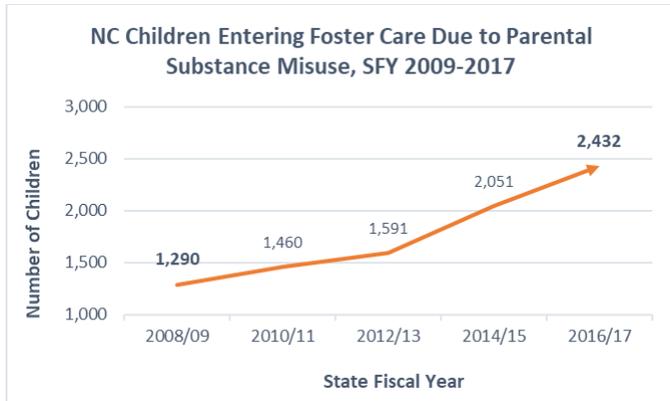
The ACE of Parental Substance Misuse

Substance misuse has a profound and long-lasting impact on children and their development. Studies have shown children of parents with a substance use disorder are more than twice as likely as their peers to have an alcohol and/or drug use disorder themselves by young adulthood.⁷ These children are at heightened risk for a wide variety of other negative outcomes as well, including trouble with concentration and learning, issues managing physical and emotional responses to stress, and difficulty in establishing and maintaining trusting relationships. These effects can manifest early and persist throughout children's lives.

Foster Care Utilization is Rising as Parents Battle Substance Use Disorder

In addition to the aforementioned poor outcomes, children of parents with a substance use disorder are at higher risk of abuse or neglect and subsequent entry into foster care. Children are placed in foster care when it is determined that they are no longer safe at home due to risk of maltreatment. During 2017, more than 16,500 children in North Carolina lived in DSS custody.⁸ Parental substance

misuse was a contributing factor to out-of-home placement for 39 percent of children entering foster care in SFY 2016-17, up from 26 percent in SFY 2007-08.⁹



SOURCE: NC Department of Health and Human Services
 NOTE: Parental substance misuse identified as a contributing factor

Once a report of maltreatment is substantiated, children of parents with substance use disorders are more likely to be placed in out-of-home care and more likely to stay in care longer than other children, further compounding the adversity they have already experienced.¹⁰

Furthermore, the opioid epidemic has been so far-reaching in North Carolina that in some areas, children’s closest family members are also struggling with substance use disorders and unable to care for them. This experience is an additional challenge for children of parents struggling with substance misuse, because research suggests that children removed from parental custody have more positive outcomes when placed with other relatives.¹¹



The chronic and ongoing nature of substance use disease and treatment may also result in longer stays in foster care for children. The median length of time that a child entering state custody in North Carolina remained in foster care increased from just under one year (362 days) in SFY 2000 to more than 15 months (478 days) in SFY 2016. For children under age 6, the median length was nearly 17 months (512 days).¹²

“Parental substance use was a contributing factor to out-of-home placement for 39% of children entering foster care in SFY 2016-17.”

As parents struggle to heal, an increasing number of North Carolina’s children are growing up in unstable environments during their earliest years of life, a circumstance with critical consequences for their future prospects of violence victimization, perpetration, health and opportunity.¹³

Fortunately, North Carolina has the opportunity to increase access to health care that can help more parents afford to prevent and treat the conditions that are increasingly leading to childhood foster care utilization across the state.

Medicaid Is a Lifeline for Struggling Families

Parents need treatment services to help them heal from substance use disorders. Without it, they are at high risk of death due to overdose and are much less likely to retain or regain the ability to provide a stable and nurturing home for their children.¹⁴

Medicaid, the nation's largest source of health insurance and preventive care for low-income families, provides a broad range of services to meet the needs of people with opioid and other substance use disorders, including: detox, medication-assisted treatment (MAT), outpatient counseling, and other evidence-based treatment and recovery supports.¹⁵

Medicaid offers the best chance for low-income parents to access otherwise prohibitively expensive substance use treatment and provides comprehensive services for children affected by parental addiction.

