FACT SHEET

ACF and CMS Demonstration to Address Over-Prescription of Psychotropic Medication for Children in Foster Care

Background

- There are effective treatments for the mental health disorders and trauma symptoms common among children in foster care. Given the lack of reliance on evidence-based psychosocial interventions in the child welfare system, and capacity to implement such interventions, states rely predominately on generic psychotherapy and psychotropic medications that do not adequately address the complex emotional and behavioral disorders among the children and youth it serves.

- Children in foster care receive a disproportionate level of prescriptions of psychotropic medication compared to other children on Medicaid. A recent Government Accountability Office (GAO) report using Medicaid claims from five states found that 20 percent to 39 percent of children in foster care received a prescription for psychotropic medication in 2008, compared with 5 percent to 10 percent of children not in foster care.

- The CMS Office of the Actuary (OACT) found that in 2008 $532 million was claimed for psychotropic drugs for Medicaid children in foster care.

- Other studies have found that among children enrolled in Medicaid in 2011, children in foster care were prescribed psychotropic medications at rates from 3 to 11 times higher than non-foster children. Moreover ACF reported data show that as many as 41 percent of children in foster care who took any psychotropic medication received *three or more* psychotropic medications in the same month.

Proposal

- The President's Budget includes a five-year joint Administration for Children and Families (ACF) and Centers for Medicare & Medicaid Services (CMS) competitive demonstration project beginning in FY 2015 to encourage states to implement evidence-based psychosocial interventions targeting children in the foster care system as an alternative to the current reliance on prescribing psychotropic medications to this vulnerable population.

- The ACF investment of $250 million over five years would fund state infrastructure and capacity building including:
    - Enhancing the child welfare workforce;
    - Providing valid and reliable screening and assessment tools;
    - Coordinating between child welfare case planning and management and Medicaid, especially Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT);
    - Training child welfare staff, foster parents, adoptive parents, guardians, judges and clinicians;
    - Ensuring fidelity monitoring;
    - Implementing an evaluation; and,
    - Providing data collection and IT systems.

- The $500 million will provide incentive payments to participating states that demonstrate improvement. (A state that receives an incentive payment from this fund cannot use these funds to supplant other funds used by the state to carry out the Medicaid State plan, or IV-B or IV-E of the Social Security Act.)

- The CMS Office of the Actuary (OACT) estimates that this demonstration would reach approximately 400,000 children through the end of the demonstration.

- The demonstration would encourage states to develop and scale up screening, assessment, and evidence-based treatment of trauma and emotional and behavioral disorders among children in foster care in order to reduce over-prescription of psychotropic medications and improve child wellbeing.

- There are several goals of the demonstration including:
    - Reduce over-prescription of psychotropic medications, including the elimination of prescribing practices that do not conform to best practice guidelines for children and youth;
    - Increase use of evidence-based/evidence-informed, trauma-informed, screening, assessment, and psychosocial interventions as first-line treatments for emotional and behavioral health needs;
    - Improve children and youth well-being across physical, social-emotional, cognitive, and developmental domains; and,
    - Improve child welfare outcomes including increased child safety, decreased time to permanency, fewer disrupted adoptions, and fewer entries and re-entries into foster care.

- The Secretary of Health and Human Services (HHS) would define criteria for qualifying states, qualifying foster children, and recommend models to test. Through a competitive grant process, qualifying states would apply for (1) ACF infrastructure grant funding, (2) incentive payments if they qualify for them based on the Secretarially defined criteria.

- We can expect substantially improved outcomes for children and youth in foster care if the child welfare system can accurately identify the social and emotional needs of the children and youth it serves, install and scale up evidence-based psychosocial interventions, and match young people with appropriate and effective treatments. These include a reduction in the over-prescription of psychotropic medications, a reduction in risky prescribing practices such as polypharmacy, and improved social and emotional wellbeing of children and youth. Further, when children's emotional and behavioral health needs are met, it is reasonable to expect improvements in traditional child welfare outcomes such as decreased time to permanency, fewer disrupted adoptions, and fewer entries and re-entries into foster care.