STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

November 20, 1986

To: All County Welfare Directors
All County Administrative Officers

Letter No.: 86-68

Subject: CHANGE IN MEDICAID COVERAGE FOR FEDERALLY ELIGIBLE ADOPTION ASSISTANCE PROGRAM (AAP) AND FOSTER CARE PROGRAM (AFDC-FC) CHILDREN WHO RESIDE OUT-OF-STATE

Reference: SYSM OF 9/29/86 FROM FRANK MARTUCCI

This letter is to notify counties of the implementation of that portion of the Consolidated Omnibus Budget Reconciliation Act (COBRA) dealing with Medicaid benefits for children who are federally eligible, under Title IV-E, for the Adoption Assistance Program (AAP) or the Foster Care (AFDC-FC) Program, and who reside out of the state (known as the placing state) responsible for the placement or adoption.

BACKGROUND

These children are automatically eligible for Medicaid coverage. Before October 1, 1986, AAP/AFDC-FC children who received a grant and who moved to another state continued to receive both the grant and Medicaid from the placing state. For federal AAP/AFDC-FC children, receipt of a grant was required to initiate Medicaid benefits. AAP children are children with special medical or psychological needs (often prior AFDC-FC children). Therefore, Medicaid benefits are provided as an incentive to families to adopt these children. The financial resources of the adoptive family are not considered.

Effective October 1, 1986, COBRA requires that federally eligible AAP (whether or not there is an interlocutory or final adoption decree), and federally eligible AFDC-FC children who reside out of the placing state receive Medicaid from the state in which they reside. For the AAP children, receipt of a grant will no longer be needed to initiate Medicaid eligibility, but a grant is still required for AFDC-FC children. The placing state will continue to pay the grant, if any. Children eligible under <u>state-only</u> adoption assistance or foster care programs will continue to receive Medicaid from the placing state.

COUNTY ACTION

Federally eligible AAP/AFDC-FC children placed by California, now living in other states.

Responsibility to provide Medicaid coverage shifts from California to the other state. California continues to determine grant eligibility and issue payment. Counties must notify out-of-state adoptive/foster families that their child is eligible to Medicaid from the state in which they reside, and Medi-Cal is being discontinued as of December 31, 1986. You should provide the name of a contact person in California. If a state contacts this person stating they are not ready to provide Medicaid, please call Sandra Bierer at (916) 324-4971.

Enclosure 1 is a MEDS printout of your county's federally eligible AFDC-FC children who live out of the state. These children are identified by aid codes 42 through 47 and have an out-of-state zip code. If the address is missing or incomplete, research it; if it is a California address, or for a child living in another country (Germany, Canada, Mexico, etc.), disregard that case. Guam, Puerto Rico, the Canal Zone, or other U.S. territories, are considered as if they were states. Children living in these areas will be discontinued from Medi-Cal also.

Enclosure 2 separates aid code 04 (state-only Aid to Adoption of Children (AAC) and state-only AAP children) from aid code 03 (federally eligible AAP children). Instead of coding federally eligible AAP cases 03 as they should, some counties use aid code 04. To prevent the erroneous issuance of Medi-Cal benefits to federally eligible out-of-state AAP children, review all enclosed 04 cases and reassign the correct 03 code when appropriate. Please refer to Attachment 1, the Department of Social Services' All County Letter No. 82-98 on this subject.

The review and recoding of AAP children must be completed in time to send a timely NOA discontinuing Medi-Cal as of December 31, 1986. Please make sure you assign the proper code in the future so that federally eligible AAP and AFDC-FC children are identified correctly. Also, as soon as possible, but no later than December 20, 1986, provide a list to the Medi-Cal Eligibility Branch, attention of Sandra Bierer, of the names and addresses of the children in your county who will switch to the 03 aid code. This list will be used, along with our list of federally eligible foster children and children already assigned aid code 03, to notify state agencies of children residing in their state who should apply for Medicaid benefits under COBRA.

Attachments 2 and 3 are the suggested NOAs for AAP and AFDC-FC children respectively. These NOAs will serve as the child's verification of federal eligibility and of residence in the other state. The NOAs include the same information California is requesting from other states in order to transfer Medicaid responsibility to us.

The usual MC 239 NOA format should be used with the suggested language which explains the discontinuance of Medi-Cal benefits, the reason and legal basis, and the right to a hearing. To avoid a break in Medicaid coverage for these children, the NOAs should be sent as far in advance as possible; however, at a minimum, 10 days before the Medi-Cal termination date. It may be helpful to have the NOAs prepared by Medi-Cal staff to ensure issuance of Medi-Cal cards is stopped. These NOAs must be used from now on whenever a federally eligible AAP or AFDC-FC child leaves the State.

Federally eligible AAP and AFDC-FC children placed by other states, now living in California.