Parents Fall into the Coverage Gap, and Children into Foster Care

In 2014, an estimated 144,000 uninsured North Carolinians with a mental health diagnosis or substance use disorder had incomes below 138 percent of the Federal Poverty Level (FPL), the income limit for expanded Medicaid coverage eligibility authorized by the 2010 Affordable Care Act (ACA). Some in this group had incomes currently affording them Medicaid coverage (parental eligibility limit of 43 percent FPL) or the option to pay premiums to purchase coverage through the insurance Marketplace (incomes between 100 and 138 percent FPL), but most fall into the "coverage gap" and would gain access to health insurance only if North Carolina expanded income eligibility for Medicaid.¹⁶

Without expanded access to the program, limited funding for opioid and other substance use treatment leaves uninsured North Carolinians without the care they need to protect their health and household stability as the state sinks further into the opioid crisis.

Closing the Coverage Gap Critical in States Battling the Opioid Epidemic

A recent report by the U.S. Government Accountability Office (GAO) found that expanded eligibility for Medicaid coverage through the Affordable Care Act is providing essential access to substance use treatment in four states (West Virginia, Iowa, New York, and Washington) battling the opioid crisis, with 20-34% of beneficiaries using mental health or substance disorder treatment after enrollment.

In a separate study, Kentucky saw a 700% increase in Medicaid beneficiaries using substance use treatment services after expanding income eligibility. Nationally, expanding Medicaid is estimated to have reduced the unmet need for substance use treatment by as much as 18 percent.

SOURCES: U.S. Government Accountability Office. (2017). *Medicaid Expansion: Behavioral Health Treatment Use in Selected States in 2014*. Retrieved from <https://www.gao.gov/products/GAO-17-529>.

Bailey, P. (2017). *ACA Repeal Would Jeopardize Treatment for Millions with Substance Use Disorders, Including Opioid Addiction*. Center on Budget and Policy Priorities.

Evidence shows that Americans with mental health and substance use disorders are the largest beneficiaries of expanded access to Medicaid.¹⁷ Millions of low-income people across the country have been able to access addiction relief supports with health care coverage provided through the expansion of Medicaid eligibility in the ACA. North Carolina's most vulnerable parents are not among them, as the state has chosen not to accept federal funds to broaden income eligibility for the program. The consequences of this choice are playing out in the child welfare system statewide.

Recommendation

To ensure parents struggling with substance misuse and disorder receive the preventive and treatment services they need to care for their children without state involvement, North Carolina policymakers should take advantage of available federal funding to expand health coverage to all adults under 138 percent FPL.

Experts agree that whenever possible, it is best to avoid a child's entry or prolonged stay in foster care by strengthening families and keeping children in their homes after any parental health concerns have been addressed.¹⁸ North Carolina can do more to help families affected by the opioid crisis to reach this goal.

“Americans with mental health and substance use disorders are the largest beneficiaries of expanded access to Medicaid.”

North Carolina is currently considering a proposal to expand Medicaid income eligibility under the ACA and close the coverage gap. The bill, HB662, directs the North Carolina Department of Health and Human Services (NC DHHS) to create the Carolina Cares program, which would expand care to all individuals earning less than 133 percent FPL. By passing HB662, the North Carolina General Assembly could provide many parents with the insurance they need to access effective treatment and prevention services.

Those who would gain insurance currently earn too little to afford private treatment while remaining ineligible for Medicaid. These individuals are typically working in fields like food service and retail that offer low wages without employer-sponsored health insurance,

and while they may be able to consistently keep a check coming into the household, their incomes are often still too low for those suffering from substance misuse to afford the care they need to keep their families afloat as they fight addiction to opioids or other substances.

A Work Requirement Could Halt Recovery from Substance Misuse and Worsen Disparities

One of the shortcomings of HB662 is the inclusion of work requirements for beneficiaries, which could prevent individuals struggling with substance use disorders from accessing needed care. Research has shown this type of requirement to be an unnecessary bureaucratic hurdle for families in need of life-saving insurance coverage. Nearly 8 in 10 adults utilizing Medicaid already live in working families, and those who are not working are unable to do so because they are caring for a family member, are in school, are retired, or have a disability or chronic illness.¹⁹

The Carolina Cares proposal includes an exception from work requirements for individuals who are currently receiving treatment for substance use, but fails to acknowledge the long-term and variable nature of substance use disorders or the social barriers to work for many recovering from illegal substance use. The process of recovery for people with substance use disorders might involve multiple episodes of treatment, but someone who leaves treatment under Carolina Cares would no longer qualify for the exemption. The work requirement therefore jeopardizes recovery for individuals who have completed treatment but may still need recovery supports.

