



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



ARNOLD SCHWARZENEGGER
Governor

July 14, 2008

TO: ALL COUNTY WELFARE DIRECTORS LETTER NO.: 08-30
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY QMB/SLMB/QI COORDINATORS

SUBJECT: IMPLEMENTATION OF AID CODE 06 FOR THE OUT-OF-STATE
INTERSTATE COMPACT ON ADOPTION AND MEDICAL ASSISTANCE
AND AID CODE 46 FOR THE INTERSTATE COMPACT ON THE
PLACEMENT OF CHILDREN
(Reference: All County Welfare Directors Letter Numbers: 86-68, 00-22)

The purpose of this letter is to inform counties that the California Department of Health Care Services (DHCS) is adding two new aid codes to accommodate the out-of-state Title IV-E Adoption Assistance Program (AAP) and foster care children. The DHCS is implementing two new aid codes in order to establish and track Medi-Cal for these children.

Background

The Adoption Assistance and Child Welfare Act in 1980 (Public Law [P.L.] 96-272) established federally-aided AAP under Title IV-E of the Social Security Act. Through this program, the federal government contributes to the states' costs of providing adoption subsidies and Medicaid for children who meet the program's eligibility criteria. P.L. 96-272 requires states to safeguard the interests of those children in interstate situations covered by adoption assistance agreements.

Member states meet the mandate of P.L. 96-272 for states to protect the interstate interests of adopted special needs children in cases where the adoptive parents and the child move to another state while the adoption assistance agreement is effective through the established framework of the Interstate Compact on Adoption and Medical Assistance (ICAMA). The Compact provides for uniformity and consistency of policy and procedures when a child with special needs is adopted by a family in another state or the adoptive family moves to another state. In May 2001, California became a member of the ICAMA. Since each state's Medicaid program differs (the forms, information required, benefits, and coverage) these systematic differences would provide barriers to children and families receiving medical benefits in interstate situations without the Compact.

The foster care Interstate Compact on the Placement of Children (ICPC) functions in a similar fashion for children requiring out-of-state foster care placement and provides the same protections and services to these children as if they remained in their home state. This includes medical services.

The AAP and foster care programs provide a cash subsidy, which is the responsibility of either the state in which the child is adopted or the state in which a child enters the foster care system. Therefore, when a child enters California through ICAMA or ICPC, the sending state pays the cash subsidy, but the children receive Medi-Cal through California.

Counties are responsible for activating Medi-Cal cases for these children entering California who are receiving federally-funded Title IV-E AAP and federally-funded foster care from another state. Counties have been using existing aid codes to establish Medi-Cal for children receiving AAP and foster care which does not allow for tracking of these cases. In addition, county systems have been programmed that all AAP and foster care cases have a cash payment that must be included when establishing Medi-Cal. However, because these cases do not have a cash payment from California, counties often are not able to assign the correct aid codes. Consequently, DHCS is implementing the following two new aid codes for appropriate tracking of out-of-state Medi-Cal for these children.

Aid Codes

06

Aid code 06 is to be used for children receiving a federal Title IV-E AAP cash subsidy from out-of-state. The aid code will be full-scope Medi-Cal with no share of cost (SOC) and no income or asset test. The following conditions apply to aid code 06:

- This aid code is assigned to children receiving Title IV-E AAP benefits from outside California.
- This is a mandatory categorically eligible population. Eligibility for Medi-Cal has been met by virtue of receiving Title IV-E benefits. No separate application, income, or asset test is required to establish Medi-Cal.
- Eligibles in this aid code will have voluntary enrollment status for Medi-Cal managed care plans.
- Annual redetermination of Medi-Cal will be conducted with the adoption state not the adoptive parents.
- Counties will follow procedures of inter-county transfers if these children move to a different county within California.
- This population will be eligible for Continued Eligibility for Children (CEC) if they are no longer eligible under AAP prior to their 18th birthday and if they age out of the AAP program at age 18 years.

46

Aid code 46 is used for Title IV-E federally-funded foster care children placed in California from another state. This aid code is full-scope, no SOC with no income or asset test. The following conditions apply to aid code 46:

- This aid code is assigned to foster children placed in California from out of state.
- This is a mandatory categorically eligible population with full-scope Medi-Cal. Eligibility for Medi-Cal has been met by virtue of receiving Title IV-E benefits. No separate application, income, or asset test is required to establish Medi-Cal.
- Eligibles in this aid code will have voluntary enrollment status for Medi-Cal managed care plans.
- Annual redeterminations of Medi-Cal will be conducted with the placement state, not the foster parents.
- Counties will follow procedures of inter-county transfers if these children move to a different county within California.
- This population will be eligible for CEC if they are no longer eligible for foster care prior to their 18th birthday.
- This population will be eligible for the Former Foster Care Children Program, aid code 4M, upon aging out of the foster care system.

Implementation Date

The DHCS has set an implementation date of July 2008 for the new aid codes. New out-of-state AAP and foster care cases must be placed in the new aid codes

as soon as administratively feasible, but no later than October 1, 2008. Upon implementation, counties are required to identify existing Title IV-E, ICAMA AAP and Title IV-E, ICPC foster care and change all existing cases to the new assigned aid code no later than June 2009. Since the counties have placed these cases in various aid codes, it is not possible to conduct a file fix to change them automatically.

If you have questions regarding these programs or aid codes, please contact Ms. Janeen Newby at janeen.newby@dhcs.ca.gov or (916) 552-9495.

Original Signed By:

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