Responsibility to provide Medicaid coverage shifts from the placing state to California. The placing state continues to determine grant eligibility and issue payment. Effective October 1, 1986, the adoptive/foster parents or the placing state or agency may request Medi-Cal for AAP/AFDC-FC children. The county must verify that the child is federally eligible for AAP or AFDC-FC from the placing state, and obtain information sufficient to initiate and maintain Medi-Cal eligibility. You should obtain a letter or document issued by the placing state or agency which includes:

1. The name of the child and his/her adoptive/foster parents.

2. The child's Social Security Number, date of birth and address.

3. A certification of Title IV-E federal eligibility for AAP or AFDC-FC.

4. For AAP cases, the adoption agreement's termination or renewal date, and, if a copy of the agreement is not included, a statement that an adoption agreement is on file in the placing state.

5. For AFDC-FC cases, the name of the agency in the placing state with responsibility for care and custody of the child.

6. The termination date of Medicaid benefits from the placing state.

7. The name of a contact person in the placing state.

8. Other health insurance coverage, if any.

If the letter or document does not include all of the above, contact the placing state to obtain the missing information.

Attachment 4 is form MC 250 titled "Application and Statement of Facts for Child Not Living with a Parent or Relative for Whom a Public Agency is Assuming Some Financial Responsibility." This form must be completed by the placing state or agency, or the adoptive/foster parents. A suitable letter from the placing state may be used in lieu of the signature at the bottom of the MC 250.

The MC 250 should be used to initiate the MEDS record, and to issue an immediate need Medi-Cal card if the MEDS cutoff date has passed. Use aid code 03 for AAP children and aid code 45 for AFDC-FC children. These aid codes are to be used temporarily until we establish new aid codes. Please flag these cases so they may be easily identified when the new aid codes are instituted.

Send the usual NOA to notify the applicant of his/her eligibility to Medi-Cal and the effective date. When the adoptive/foster parents complete the MC 250, send the NOA to them rather than to the responsible agency. Remind them of their responsibility to notify you of any changes of address or changes in AAP/AFDC-FC eligibility. Annually verify in writing or by telephone with the placing state the child's eligibility for AAP or AFDC-FC under Title IV-E.

There may be cases in which children living in California and placed by another state request retroactive Medi-Cal cards. In addition to the above information, counties should obtain the date of the child's move to California. Retroactive eligibility may not commence before October 1, 1986.

These procedures will be incorporated into the Medi-Cal Eligibility Manual in the near future. If you have any questions, please call Sandra Bierer at (916) 324-4971 (ATSS 454-4971).

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Attachments

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: November 20, 1987

STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

Attachment 1

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814
(916) 445-7046

September 29, 1982

ALL-COUNTY LETTER NO. 82-98

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY AUDITORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: ASSISTANCE CLAIMING INSTRUCTIONS FOR THE ADOPTION ASSISTANCE (AAP) INCLUDING AID FOR ADOPTION OF CHILDREN PROGRAM (AAC)

REFERENCE: ALL COUNTY INFORMATION NOTICE I-131-82 DATED SEPTEMBER 17,1982

Chapter 977, Statutes of 1982 (AB 2695) implements the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272) which established a new Title IV-E for federal funding of the AFDC-FC Program and the newly created Adoption Assistance Program (AAP). The purpose of this letter is to provide assistance claiming instructions for the new AAP and for those cases currently aided on the AAC program.

Effective October 1, 1982, adoption assistance payments to specified intake adoption assistance cases will be eligible for 50 percent federal financial participation while others (including the current AAC cases) will be eligible only for state financial participation. Therefore, for claiming purposes, there will be separate claiming for the two types of cases, i.e., two Summary Reports, two payrolls, two aid codes, etc. Instructions relevant to these new forms are listed below:

Adoption Assistance Program, Nonfederal
Includes Aid for the Adoption of Children

All nonfederal adoption cases (those designated as existing AAC cases through September 30, 1982, and those eligible as AAP cases effective October 1, 1982) will be identified with the aid code "04". The new "04" AAP - NF cases will be further identified with an alpha identification code. This recommended coding is "N".

Adoption Assistance Program/Federal

Cases which become eligible for the Adoption Assistance Program on or after October 1, 1982, and meet the federal eligibility standards will be identified with the aid code "03". Public Law 96-272 limits federal financial participation (FFP) to that which would be paid if the child were in a foster family home. Provision has been made on the Summary Report to provide for accurate

claiming of federal participation in those instances where eligibility has been determined for an assistance payment in an amount greater than the foster family home rate. Those cases for which an assistance payment is made in an amount greater than the foster family home rate shall be identified with an alpha identification code. The recommended coding is "A".

