



AAICAMA FAQs Series

Medicaid and State-Funded Adoption Assistance

3. Question: What is meant by the term 'COBRA' or 'COBRA option' in reference to state-funded adoption assistance and Medicaid receipt?

Answer: The COBRA option allows a state to provide Medicaid to the state's own state-funded adoption assistance eligible children who reside in the state and meet the COBRA eligibility criteria outlined in Federal law. Once the COBRA option is elected, states can receive Federal financial support for a percentage of the costs of providing Medicaid to their state-funded adoption assistance eligible children who reside in-state. States are not required by Federal law to provide Medicaid to their state-funded adoption assistance eligible children. States have the option of extending Medicaid to children receiving state-funded adoption assistance from the state without regard to the income of their adoptive parents. This is known as the COBRA option, after the provision found in the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Forty-nine states and the District of Columbia claim to have elected the COBRA option.

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