



Conclusion

States can use policy options under Medicaid to alleviate the problems for families of children with mental and emotional disorders who cannot obtain the services they need to keep their child at home. However, these tools—the TEFRA eligibility option and the home- and community-based waiver—are greatly underutilized.

Many more states could utilize the home- and community-based waiver, and state concerns about implementation of such a waiver are not borne out in practice by the three states that have them. Waiver costs can be modest and controlled, and can easily offset alternative institutional costs, while helping families who might otherwise be forced to give up custody of their child to the state.

The TEFRA option provides another important tool to avoid custody relinquishment. It could benefit even more families than a home- and community-based waiver because it is an entitlement for all eligible children. Yet few states have the TEFRA option and even those that do could improve their policies to help more families. Few children benefit from TEFRA and children with mental or emotional disorders benefit even less, whether because of state rules, omissions in state policy, deficient parent-education materials or misinformation from state officials who do not understand the program.

The purpose of this guide is to give family advocates and policymakers the information they need to change this bleak picture. We hope they will use this report, and the attached fact sheets and other information, to educate state decision-makers on how TEFRA or a home- and community-based waiver can benefit many children and families while still being a cost-effective approach for the state.

Federal Medicaid law offers the states options that could greatly alleviate the inhumane practice of sending parents and children to court and putting them on trial for their inability to get help for a mental health problem. Children and their families should not be punished for having a mental health condition. Instead, states should make full use of federal Medicaid options and waivers to serve children with mental and emotional disorders in their homes and communities.