General

The previous modification on the AAC claim (Aid for the Adoption of Children - Form No. AB 800 A) on Lines 13 through 16 which computed the average foster care and AAC payments in order to control excess payments has been deleted. However, Chapter 977, Statutes of 1982 (AB 2695) limits adoption assistance payments to the amount the child would have received in foster care. Should the county choose to issue a payment for an individual child that exceeds the allowable AAP payment, such excess costs are not eligible as AAP payments and shall not be included on this claim.

If the current county system cannot accommodate the recommended codes, written notification of the codes utilized must be submitted with the October 1982 claims.

For your convenience and preplanning, samples of the two Summary Reports are attached. An initial supply of the two forms will be sent to you under separate cover. The information on the Summary Report must be substantiated with a payroll in accordance with Fiscal Manual Handbook Chapter 25-750.

Any questions regarding assistance claiming for AAP should be referred to the Fiscal Assistance Policy Unit at (916) 445-7046 or ATSS (8) 485-7046.

JAMES H. GOMEZ
Deputy Director
Administration

cc: CWDA

Attachments

B. Aid Codes, Programs, Definitions

Aid Code	Program	Definition
I. CASH GRANT		
*01	RCA	Refugee Cash Assistance (FFP) -- Includes unaccompanied children. Refugees from Cambodia, Laos, Vietnam, and all other refugees who are eligible may receive benefits during their first 18 months in the U. S. Unaccompanied children are not subject to the 18-month limitation provision. (See 45 CFR, Part 400, and Section 50257, Title 22, CAC.)
03	AAP-Federal	Adoption Assistance Program (FFP) — A program to facilitate the adoption of hard-to-place children who would require permanent foster care placement without such assistance. (See Section 30665, Division 2, Title 22, CAC.)
04	AAP/AAC-non-Federal	Adoption Assistance Program/Aid for Adoption of Children (non-FFP) -- See Aid Code 03 for definition of AAP. The Aid for Adoption of Children cases are eligible for financial assistance through the Adoption Assistance Program, providing an Aid for the Adoption of Children Agreement was executed prior to October 1, 1982. (See Section 30674, Division 2, Title 22, CAC.)
06	EA-UP	Emergency Assistance-Unemployed Parent (FFP) -- Provides assistance for 30 days to certain families who are not eligible for the federal AFDC-U program. These families are deprived due to the unemployment of the principal wage earner who is living in the home. (See MPP Section 41-500.) The unemployed parents over 21 years of age are not eligible for Medi-Cal. Persons under 21 years of age (including unemployment parent(s)) and pregnant women over 21 years of age are eligible for Medi-Cal. (Medi-Cal for persons under 21 years of age and pregnant women is federally funded.)

* FFP is available under the Title XIX program for individuals under 21 years of age. Other federal funds are available through the Refugee Resettlement Program for both children and adults.

ATTACHMENT 2

NOTICE OF ACTION

(Names of adoptive parents)
(Name of child)
(Medi-Cal number of child)

A new federal law, known as the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), makes your adopted child eligible for Medicaid from the state where he/she resides rather than from California. Similar provisions apply to federally eligible foster children. This should make it easier for you to obtain medical services from providers in your community.

California's Medi-Cal coverage for your child will terminate on _____. This change affects only medical coverage, not
(Date)
subsidy payments. Responsibility for your subsidy payment, if you are receiving one, and for the adoption assistance agreement still rests with California.

You must make an appointment immediately with your local public welfare or family services office to receive Medicaid. If you are unable to locate the appropriate office, or if your circumstances have changed, please contact:

(California Adoption Agency)
(Contact person)
(Address)
(Telephone number)

(The above is to be completed by individual counties.)

It is your responsibility to notify the person listed above, and the agency in your state which is responsible for providing Medicaid benefits, if any one of the following changes occurs:

1. the adoption assistance agreement is terminated;
2. your child moves to another state; or
3. your child changes addresses within the state.

Take the attached letter with you to the appointment; it verifies your child's Medicaid eligibility.

To: (New State Agency) (Use County Letterhead) (Names of adoptive
(parents and child)
(Child's DOB & SS#)

To Whom It May Concern:

The Consolidated Omnibus Budget Reconciliation Act of 1985, PL 99-272, enacted on April 7, 1986 and effective October 1, 1986, makes Title IV-E adoption assistance children eligible for Medicaid in the state in which they reside once an adoption assistance agreement is in effect. Similar provisions apply to federally eligible foster children. (If you are unfamiliar with this Act, you may want to contact your state's Title XIX resource person.)

_____ is the adopted child of or has been
(Name of child)
placed for adoption with _____. He/she
(Names of adoptive parents)
meets the eligibility requirements for Title IV-E adoption assistance. A current adoption assistance agreement is on file with this office. This agreement terminates ___ or requires recertification ___ on _____. This child has ___ does
(Date)
not have ___ other health insurance coverage. Please confirm with the adoptive parents.

