



## AAICAMA FAQs Series

### Medicaid and State-Funded Adoption Assistance

1. Is Medicaid an automatic benefit of state-funded adoption assistance?
2. Why isn't Medicaid guaranteed for state-funded adoption assistance eligible children in an interstate situation?
3. What is meant by the term 'COBRA' or 'COBRA option' in reference to state-funded adoption assistance and Medicaid receipt?
4. What is meant by the term 'COBRA-reciprocity' in reference to state-funded adoption assistance and Medicaid receipt?
5. Can an adoption assistance eligible child maintain more than one Medicaid card?
6. If a state-funded adoption assistance recipient is Medicaid eligible in a state, are the Medicaid services available to them the same as those available to a title IV-E adoption recipient?
7. If a child with state-funded adoption assistance agreement is eligible for Medicaid in a new state, can that state require an application for Medicaid be completed?
8. Does ICAMA membership mean that a state offers COBRA-reciprocity?

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#### 1. Question: Is Medicaid an automatic benefit of state-funded adoption assistance?

**Answer:** No, Medicaid is not an automatic benefit of state-funded adoption assistance. All states provide Medicaid to state-funded adoption assistance eligible children when the state is the adoption assistance state and the child resides in the adoption assistance state. However, if a child is placed for adoption outside the state with custody of the child or moves out of state after placement, they are not guaranteed to receive Medicaid in the new state of residence. Some states provide Medicaid to resident children who have an adoption assistance agreement with another state, but some states do not.

Note: Please see AAICAMA website at:

[http://aaicama.org/cms/uploads/COBRA\\_Current.pdf](http://aaicama.org/cms/uploads/COBRA_Current.pdf)

for AAICAMA's current listing of state policies regarding the interstate provision of Medicaid to state-funded adoption assistance eligible children.

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



**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.

**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.

**4. Question: What is meant by the term 'COBRA-reciprocity' in reference to state-funded adoption assistance and Medicaid receipt?**

**Answer:** States can choose to provide Medicaid to resident children with whom they have a state-funded adoption assistance agreement. This is the COBRA option. State can also currently choose whether to provide Medicaid to resident children who have state-funded adoption assistance agreements with other states. This is known as COBRA- reciprocity. If a state has 'COBRA reciprocity' with another state, it means that the state will provide Medicaid to resident children with whom the other state has a state-funded adoption assistance agreement. Not all states provide Medicaid to resident children with adoption assistance agreements funded through other states.

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Note: Please see AAICAMA website at <http://www.aaicama.org> for AAICAMA's current listing of state policies regarding the interstate provision of Medicaid to state-funded adoption assistance eligible children.

**5. Question: Can an adoption assistance eligible child maintain more than one Medicaid card?**

**Answer:** No, an individual should not maintain more than one Medicaid card at a time. Medicaid is received through a child's state of residence. An individual only has one legal residence at a time and only one state can claim federal reimbursement of a single Medicaid service. Therefore, a child is eligible for Medicaid in only one state at any one time and should have only one Medicaid card at a time.

**Note:** Every state has an automated Eligibility Verification System (EVS) that Medicaid providers may access by telephone, a card reader, and/or the internet to verify an individual's Medicaid eligibility status on a date specified by the provider. It is recommended that providers use EVS to verify a patient's Medicaid eligibility because it represents a recipient's most current eligibility status.

Out-of-state providers may be enrolled in several states' Medicaid programs, especially in border areas and are able to provide Medicaid through multiple states' Medicaid programs. If State residency is disputed, the involved states must determine where the child lived on the date(s) of service for which a provider or managed care organization is requesting reimbursement. If this cannot be resolved, the state of residence is where the child was physically present on the date of service.

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

*Cite: 42 C.F.R. §§ 431.52 and 435.403(g), (k), and (m).*

**6. Question: If a state-funded adoption assistance recipient is Medicaid eligible in a state, are the Medicaid services available to them the same as those available to a title IV-E adoption recipient?**

**Answer:** Yes, if a state-funded adoption assistance recipient is Medicaid eligible in a state, they must receive the same benefits under the state's Medicaid program as a title IV-E adoption recipient.

**7. Question: If a child with state-funded adoption assistance agreement is eligible for Medicaid in a new state, can that state require an application for Medicaid be completed?**

**Answer:** Yes, a Medicaid application can be required when a state-funded adoption assistance eligible child moves to or is placed in a new state.

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**8. Question: Does ICAMA membership mean that a state offers COBRA-reciprocity?**

**Answer:** No, membership in the Interstate Compact on Adoption and Medical Assistance (ICAMA) does not mean that a state provides Medicaid to resident children with state-funded adoption assistance agreements with other states.

A state can be a member of the ICAMA and not offer reciprocity of the COBRA option to children from some or all states.

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