



AAICAMA FAQs Series

Medicaid and Title IV-E Adoption Assistance

6. Question: Which state is responsible for providing Medicaid when a title IV-E adoption assistance eligible child is placed in a Residential Treatment Facility (RTF) outside the state in which they usually reside?

The state in which the RTF is located is required to provide Medicaid to the child during their stay. Federal law states that title IV-E adoption assistance eligible children are eligible to receive Medicaid from the state in which they *live*. Where a child lives can be different than where they reside. Residence is a legal term that is used to describe a physical presence in the state and intent to stay in the state. Under title IV-E law, title IV-E eligible children have a different definition of “resident”, requiring only a physical presence. Therefore, a child is considered to be living in the RTF during their treatment period and the state in which the treatment facility is located is responsible for the provision of Medicaid.

Note: This answer also applies to residential educational placements and in-patient care out-of-state.

Cite: 42 U.S.C. §§ 673 (b)(1) and 1396a(10)(A)(i)(I); 42 C.F.R. §§ 435.145, 435.403(g).

Note: This is not the case for a state-funded adoption assistance eligible child. Medicaid is received through a child’s residence. Residency is defined differently under Medicaid law for the two adoption assistance populations. Residency for state-funded adoption assistance eligible children is defined as the permanent residence that the child maintains and/or the residence state of the adoptive parent. In an interstate RTF placement for a state-funded adoption assistance eligible child, the placing state (where the child is considered to maintain residency status) continues to be responsible for the provision of Medicaid to the child while the child receives treatment in another state.

U.S.C. refers to the United States Code
C.F.R. refers to the Code of Federal Regulations