

Implementation Guide: Medicaid State Plan Eligibility Eligibility Groups – Options for Coverage Children with Non IV-E Adoption Assistance

Contents

POLICY CITATION.....	2
BACKGROUND.....	2
Overview	2
Individuals Covered.....	2
Income Eligibility	3
INSTRUCTIONS	4
A. Characteristics.....	4
B. Financial Methodologies.....	4
C. Individuals Covered	4
D. Income Standard Used	5
E. Basis for Income Standard – Maximum Income Standard	7
F. Additional Information	8
REVIEW CRITERIA.....	8

Children with Non IV-E Adoption Assistance

POLICY CITATION

Statute: 1902(a)(10)(A)(ii)(VIII)

Regulations: 42 CFR 435.227

BACKGROUND

Overview

This reviewable unit (RU) describes the optional eligibility group for children with special health care needs for whom there is a non IV-E adoption assistance agreement in effect, as described at 42 CFR 435.227. It provides the statutory basis for coverage, the income standard established by the state (if any), and includes available options regarding the populations covered under this group.

Individuals Covered

Section 1902(a)(10)(A)(ii)(VIII) of the Social Security Act (the Act) provides states with the option to cover all individuals under age 21 who meet the following criteria:

- There is a non IV-E adoption assistance agreement in effect between a state and the child's adoptive parent(s);
- The child could not be placed for adoption without Medicaid coverage due to the child's special needs for medical or rehabilitative care; and
- Immediately prior to the adoption agreement, the child was enrolled in or eligible under the Medicaid state plan.

As indicated in section 1902(a)(10)(A)(ii)(VIII)(aa) of the Act, the adoption assistance agreement is governed by a state's adoption assistance program rather than title IV-E of the Act. The agreement may be established with any state, including the state in which the Medicaid determination is made. The state agency responsible for the adoption assistance makes the determination that a child cannot be placed for adoption without Medicaid coverage due to the child's special needs for medical or rehabilitative care, as described in section 1902(a)(10)(A)(ii)(VIII)(bb) of the Act. This criterion is met as long as the adoption assistance agreement is in effect.

Options: Age of Coverage. When electing this group, states specify the age threshold under which they will provide Medicaid coverage. This threshold may be lower than the age to which the adoption assistance agreement remains in effect with the state. States may choose to cover individuals under age 21, under age 20, under age 19, or under age 18.

Options: Reasonable Classifications. States may elect to cover all individuals described in section 1902(a)(10)(A)(ii)(VIII) of the Act and section A. of the RU and they may also elect to cover one or more reasonable classifications of such individuals. When a reasonable classification is established, the state specifies the categorical requirements,

such as an adoption assistance agreement in place with either the state itself or any state with which the state has an interstate compact agreement.

Income Eligibility

There is no current income test for this eligibility group. As described in section 1902(a)(10)(A)(ii)(VIII)(cc) of the Act, an individual is eligible for Medicaid under this optional group if he/she was eligible for Medicaid immediately prior to execution of the adoption assistance agreement, in the state with the adoption assistance agreement.

Option: Establishing an Income Standard. For individuals who were not eligible under the state plan immediately prior to execution of an adoption assistance agreement, certain states may additionally establish an income standard. This means that the state applies an income standard to individuals who would otherwise qualify for this group, except that they were not Medicaid eligible immediately prior to execution of their adoption assistance agreement. Unlike other eligibility groups, this income standard is specific to the child's circumstances and household income immediately prior to execution of the adoption assistance agreement; it is not a current income test and does not consider the child's current circumstances. In addition, this option is limited to states that had an income standard in effect for this eligibility group prior to January 1, 2014.

Prior to implementation of Modified Adjusted Gross Income (MAGI), states regularly used the flexibility provided by section 1902(r)(2) of the Act to expand coverage under this group through the use of block income disregards. When the MAGI-based methodologies became effective in 2014, states that had an income standard (including disregarding all income) converted that standard to an equivalent MAGI-based income standard. These states may continue to utilize an income standard for individuals who were not Medicaid eligible immediately prior to execution of the adoption assistance agreement.

