



AAICAMA FAQs Series

Medicaid and State-Funded Adoption Assistance

2. Question: Why isn't Medicaid guaranteed for state-funded adoption assistance eligible children in an interstate situation?

Answer: State-funded adoption assistance eligible children are considered part of the 'optionally categorically needy' eligibility group under Medicaid. States can choose whether or not to include them in their Medicaid coverage.

Note: Medicaid eligibility is based on categories. Individuals are eligible or ineligible for different categories under Medicaid, and their category determines how and if they are able to receive Medicaid.

Title IV-E adoption assistance eligible children are in what is called the 'categorically needy' group and are 'categorically eligible' for Medicaid. That means that they are part of an eligibility group that all States are required to include in their Medicaid coverage. This category distinction explains why title IV-E adoption assistance and state-funded adoption assistance eligible children are not equally eligible for Medicaid.

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