

DMA ADMINISTRATIVE LETTER NO: 02-15, TITLE IV-E AND SPECIAL NEEDS ADOPTION CHILDREN

DATE: August 1, 2015

SUBJECT: Special Needs Adoption Children and Title IV-E

DISTRIBUTION: County Directors

Medicaid Supervisors

Medicaid Eligibility Staff

Effective: Upon receipt

I. PURPOSE

Due to recent changes and clarifications from the Centers of Medicaid and Medicare Services (CMS), it is necessary to change and provide clarification regarding Medicaid for Title IV-E children, as well as children eligible as non-IV-E Special Needs Adoption Children.

CMS specifically clarified that a child is a resident of the state in which he or she resides. Additionally, children that qualify for Title IV-E are eligible for Medicaid up to the age specified in the agreement. This means that children moving to North Carolina from another state could be eligible past the age of 18, if other eligibility requirements are met.

This letter addresses how eligibility is determined or re-determined for children who qualify under the Special Needs Adoption (non-IV-E) group. The child's eligibility is no longer compared to the MAF-C income level to determine if parent(s) income should be disregarded. Additionally, a child residing in North Carolina with an adoption agreement in effect remains eligible without regard to changes in income.

II. SPECIAL NEEDS ADOPTION

Description

Children covered under this section must have special medical or rehabilitative needs, which are barriers to adoption. These special needs are the result of medical, mental or emotional conditions that require periodic treatment or therapy. Other factors considered as special needs are the necessity of placing siblings together to maintain a family group, ethnic background, age, or membership in a minority race. Verification of special needs is required and should be provided by the Adoption Assistance worker.

North Carolina Special Needs Adoption Assistance Children Living In N.C.

These children are ineligible through Title IV-E due to not meeting the Title IV-E requirements at the time of placement in foster care. There may be other extenuating circumstances at the time of placement that preclude IV-E eligibility. The majority of these children are placed in foster care and receive Medicaid under HSF category; and upon adoption, would not continue to be Medicaid eligible if the adoptive parents' income and resources were considered. These children are not subject to MAGI methodology.

1. Eligibility Criteria

a. Obtain demographic information for the child using the DMA-5200

Application for Health Coverage and Help Paying Costs. There is no requirement for the application to be signed.

b. Child must be under age 18

c. Child must have documented special needs which are barriers to adoption.

(1) Verify the special needs status of a child adopted in North Carolina with the Foster Care or Adoption Assistance worker in the county DSS.

The Adoption Assistance worker is responsible for providing verification the child has special medical or rehabilitative needs which are barriers to adoption.

- (2) Verify the special needs status of a child residing in North Carolina but adopted outside of North Carolina by obtaining a copy of the Decree of Adoption/Order of Adoption, from the ICAMA adoption state that verified special needs.

If the child is not from an ICAMA state (Refer to II.D below) he cannot be evaluated as a "special needs" adoptive child. Evaluate for all other programs including North Carolina Health Choice (NCHC), using MAGI methodology.

- (3) If the child receives SSI as a foster child and has been in the custody of DSS or a private agency prior to the adoption, he is considered to have special needs status. SSI children who are independently placed in adoption are not considered to have special needs status.
- (4) Children adopted prior to 10/1/94 in North Carolina may qualify for this group if at the time of adoption the records indicate special medical or rehabilitative needs. Verification of special needs is required and should be provided by the Adoption Assistance worker.

- d. Document if child was receiving Medicaid or would have been eligible to receive Medicaid immediately before the adoption. (Refer to 2 below.)
- e. Child is excluded from citizenship and identity documentation requirements. They are exempt as the social worker must verify citizenship and identity.
- f. Verify if third party insurance exists for the child.
- g. Due to confidentiality requirements associated with adoption procedures, the case worker must follow procedures in MA-3355, Enumeration Procedures, for Children in Foster Care or Adoptive Placement.

2. Financial Eligibility Criteria

Determine if the child was receiving Medicaid or *would have been eligible to receive* Medicaid immediately prior to the adoption agreement being finalized.

- a. If child was not residing with biological parent(s) immediately prior to adoption compare the child's income to the mandatory Medicaid children's group for the age of the child at that time.
- b. If child was residing with the biological parent(s) immediately prior to adoption obtain parent(s) income to establish if the child would have been eligible.
- c. The state adoption agency should be able to assist with obtaining this and other necessary information to establish eligibility at that point in time.

3. Authorization and Certification

- a. If eligible, retro coverage may be authorized for up to three months prior to the date of a completed and signed application.
- b. Ongoing certification period is twelve months.
- c. Medicaid authorization is MAF with classification "N" regardless of what program the child was eligible under prior to adoption.