In states that establish an income standard:

- The minimum income standard is a percentage of the federal poverty level (FPL) greater than the income standard for the infants and children under age 19 eligibility group (42 CFR 435.118) for the age group specified.
- The maximum permitted is the highest income standard approved under the Medicaid state plan as of December 31, 2013 or under a section 1115 demonstration as of March 23, 2010 or December 31, 2013, converted to a MAGI-equivalent standard.

The income standard used may vary between age groups and reasonable classifications covered under this group. The state must specify for each age group and reasonable classification whether an income standard is used and, if one is used, what it is. The income standard used may be no income test.

To meet the Affordable Care Act's maintenance of effort requirements, which remain in effect until October 1, 2019, states that had an income standard in effect under their

Medicaid state plans as of March 23, 2010, must maintain an income standard for this group that is at least as high as the March 2010 standard converted to a MAGI equivalent.

In states that establish an income standard, MAGI-based income methodologies are used to determine eligibility for this eligibility group. Separate RUs, **MAGI-Based Methodologies** (for states) and **MAGI-Based Methodologies – Territories** (for territories) describe the methodologies used by the state. If the state/territory wishes to make a change to its MAGI-based income methodologies, it must amend one of these RUs.

INSTRUCTIONS

A. Characteristics

There are a series of five statements (A.1. through A.5.) describing the individuals who qualify under this eligibility group.

B. Financial Methodologies

There is a statement that when income is considered in determining eligibility, MAGI-based methodologies are used in calculating household income for this eligibility group. A separate RU, **MAGI-Based Methodologies** (or **MAGI-Based Methodologies – Territories**), describes the MAGI-based methodologies used by the state.

If you wish to view the state's methodologies, select the *View approved version of MAGI-Based Methodologies* link.

- The appropriate **MAGI-Based Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is no approved version of this reviewable unit in MACPro available to display."
- Select the *Children with Non IV-E Adoption Assistance* link to return to the **Children with Non IV-E Adoption Assistance** RU.

C. Individuals Covered

- At C.1., select *Yes* or *No* to indicate if the state covers all children under a specified age limit for whom there is an adoption assistance agreement in place from any state.
 - If *No*, continue to C.2.
 - If *Yes*:
 - At C.1.a., select one of the four age limit options.
 - At C.1.b., select, *Yes* or *No*, to indicate if the state additionally covers reasonable classifications of children.
 - If *Yes*, complete the fields at C.2.
- If C.2. displays for completion:
 - At C.2.a., select one of the four age limit options.

- At **C.2.b.** through **C.2.d.**, select any or none of the options as applicable in your state.
 - If **C.2.b.** is selected, choose one of the two options to indicate the states that are covered in this classification.
 - If **C.2.b.ii.** is selected, select the states included in this option. To do this, start to enter the name of the state and then select the correct name from the list.
 - Select one of the four age limit options.
 - If **C.2.c.** is selected, select the states with which the state has an adoption assistance agreement that are covered in this classification.
 - To do this, start to enter the name of the state and then select the correct name from the list.
 - Select one of the four age limit options.
 - If **C.2.d.** is selected, enter the name of the classification and a description in the text boxes provided.
 - Select one of the four age limit options.
 - To add more classifications, select the + **Add Classification** link and follow the steps above.
 - To delete a classification, select the **Delete** link associated with the classification.

D. Income Standard Used

- At **D.1.**, select **Yes** or **No** to indicate if the state covered this eligibility group under its Medicaid state plan as of December 31, 2013 or under an 1115 Demonstration as of March 23, 2010 or December 31, 2013.
 - If **No**, a statement will display at **D.2.** indicating that the state does not use an income standard or disregard all income for this group.
 - If **Yes**, at **D.2.** select **Yes** or **No** to indicate if the state used an income standard or disregarded all income for this group in its Medicaid state plan or Medicaid 1115 Demonstration as March 23, 2010 or December 31, 2013.
 - If **No**, a statement will display at **D.3.** indicating that the state does not use an income standard or disregard all income for this group.
 - If **Yes**, a table will display with names of the age groups and classifications selected in section **C**. Select the name of each age group and/or classification to enter information about its income standard, including if there is no income test (all income disregarded). Another screen will appear with the name of the classification at the top.
- When an age group or classification is selected under **D.2.**, complete the following steps:
 - At **D.3.**, select **Yes** or **No** to indicate if the state elects to establish an income standard for this age group or classification.

