



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Center for Medicaid and State Operations
7500 Security Boulevard
Baltimore, MD 21244-1850

March 22, 1999

Dear TANF Administrators, State Medicaid Directors, and CHIP Directors:

Through an ongoing strategy to reform welfare, the Administration has fought to continue efforts to support low-income families, especially those trying to make the transition from welfare to self-sufficiency. As part of these efforts, it is critical that progress is made towards increasing the number of Americans with health insurance. The delinkage of Medicaid from cash assistance and declining welfare caseloads have created both challenges and opportunities for providing this support for working families. It is important that we use effective strategies and find new ways to reach children and families outside, as well as through, the welfare system.

In order to help policy-makers overcome these challenges, and to realize the potential of these opportunities, we have developed the enclosed guide, "Supporting Families in Transition: A Guide to Expanding Health Coverage in the Post-Welfare Reform World." This guide contains information regarding processes and procedures that will help ensure as many children and families as possible obtain health insurance.

In a letter we sent you on June 5, 1998 (<http://www.hcfa.gov/medicaid/wrdl605.htm>), we encouraged you to coordinate both the administration of, and eligibility for, your TANF and Medicaid programs. In that letter, we highlighted states' responsibilities to establish and maintain Medicaid eligibility for families and children affected by welfare reform, and we also outlined the broad flexibility the statute affords you to expand eligibility. Through the enclosed guide, we are providing additional information to help you accomplish these important goals.

In addition to explaining state options and suggesting appropriate strategies, the guide summarizes the application and enrollment requirements for the Medicaid program. Two of the most critical requirements are that States must:

Provide Medicaid applications upon request. Based on Medicaid regulations (42 CFR 435.906), the Department of Health and Human Services (DHHS) has determined that states using joint TANF-Medicaid applications must furnish a Medicaid application immediately upon request and may not impose a waiting period before providing the application for Medicaid.

Process Medicaid applications without delay. States must assure that an application for Medicaid is processed quickly and not delayed by any TANF requirement. In states where TANF application or eligibility is delayed (i.e., families receive diversionary assistance or face any other initial administrative steps), the state must process the joint application immediately to determine Medicaid eligibility.

In addition to issuing the guide, we will be expanding our technical assistance efforts to states to ensure that TANF programs are designed and implemented so that children and their families are informed about Medicaid and CHIP and enrolled when eligible. To focus our efforts more effectively, we will work with states to review their welfare and Medicaid eligibility and enrollment procedures. This process will help us assist state agencies in improving their practices, it will further help us by identifying successful models of coordination that can be shared with other states.

We recognize the new needs for outreach, accessibility, and coordination that have arisen from the delinkage of Medicaid from the welfare system, and the growing number of working families unlikely to enter the welfare office but likely to be eligible for Medicaid. In light of these new challenges, we are committed to working with you to establish the most effective Medicaid application and enrollment procedures for low-income families with children.

We look forward to continuing this very important work with you and to charting the gains we make together in improving the health coverage of all low-income children and families, and in supporting the transitions of families from welfare to self-sufficiency. In the meantime, please contact your HCFA or ACF Regional Administrator or your Regional Director with any questions or for additional information.

Sincerely,

Olivia Golden Assistant Secretary Administration for Children and Families

Nancy Ann Min DeParle Administrator Health Care Financing Administration