

February 18, 2000

Dear State Health Official:

I am writing to inform you of an important opportunity to ensure that individuals (and their families) who are temporarily hired by the Census Bureau to assist in Census 2000 do not lose eligibility for Medicaid or the State Children's Health Insurance Program (SCHIP) because of the income they receive from employment by the Census Bureau.

Census 2000 offers a unique work opportunity for those receiving Temporary Assistance for Needy Families (TANF) and other low-income individuals to earn money while receiving training and developing valuable work skills. These skills can provide an important foundation for entering the work force or advancing within the work force. The Census Bureau is working hard to recruit low-income individuals for census work, and one of the key elements of recruiting is ensuring the availability of health care coverage for workers and their families.

The Census Bureau will hire more than half a million people to complete Census 2000 activities. Under the President's welfare-to-work initiative, the Census Bureau aims to hire thousands of TANF beneficiaries. In many neighborhoods, TANF beneficiaries are a focus of the recruitment effort. These TANF beneficiaries, as well as a great number of the other individuals who Census hires may be Medicaid beneficiaries, have children who are enrolled in Medicaid or SCHIP, or may be uninsured and interested in applying for these programs.

The Census 2000 recruitment and hiring effort is already underway. If hired by the Census Bureau, many of the people and their children may remain eligible for Medicaid because of protections afforded by transitional Medicaid benefits or they may be eligible for SCHIP. However, others may lose or fail to qualify for Medicaid or SCHIP because of temporary Census Bureau earnings unless States exempt income from temporary Census Bureau wages for purposes of Medicaid and SCHIP eligibility.

We encourage you to take advantage of the flexibility offered under Medicaid and SCHIP to ensure that families' continue to have access to health coverage. States have the option under title XIX and title XXI to disregard earnings when making eligibility determinations; and States can disregard specific types of income such as those earnings generated by employment with the Census Bureau. States need only file an amendment to their Medicaid and/or SCHIP State plan; no waiver is required.

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Since hiring is already underway, we have tried to facilitate the State plan amendment process. States can use the State Medicaid and/or SCHIP plan template page that accompanies this letter, indicating the State's desire to disregard this income for eligibility purposes, and return the page(s) to your Health Care Financing Administration (HCFA) Regional Office. These amendments will be approved upon receipt by HCFA (and can be effective as of the first day of the calendar quarter submitted). We encourage you to return these plan amendments as quickly as possible.

In addition, please consider ways to utilize this unique opportunity to follow up on the Census 2000 effort

by reaching and enrolling families and children in need of health care coverage. The Census Bureau estimates that there will be several million potential applicants for the Census 2000 positions. In every State that adopts the proposed State plan amendments, publicity of the Census 2000 Medicaid and SCHIP exemptions can reach thousands of individuals.

If you have any further questions, please contact Jennifer Ryan of HCFA's Center for Medicaid and State Operations at (410) 786-1304.

Sincerely,

/s/

Timothy M. Westmoreland
Director

Enclosures

cc: All HHS Regional Directors All HCFA Regional Administrators All HCFA Associate Regional Administrators for Medicaid and State Operations George Barnett - United States Census Bureau Brett Ewig - Association of State and Territorial Health Officials Lee Partridge - American Public Human Services Association Matt Salo - National Governors' Association Joy Wilson - National Conference of State Legislatures

DRAFT

Revision: HCFA-PM-00-1 Supplement 8A to Attachment 2.6-A February 2000 ADDENDUM

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State Plan Under Title XIX of the Social Security Act

State: _____

**LESS RESTRICTIVE METHODS OF TREATING INCOME
UNDER SECTION 1902(r)(2) OF THE ACT**

____ For all eligibility groups not subject to the limitations on payment explained in section 1903(f) of the Act*: All wages paid by the Census Bureau for temporary employment related to Census 2000 activities are excluded.

* Less restrictive methods may not result in exceeding gross income limitations under section 1903(f)..

February 2000 ADDENDUM State Plan Under Title XIX of the Social Security Act State:

_____ ELIGIBILITY UNDER SECTION 1931 OF THE ACT The

State covers low-income families and children under section 1931 of the Act. ____ The agency uses less restrictive income and/or resource methodologies than those in effect as of

July 16, 1996, as follows:

All wages paid by the Census Bureau for temporary employment related to Census 2000 activities are excluded. ____ The income and/or resource methodologies that the less restrictive methodologies replace are as

follows:

DRAFT – ADDENDUM TO SECTION 4.

STATE CHILDREN'S HEALTH INSURANCE PROGRAM

STATE PLAN TEMPLATE

Section 4. Eligibility Standards and Methodology (section 2102(b))

4.1.3. ____ Income: _____

____ All wages paid by the Census Bureau for temporary employment related to Census 2000 activities are excluded.

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