- If *No*, select the *Save* button to return to the **Children with Non IV-E Adoption Assistance** RU.
- If *Yes*, select one of the two options.
 - If **D.4.a.** is selected, select the *Save* button to return to the **Children with Non IV-E Adoption Assistance** RU.
 - If **D.4.b.** is selected, at **D.4.b.i.** select, *Yes* or *No*, to indicate if the income standard is a % of FPL.
 - If *Yes*, at **D.4.b.ii.**, enter the % FPL in the text box provided and select the *Save* button to return to the **Children with Non IV-E Adoption Assistance** RU.
 - If *No*, select one of the three options at **D.4.b.ii.(1)** through **D.4.b.ii.(3)** to indicate the income standard used.
 - If *Other dollar amount* is selected at **D.4.b.ii.(3)**, select the *Add Income Standard* button:
 - The screen will display four options for entering this amount.
 - Select the option that best corresponds to the state's dollar amount income standards.
 - Complete the appropriate sections within the selected option to indicate the state's income standards. See the **Income Standards Entry** implementation guide for detailed instructions for updating these fields.
 - After saving the income standards select the *Save Income Standard* button. After saving the income standards, they will be inserted into the prior income standards screen.
 - Select the *Save* button to return to the **Children with Non IV-E Adoption Assistance** RU.
 - Each time the income standard information is saved for an age group or classification, the information pre-fills in the table. To make changes to the income standard information, select the name of the age group or classification, make the changes in the detailed screen and select the *Save Income Standard* button to return to the RU.

E. Basis for Income Standard – Maximum Income Standard

- If an income standard is used, at **E.1.**, indicate that the state has submitted and received approval for its converted MAGI-equivalent income standards and the maximum income standard to be used for this eligibility group. To do this, check the box next to the assurance.
- Select one of the four options at **E.2.a.** through **E.2.d.** to indicate the maximum income standard for this eligibility group.
- Select one of the five options at **E.3.a.** through **E.3.e.** to indicate the amount of the maximum income standard.
 - If **E.3.a.** is selected, enter the % of FPL in the text box provided.
 - If **E.3.c.** is selected:
 - If you wish to view this standard, select the ***View Approved Version of MAGI-equivalent AFDC Payment Standard in Effect As of July 16, 1996*** link.
 - This payment standard from the **AFDC Income Standard** (for states) or **Income Standards – AFDC-Related - Territories** (for territories) RU will appear if there is an approved version of the RU in MACPro.
 - If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
 - Select the ***Children with Non IV-E Adoption Assistance*** link to return to the **Children with Non IV-E Adoption Assistance** RU.
 - If **E.3.d.** is selected:
 - If you wish to view this standard, select the ***View approved version of Parents and Other Caretaker Relatives - The amount of the maximum income standard*** link.
 - This payment standard from the **Parents and Other Caretaker Relatives** RU will appear if there is an approved version of the RU in MACPro.
 - If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
 - Select the ***Children with Non IV-E Adoption Assistance*** link to return to the **Children with Non IV-E Adoption Assistance** RU.
 - If **E.3.e. Other dollar amount** is selected, select the ***Add Income Standard*** button:
 - The screen will display four options for entering this amount.
 - Select the option that best corresponds to the state’s dollar amount income standards.
 - Complete the appropriate sections within the selected option to indicate the state’s income standards. See the **Income**

Standards Entry implementation guide for detailed instructions for updating these fields.

- When you have completed this screen, select the ***Save Income Standard*** button. After saving the income standards they will be inserted into the **Children with Non IV-E Adoption Assistance RU**.

F. Additional Information

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

REVIEW CRITERIA

Due to maintenance of effort requirements in effect through October 1, 2019, the amounts entered in section C. Income Standards Used must equal or exceed the MAGI-converted income standard in effect as of March 23, 2010 for this group.

If the state uses an income standard, the amount must be at or below the maximum standard for this age group or classification. It must also be higher than the mandatory income standard used for this age of child.

The description of other reasonable classification of children at C.2.d. should be sufficiently clear, detailed and complete to permit the reviewer to determine that the state's election meets applicable federal statutory, regulatory and policy requirements. Each name of classification must be unique.