4. Redetermination

Once the adopted child has been determined eligible on the basis of special needs, he or she remains eligible for Medicaid up to the age specified in the agreement as long as adoption assistance agreement remains in effect.

- a. Verify adoption agreement is in effect in North Carolina or ICAMA state.

- b. Verify child resides in North Carolina.
- c. Verify all changes by contacting the adoption worker or adoptive parents.
- d. Document changes in the case record.

Special Needs Adoption Assistance Child Moving to another State

- 1. Close case sending proper notice
- 2. Notify the adoption assistance worker of the change.

Interstate Compact on Adoption and Medical Assistance (ICAMA)

Interstate Compact on Adoption and Medical Assistance (ICAMA) is an agreement by which states have the option to provide “special needs” adoption assistance for children entering their state from another ICAMA state. States have the option to participate; therefore, some special needs adoptive children entering or leaving North Carolina may not qualify under this agreement.

County eligibility and adoption workers are encouraged to work together to coordinate services for the special needs adoptive family. ICAMA is administered through the State Division of Social Services.

Interstate Compact on Adoption and Medical Assistance (ICAMA) Forms

ICAMA mandates the use of standard forms by all participating states to facilitate the delivery of medical assistance to a child receiving adoption assistance and to make the process as smooth as possible for the family. ICAMA forms will be used primarily by the adoption assistance worker or the county designated person and coordinated through the State Division of Social Services office with the ICAMA Coordinator.

1. [DSS-5249](#) (ICAMA 6.01) - Notice of Medicaid Eligibility/Case Activation, is completed by the adoption social worker and sent with a copy of the adoption assistance agreement to the ICAMA Coordinator in the State Interstate Compact on the Placement of Children (ICPC) Office to be forwarded to the adoptive parents' new state of residence ICAMA Coordinator. The ICAMA Coordinator sends the information to the county Medicaid Office to request Medicaid.
2. [DSS-5248](#) (ICAMA form 6.02) - Notice of Action, is sent to the adoptive parent (s) by the adoption social worker to inform them that all necessary information on the child has been sent to the new state of residence.
3. [DSS-5250](#) (ICAMA form 6.03) - Report of Change in Child(ren)/Family Status, is used to notify the other state about:
 - a. Change in address or Medicaid status;
 - b. The adoption assistance state uses the ICAMA 6.03, Report of Change in Child(ren)/Family Status, to report/notify the resident state of a change in the child or family status; and
 - c. The new resident state uses the ICAMA 6.03, Report of Change in Child(ren)/Family Status, to notify the adoption assistance state that a child receiving adoption assistance from their state has been issued a Medicaid card in the new state.

ICAMA forms are available online at: <http://info.dhhs.state.nc.us/olm/forms/forms.aspx?dc=dss>

III. TITLE IV-E CHILDREN

A. Description

Medicaid eligibility is authorized under IAS for a child residing in North Carolina and receiving Title IV-E Adoption, Foster Care or Kinship Guardianship Assistance regardless of the state providing the assistance. The assistance can be from any state.

NOTE: North Carolina IV-E Plan does not include Kinship Guardianship Assistance Payments. However, if a child resides in North Carolina and is receiving kinship guardianship assistance under IV-E from another state, the child must be made Medicaid eligible as IV-E in North Carolina.

1. Title IV-E Adoption Assistance Eligibility Criteria

Children with an active adoption agreement remain eligible in the state where they reside even if adoption payments are not being made. Children with active adoption agreements from other states but residing in North Carolina are eligible up to the age specified in the agreement. A Medicaid application is not required because verification of Title IV-E status is verification of eligibility.

- a. Verify Title IV-E status of the child with the adoption/foster care worker.
- b. Citizenship/Identity verification must be obtained by the adoption/foster care worker.
- c. A copy of the completed [DSS-5013](#), North Carolina Adoption Assistance Agreement, and [DSS 5012](#), Adoption Assistance Eligibility Checklist, are required for Title IV-E Adoption Assistance children. A copy of the completed DSS-5012 and DSS-5013 are obtained from the social worker.

2. Title IV-E Foster Care Assistance

Children receiving Title IV-E Foster Care Assistance remain Medicaid eligible in the state where they reside as long as the Title IV-E maintenance payments are being made regardless of the age of the child.

For whom Title IV-E maintenance payments are being made.

Children are in a reimbursable status when they are in a licensed foster care facility. Reimbursable refers to the county's ability to claim reimbursement for the cost of care and this is available only if the child is in a licensed facility. There is an exception to this:

A child who has been in an IV-E reimbursable placement, for whom IV-E Foster Care maintenance payments were being paid, but who is temporarily (not exceeding 12 months) placed in a non IV-E reimbursable placement, may continue to be automatically eligible as IAS during this temporary absence.

