



State of California—Health and Human Services Agency  
Department of Health Care Services



November 16, 2021

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 21-28  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY MEDS LIAISONS

SUBJECT: Out of State Medi-Cal Coverage for non-Title IV-E Foster Care Children  
(AFDC-FC State only) placed into California

The purpose of this letter is to provide guidance to counties on Medi-Cal coverage for state agency placed out of state non-Title IV-E (state only) aided foster children sent to California via the Interstate Compact on the Placement of Children ([ICPC](#)). In addition, Medi-Cal coverage for parent/legal guardian out of state children (hereinafter non-foster children) placement is clarified. This letter does not apply to non-Title IV-E foster children sent out of state by a California state agency (see [ACWDL 12-12 for additional guidance](#)).

This letter focuses on addressing the following:

- Defining who is responsible for an out-of-state, non-Title IV-E foster child's Medicaid/Medi-Cal coverage when California is the receiving state
- Clarifying county responsibilities when California is the receiving state
- Presenting Medicaid/Medi-Cal coverage scenarios for out of state non-Title IV-E foster children (ICPC) and non-foster children being sent to California

### Definitions

Institution is an establishment which “has the same meaning as Institution and Medical institution, as defined in § 435.1010. For purposes of State placement, the term also includes foster care homes, licensed as set forth in 45 CFR 1355.20, and providing food, shelter and supportive services to one or more persons unrelated to the proprietor.” ([42 C.F.R. § 435.403](#))

Foster care - “means 24–hour substitute care for children placed away from their parents or guardians and for whom the title IV–E agency has placement and care responsibility. This includes, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and preadoptive homes.” ([45 C.F.R. § 1355.20](#)).”

Sending state (agency) – a state party, officer, or employee of a party state; a subdivision (county or city), or an officer or employee of a subdivision; a court of a party state; or any person (excluding parents or relatives) corporation, association, or charitable agency of a party state ([ICPC, Article II](#)) that sends/places a foster care child to another state.

Receiving state (agency) – a state party, officer, or employee of a party state; a subdivision (county or city), or an officer or employee of a subdivision; a court of a party state; or any person, corporation, association, or charitable agency of a party state ([ICPC, Article II](#)) that receives a foster care child placed from another state.

## **Background**

Currently, foster care placements are generally supported through AFDC-FC (Aid to Families of Dependent Children-Foster Care) program in which payments are made on behalf of foster children as either federal cash aid (Title IV-E) or state aid (non-Title IV-E) which may include Medicaid coverage. For various reasons, some children are placed out of state. Specifically, some foster children are placed by sending state agencies into out of state foster care via the ICPC (see [ICPC](#)), and some non-foster children are placed by relatives/parents out of state medical and mental health facilities, boarding schools, educational institutions, or parent/guardian’s homes. Under current federal law, out of state Title IV-E foster children placed into California (and other states) have automatic Medicaid coverage which must be provided by the sending state. On the contrary, out of state children receiving non-Title IV-E aid and placed into California (and other states) do not have automatic Medicaid coverage.

If the non-Title-IV-E foster child is placed by any sending state agency into an out-of-state institution, the placing state is the state of residence ([42 C.F.R. § 435.403\(e\)\(1\)](#)). If the non-foster child is placed or arranged by a medical and mental health facility, boarding school, educational institution, or by a relative into an out of state institution, the child may be a resident of California if he/she meets Medi-Cal residency requirements ([42 C.F.R. § 435.403\(i\)\(2\)](#)). Thus, regardless of out of state non-Title-IV-E placement (via ICPC or non-ICPC), a child’s Medi-Cal eligibility is based on residency requirements.

## **County Eligibility Worker Action and County Responsibility**

For these foster children sent by out of state agencies to California, counties must verify the sending state is covering their Medicaid while in California. For non-foster children sent by a medical and mental health facility, boarding school, educational institution, or by a relative to California, counties must follow regular Medi-Cal eligibility determination procedures.

### **Medicaid/Medi-Cal Coverage Examples**

#### **Example #1:**

An out of state, non-Title IV-E foster child is placed by a state agency into foster home in California.

Medicaid/Medi-Cal coverage eligibility: The child does not meet California Residency requirements and is not eligible for Medi-Cal. The child is considered a resident of the sending state. The sending state must evaluate healthcare coverage for the child.

Outcome:

Child is eligible for Medicaid in the sending state.

#### **Example #2:**

An out of state, non-Title IV-E foster child is placed by a state agency into a group home, residential facility, or emergency shelter in California.

Medicaid/Medi-Cal coverage eligibility: The child does not meet California Residency requirements and is not eligible for Medi-Cal. The child is considered a resident of the sending state. The sending state must evaluate healthcare coverage for the child.

Outcome:

Child is eligible for Medicaid in the sending state.

#### **Example #3:**

An out of state, non-foster child is placed by a parent or legal guardian into another parent or legal guardian's home, educational institution, or medical/mental health facility in California.

All County Welfare Directors Letter No.: 21-28  
Page 4  
November 16, 2021

Medicaid/Medi-Cal coverage eligibility: The child is considered a California resident. The child may be eligible for Medi-Cal in the county where she/he is placed and the county welfare agency must evaluate and determine the foster child's Medi-Cal eligibility.

Outcome:  
Child is potentially eligible for Medi-Cal in California.

If you have any questions regarding Medi-Cal coverage for non-Title IV-E foster children placed into California, or need further information, please contact Joel Mojica, by phone at (916) 345-8049 or by email at [DHCSFosterCareProgram@dhcs.ca.gov](mailto:DHCSFosterCareProgram@dhcs.ca.gov).

Original Signed By

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Medi-Cal Eligibility Division