The Child Health Program Impact Series

MATERNAL & CHILD HEALTH POLICY RESEARCH CENTER

FACT SHEET

May 2005 Number 6

States' Use of Medicaid Options For Expanding Children's Eligibility

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As Medicaid expenditures have continued to grow, one proposal for cutting costs has been to amend the Medicaid statute to allow states the flexibility to reduce benefits and increase cost sharing for optional eligible groups without obtaining waiver approval. Millions of low- and moderate-income children are enrolled in Medicaid under the numerous optional eligibility categories available to states for covering children who are not mandatorily eligible.[1] These include categorical groups of children in higher income families as well as children with disabilities or other special needs and older adolescents. They also include the medically needy group of children who qualify on the basis of medical expenses.

All states[2] use these options. In fact, only one state uses just 3 of the 13 major options for expanding children's eligibility; most use at least 7. The 3 options available to extend eligibility to children in families with higher incomes than would otherwise be allowed are used by 35 states, with 4 states using these options, sometimes in combination, to extend Medicaid eligibility to children in families with incomes as high as 250% of the federal poverty level (see Table 2). The most commonly used options, however, are those that permit coverage of children in state-subsidized adoptions and those in home- and community-based waiver programs.

This issue brief describes the major options provided to states for expanding children's eligibility and presents current information on states' use of these options. Since there is no single source of up-to-date information on state Medicaid eligibility policies,[3] we used a variety of sources to create a comprehensive picture of children's optional eligibility. We drew upon information from the Centers for Medicare and Medicaid Services (CMS), reports from various private organizations, and also e-mail correspondence and telephone interviews with state Medicaid agency staff, as well as state plan documents.

The brief is divided into 2 sections. The first discusses Medicaid eligibility options available for covering children generally. The second discusses the options available for covering certain children with disabilities or other special needs. There are also 4 tables showing states' use of these options and their upper income eligibility levels.

CHILDREN GENERALLY

Federal Medicaid law establishes certain age-specific income thresholds below which states are required to provide Medicaid eligibility. For children up to age 6, eligibility must be provided to children in families with incomes up to 133% of the federal poverty level ($21,400 for a family of 3 living in the 49 contiguous states[4] in 2005). For children ages 6 to 19, mandatory eligibility is set at 100% of the federal poverty level ($16,090). However, states may opt to provide eligibility to children in families with higher

incomes and older children through a variety of pathways. Almost half of states cover infants in families with incomes above 150% of poverty, and well over a third do so for children ages 1 through 18, as shown in Table 1.

Infants in Families with Incomes up to 185% of the Federal Poverty Level

Since the passage of the Omnibus Reconciliation Act of 1987,[5] states have had the option of covering infants and pregnant women in families with incomes up to 185% of the federal poverty level or up to any level between the mandated 133% and the optional 185% of poverty. If states choose to cover pregnant women at this higher income level, they must also cover all infants whose mothers are covered.

According to our analyses,[6] there are currently 33 states that extend Medicaid eligibility to infants in families with incomes above 133% of poverty, as shown in Table 3. These include 27 states that have elected to cover infants at 185% of poverty, and 5 states that have chosen to cover them at 150% of poverty.

Children for Whom Less Restrictive Methodologies Are Used to Determine Income

In determining Medicaid eligibility for children who are eligible for Medicaid but are not receiving cash assistance, states have the option of using less restrictive income and resource methodologies than those that would otherwise be applied. Contained in Section 1902(r)(2) of the Medicaid statute and first introduced by the Medicare Catastrophic Coverage Act of 1988,[7] this option permits states to cover children in families with incomes above the maximum Medicaid limits by disregarding greater amounts of income than are disregarded for applicants under the most closely related cash assistance program.[8] Whereas, states at one time did not report the direct impact of these policies on income eligibility levels, they generally now report income eligibility levels taking into account the larger income disregards they are able to use under the 1902(r)(2) provision.