As a general rule, a child who is in a non- IV-E reimbursable placement, or a child for whom IV-E foster care maintenance payments have not been paid, but for whom the county is claiming administration reimbursement is not automatically eligible for Medicaid as a IV-E foster child. Eligibility must be determined under HSF or another aid program/category. This is also true if the child's absence is expected to last more than 12 months.

For non-IV-E children the reimbursable or non-reimbursable nature of their placement is not an issue in determining eligibility. A non IV-E child who is in county custody must have an application for Medicaid made on his behalf and have his eligibility determined under HSF regardless of where he is placed. If ineligible for HSF, eligibility will be determined under MIC or MPW.

B. Procedures for Title IV-E Foster Care Assistance Child Residing In North Carolina

1. Verify Title IV-E status of the child with the agency adoption/foster care social worker.

A written statement on agency letterhead from the IV-E assistance state that a child is currently eligible for IV-E Foster Care Assistance in their state is acceptable verification of IV-E status to receive Medicaid from North Carolina. The statement must include the time period for which IV-E foster care eligibility has been determined by the other state.

2. Medicaid Application
 - a. A separate determination of eligibility for ongoing Medicaid is not required. Verification of current Title IV-E status is verification of eligibility for Medicaid.
 - b. Citizenship/Identity verification must be obtained by the social worker.

- c. A signed DSS-5120, Eligibility Documentation/Verification for Foster Care, is required for Title IV-E Foster care children. All sections are completed by the social worker except for part V, which is completed and signed by the IMCW, Income Maintenance Case Worker.

3. Authorization and Certification

- a. At the time Title IV-E status is verified and ongoing Medicaid is authorized, evaluate the retroactive period.
- b. Ongoing certification period is twelve months
- c. The effective date of eligibility is the latest of:
 - (1) The effective date of the IV-E foster care payment, or
 - (2) The month following termination of Medicaid by the other state, if moved from another state

C. North Carolina IV-E Children Living In Other States

A child receiving Title IV-E funds from NC but who lives in foster care or adoptive placement in another state is not eligible for Medicaid coverage from NC. The child is eligible for Medicaid in the other state.

- 1. Children approved for IV-E adoption assistance/foster care payments from N.C.
 - a. Inform adoptive parents/caretaker of child that he must apply for Medicaid coverage in the county of the state in which the child is a resident.
 - b. Refer to V.E. for the appropriate ICAMA form to use.

2. IV-E eligible child moves out of North Carolina
 - a. Terminate case in North Carolina sending appropriate notice
 - b. The child is eligible to receive Medicaid from his new state of residence without a separate determination of Medicaid eligibility if the Title IV-E agreement in North Carolina remains in effect.
 - c. Provide the family with a current IV-E verification statement on agency letterhead that they can provide to their residence state as proof of the child's IV-E status in North Carolina when they apply for Medicaid benefits. Use the verification letter and provide the other state with proof of the child's continuing IV-E eligibility at each IV-E redetermination.
3. Child lives in another state and ceases to be IV-E eligible in North Carolina
 - a. Provide written verification to the resident state indicating the child is no longer IV-E eligible in North Carolina.
 - b. The child may be eligible for Medicaid benefits from North Carolina as a non IV-E eligible child (HSF or MAF). Evaluate potential Medicaid eligibility. If the child is Medicaid eligible in North Carolina, inquire with the resident state to determine if that state has opted to provide Medicaid coverage to non IV-E eligible foster children. If the resident state has not included this option in their state Medicaid plan, North Carolina must continue to provide Medicaid if eligibility requirements are met.

D. SSI Child

An SSI child may also be receiving Title IV-E. If SSI terminates and the child is IV-E eligible follow above procedures for Title IV-E adoption Assistance or Foster Care as appropriate.

E. Redeterminations

1. Title IV-E Adoption Assistance

The Title IV-E Adoption Assistance program does not require redeterminations of a child's eligibility. Once a child has been determined eligible and is receiving Title IV-E Adoption Assistance, the child remains Medicaid eligible. A State may terminate the Title IV-E Adoption Assistance only under circumstances specified at section 473(a)(4) of the Social Security Act. The PQA report (PQA-108) is a monthly report that shows children who are IV-E Adoption Assistance eligible. Document the record that continued IV-E eligibility was verified per PQA report at the 12 month Medicaid certification period.

2. Title IV-E Foster Care Assistance

- a. For a Title IV-E Foster Care child, a redetermination is completed every 12 months; and
- b. anytime there is a change that could impact eligibility.
- c. A DSS-5120A, Foster Care and/or Medicaid Redetermination, is required.

If you have any questions regarding this information, please contact the Operational Support Team at ost.policy.questions@dhhs.nc.gov.

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(This material was written and researched by Christine Coffey, Medicaid Eligibility Unit)