“The [Carolina Cares] work requirement...jeopardizes recovery for individuals who have completed treatment but may still need recovery supports.”

In addition, while the opioid epidemic is generally being acknowledged as a public health crisis in the state, substance use disorder has historically been criminalized, particularly for communities of color. This has left many parents with a history of substance use disorder with criminal records that follow them as they apply for the jobs that they would need to qualify for treatment coverage under Carolina Cares.

Taking into account the disproportionately punitive response to substance use in communities of color during the ‘War on Drugs’ and the documented discrimination of people of color in the job market, a work requirement can only be expected to worsen health disparities in substance treatment between white people and people of color in the state.²⁰⁻

²¹ The inclusion of this requirement would create additional barriers to care and restrict parents from accessing the critical supports that they need to enable family stability.

Conclusion

Families are stronger when parents have the tools they need to properly care for their children. Lawmakers should act now to shield kids from the negative impacts of parental substance misuse by ensuring all North Carolinians who need treatment for these conditions are able to receive it. Expanding Medicaid eligibility in North Carolina to close

the coverage gap is an evidence-based policy solution that can help our state address the rising number of children in foster care as a result of the opioid crisis.

Appendix: Percent of Children in Foster Care* Due to Parental Substance Misuse by County (2016-17)

County	Percent in Care Due to Parental Substance Misuse
Alamance	41.1%
Alexander	70.3%
Alleghany	13.0%
Anson	26.7%
Ashe	52.2%
Avery	47.1%
Beaufort	44.1%
Bertie	40.0%
Bladen	25.0%
Brunswick	58.3%
Buncombe	53.2%
Burke	69.9%
Cabarrus	25.0%
Caldwell	41.5%
Camden	50.0%
Carteret	71.2%
Caswell	47.4%
Catawba	62.9%
Chatham	76.7%
Cherokee	58.9%
Chowan	N/A
Clay	55.0%
Cleveland	31.3%
Columbus	42.5%
Craven	45.1%
Cumberland	32.9%
Currituck	66.7%
Dare	86.7%
Davidson	67.0%
Davie	11.6%
Duplin	19.0%
Durham	19.8%

Edgecombe	37.2%
Forsyth	51.9%
Franklin	60.0%
Gaston	16.8%
Gates	0.0%
Graham	87.5%
Granville	21.9%
Greene	0.0%
Guilford	43.2%
Halifax	4.5%
Harnett	37.0%
Haywood	5.1%
Henderson	0.0%
Hertford	0.0%
Hoke	35.3%
Hyde	100.0%
Iredell	53.0%
Jackson	72.0%
Johnston	35.6%
Jones	0.0%
Lee	45.2%
Lenoir	37.5%
Lincoln	52.2%
Macon	7.4%
Madison	67.5%
Martin	40.0%
McDowell	0.0%
Mecklenburg	18.5%
Mitchell	42.9%
Montgomery	75.0%
Moore	38.7%
Nash	4.5%
New Hanover	41.3%
Northampton	0.0%

Onslow	17.9%
Orange	39.0%
Pamlico	100.0%
Pasquotank	0.0%
Pender	27.3%
Perquimans	50.0%
Person	48.7%
Pitt	44.4%
Polk	22.2%
Randolph	36.6%
Richmond	30.8%
Robeson	58.6%
Rockingham	43.9%
Rowan	39.2%
Rutherford	38.7%
Sampson	65.4%
Scotland	35.1%
Stanly	7.7%
Stokes	64.4%
Surry	27.5%
Swain	63.2%
Transylvania	38.5%
Tyrrell	0.0%
Union	29.1%
Vance	5.7%
Wake	8.4%
Warren	12.5%
Washington	0.0%
Watauga	48.9%
Wayne	58.2%
Wilkes	68.5%
Wilson	50.0%
Yadkin	35.5%
Yancey	68.4%

SOURCE: NC Department of Health and Human Services

* All children entering care are ages 0-17 and spent at least one day in out of home care.

End Notes

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