California terminated this child's Medicaid eligibility on
_____ with the expectation that the child will
(Date)
receive Medicaid coverage in your state. Please accept the adoptive parent's application for Medicaid coverage for this child. If you have further questions about the child's eligibility, or if you unable to issue medical benefits, please call _____(Insert name and telephone number of appropriate contact person).

Sincerely,

(Appropriate County Signature)

NOTICE OF ACTION

(Names of foster parents)
(Name of child)
(Medi-Cal number of child)

A new federal law, known as the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), makes your foster child eligible for Medicaid from the state where he/she resides rather than from California. Similar provisions apply to federally eligible adoption assistance children. This should make it easier for you to obtain medical services from the providers in your community.

California's Medi-Cal coverage for your child will terminate on _____. This change affects only medical coverage, not
(Date)
your foster care payment. Responsibility for your foster care payment, and for foster care placement still rests with California.

You must make an appointment immediately with your local public welfare or family services office to receive Medicaid. If you are unable to locate the appropriate office, or if your circumstances have changed, please contact:

(California County Contact person)
(Address)
(Telephone number)

(The above is to be completed by individual counties.)

Please note that is your responsibility to notify the county person listed above, and the agency in your present state which is responsible for providing Medicaid benefits, if any one of the following changes occurs:

1. the foster care payment is discontinued;
2. your child moves to another state; or
3. your child changes addresses within the state.

Take the attached letter with you to the appointment; it verifies your child's Medicaid eligibility.

To: (New State Agency) (Use County Letterhead) (Names of foster
(parents and child)
(Child's DOB & SS#)

To Whom It May Concern:

The Consolidated Omnibus Budget Reconciliation Act of 1985, PL 99-272, enacted on April 7, 1986 and effective October 1, 1986, makes Title IV-E foster children eligible for Medicaid in the state where they reside. Similar provisions apply to federally eligible adoptions assistance children. (If you are unfamiliar with this Act, you may want to contact your state's Title XIX resource person.)

_____ is the foster child of
(Name of child)
_____. He/she meets the eligibility
(Names of foster parents)
requirements for Title IV-E foster care. The agency responsible for this child is _____. This
(Name of California agency)
child has ___ does not have ___ other health insurance coverage. Please confirm with the foster parents.

California terminated this child's Medicaid eligibility on _____ with the expectation that the child will
(Date)
receive Medicaid coverage in your state. Please accept the foster parent's application for Medicaid coverage for this child. If you have further questions about the child's eligibility, or if you are unable to issue medical benefits, please call _____ (insert name and telephone number of appropriate contact person).

Sincerely,

(Appropriate County Signature)

State of California—Health and Welfare Agency
Medi-Cal Program

Department of Health Services

Attachment 4

APPLICATION AND STATEMENT OF FACTS FOR CHILD NOT LIVING WITH A PARENT OR RELATIVE AND FOR WHOM A PUBLIC AGENCY IS ASSUMING SOME FINANCIAL RESPONSIBILITY

COUNTY USE ONLY

☐ New application ☐ Redetermination ☐ Request for Retroactive Coverage

Name of Child	Sex	Birthdate	Birthplace
		/ /	

Social Security Number	Social Security Claim Number	U.S. Citizen Yes ☐ No ☐	If no: ☐ Alien Registration No. ☐ CA 6 Attached

Mother's Name	Mother's SSN (if known)	Father's Name	Father's SSN (if known)

Name of Person or Institution With Whom Placed

Address Street City Zip

Mailing Address (if different) Street City Zip

Child is detained under Welfare and Institutions Code Section 602 ☐ Yes ☐ No

Monthly amount paid from public funds for child's care which is not reimbursed by the child's parents. $ _____

Date of Present Placement

Medical Insurance
☐ Yes ☐ No If yes: _____ Insurance Company

SSI/SSP Application Made
☐ Yes ☐ No

CHILD'S ETHNIC GROUP IS (Check one box only):

☐ White (Not of Hispanic Origin)
☐ Hispanic
☐ Black (Not of Hispanic Origin)
☐ Asian or Pacific Islander
☐ American Indian or Alaskan Native
☐ Filipino

CHILD'S LANGUAGE IS (Check one box only):
(If he/she can speak and understand English, check English)

☐ English
☐ Spanish
☐ Chinese
☐ Japanese
☐ Korean
☐ Vietnamese
☐ Filipino (Tagalog)
☐ Other (Specify):

Signature of Public Agency Representative	Date	Telephone Number

Name of Responsible Public Agency

Street Address

City State Zip Code

MC 250 (11/81)

24295—449 12/81 40 M – OSP

SEE REVERSE SIDE FOR INSTRUCTIONS