Table 1. Distribution of States' Medicaid Income Eligibility Levels

Percent of Poverty	Infants	Children Under Age 6	Children Under Age 19
100%	--	--	19 (37%)
101-133%	9 (18%)	24 (47%)	5 (10%)
134-150%	6 (12%)	8 (16%)	8 (16%)
151-185%	12 (24%)	6 (12%)	6 (12%)
186-200%	18 (35%)	8 (16%)	8 (16%)
201-250%	2 (4%)	2 (4%)	2 (4%)
251-300%	4 (8%)	3 (6%)	3 (6%)

According to our analysis,[9] there are now 19 states that use 1902(r)(2) to expand income eligibility for children. Ten states use this provision to cover poverty-level children in higher income families, in 6 states establishing a common income eligibility level for all children or all children except infants, in which case infants are covered at a higher level. Income eligibility in these 6 states is typically raised to at least 185% of poverty, and in one state it is raised as high as 225% of poverty. In addition, one state uses the 1902(r)(2) provision to expand income eligibility for Medicaid SCHIP children, but only for infants, and about a third of states use it to expand income eligibility for children in the medically needy program.

Children Eligible for SCHIP Coverage

States may elect to expand their Medicaid programs to include children who qualify under SCHIP.[10] This is essentially an SCHIP program option, authorized by the Balanced Budget Act of 1997[11] and established under Title XXI of the Social Security Act. Under the SCHIP program, states may set eligibility for children at any amount up to 200% of the federal poverty level. Eligibility may be set higher if, prior to the implementation of SCHIP, the state covered children through sections 1902(r)(2) or 1115 at an income level higher than the federal income eligibility mandates. In such cases, SCHIP eligibility as a percent of poverty may be increased up to a level that is 50 percentage points higher than the state's Medicaid income eligibility level, including income disregards approved under Section 1902(r)(2).

Currently, according to our analysis, there are 31 states that provide Medicaid coverage to children eligible under SCHIP. Of these states, 27 are using the

Medicaid SCHIP option to enroll all children, or all children except infants, up to the same income eligibility level. Nearly half of these states cover children in families at or above 185% of the federal poverty level. Among the remainder, most cover children in families with incomes at or above 150% of poverty, with several establishing higher income eligibility for infants.

Children Covered under a Section 1115 Research and Demonstration Waiver that Expands Income Eligibility

Section 1115 of the Social Security Act, established by the Public Welfare Amendments of 1962,[12] gives the Secretary of HHS the authority to provide federal funds to states for the purpose of implementing innovative research or demonstration pilot projects in a variety of federal programs, including Medicaid. Under this authority, states may seek Secretarial approval for research and demonstration projects that waive Medicaid eligibility and other requirements, but approval for projects that expand eligibility is predicated on budget neutrality. States' use of Section 1115 waivers was somewhat limited until the 1990s when the Clinton administration began showing more flexibility in approving demonstration project design and financing arrangements.[13]

Our analysis of waiver documents[14] shows that there are 5 states that have used Section 1115 waivers to establish Medicaid eligibility for children in families at higher incomes than would otherwise be allowed.[15] All have expanded eligibility for children to at least 250% of the federal poverty level, with 2 extending eligibility to as high as 300% of poverty. In 2 cases, the states are using the SCHIP matching funds for children in the expansion population.

Older Adolescents Who Meet AFDC's Financial Criteria

For more than 2 decades, states have had the option to cover "Ribicoff children," those up to age 18, 19, 20, or 21 who meet the financial criteria but not the categorical criteria for Medicaid eligibility. Given the requirements to cover all children up to age 6 in families with incomes up to 133% of the federal poverty level and all children up to age 19 in families with incomes up to 100% of the federal poverty level, the Ribicoff children's category currently gives states the option to extend Medicaid coverage to all older adolescents up to age 20 or 21 who meet their AFDC income and resource standards in effect on July 16, 1996. However, states have the discretion to raise these standards, provided that the percentage increase is not greater than the annual increases in the Consumer Price Index (CPI) for urban consumers. Also, states may use income and resource methodologies that are less restrictive than those that were in effect in 1996.[16] (States also have the option of only covering reasonable subgroups of these children and this option is discussed in the special groups section below.)

According to our analysis, 16 states[17] use the Ribicoff children's option. Fourteen states cover children up to age 21, and 2 cover them up to age 20.

SPECIAL GROUPS OF CHILDREN

In addition to older children and those with higher family incomes, states have the option to extend Medicaid eligibility to particular groups of children who would not otherwise qualify for mandatory eligibility. These options pertain to coverage for children with disabilities or other types of special needs.

Children Who Would Receive SSI if They Were in an Institution

Since the enactment of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA),[18] states have had the option of covering severely disabled children who would qualify for SSI payments, and therefore Medicaid, if they were receiving their care in a medical institution where their parents' income would not be deemed available to them. This option enables states to disregard family income for children who meet the disability criteria for SSI and require the level of care provided in a hospital,[19] skilled nursing facility, or intermediate care facility but can appropriately be cared for at home, provided that the estimated cost to the Medicaid program is no greater than it would be if they were cared for in an institution.

Currently, according to CMS,[20] 18 states cover these children under their state plans, as shown in

Table 4. An additional state has received CMS approval to cover them under a Section 1115 demonstration waiver so that cost-sharing charges can be imposed.[21]

Children Covered under a Home- and Community-Based Services Waiver Who Would Receive SSI if They Were in an Institution

Since 1981, with the passage of Section 2176 of the Omnibus Reconciliation Act of 1981,[22] states have had the option to seek Secretarial approval for home- and community-based waiver programs that offer expanded services to severely disabled children who would qualify for SSI, and therefore Medicaid, if they were receiving their care in an institution where their parents' income would not be deemed available to them. Like the state plan amendment option established under TEFRA, the 2176 waiver option allows states to disregard family income for children who are likely to require the level of care provided in a hospital, nursing home, or ICF/MR (although states may establish waiver programs that include only children currently enrolled in Medicaid). Unlike the state plan option, however, states have discretion to limit participation to a specified number of individuals and restrict eligibility to certain categories of eligible children and geographic areas. In addition to regular waivers, states are authorized by the Secretary to establish model waiver programs under which a maximum of 200 children may participate, and income deeming rules must be waived. The basic condition for waiver approval is satisfactory documentation that the estimated cost to the Medicaid program for home- and community-based services will be no more costly than the cost of institutional care.

Currently, all states but Arizona operate at least one home- and community-based waiver that serves children, according to our analysis of information from the Center for Personal Assistance Services.[23] Among these states, 27 have waivers that exclusively serve children who would be eligible for Medicaid only if they received care in an institution where deeming rules would not apply.[24] There are more than 150 additional home- and community-based waivers that serve both children and adults.

Older Adolescents with Disabilities Who Are Employed

Beginning in October 2000, states have been granted the option of extending Medicaid eligibility to individuals with disabilities who are employed and no longer eligible for SSI payments. This option, enacted under Title II of the Ticket to Work and Work Incentives Improvement Act of 1999,[25] benefits older adolescents, those age 16 and older. It enables states to cover employed individuals who meet SSI disability criteria and would qualify for SSI were it not for their earnings and also those who would no longer meet the SSI disability criteria but still have a "severe or medically determinable impairment." States are able to set their own limits on assets, resources, and income, and they can elect to charge premiums and impose other cost-sharing requirements.

There are 19 states that use the Ticket-to-Work option, according to CMS.[26] All cover individuals whose earnings disqualify them for SSI payments, known as the basic coverage group, and 6 of the 19 also cover those whose medical conditions have improved, the medical improvement group.

Children Receiving State Adoption Assistance

States may opt to provide Medicaid eligibility to children who have special needs for medical or rehabilitative care and are in foster care awaiting adoption. These are children who do not qualify for Medicaid by virtue of receiving Title IV-E or SSI payments prior to entering foster care but who do qualify for state assistance on the basis of their special needs. This option was created by the Consolidated Omnibus Reconciliation Act of 1986.[27]

According to the Association of Administrators of the Interstate Compact on Adoption and Medical Assistance,[28] every state but one extends Medicaid eligibility to children receiving state adoption assistance.[29]

Older Adolescents Formerly in Foster Care

States have the option to continue providing Medicaid coverage to older adolescents who have

"aged out" of the foster care system and are no longer receiving federal assistance under Title IV-E. Such assistance is provided to children up to age 18, although states may elect to provide Title IV-E payments to adolescents up to age 21 who have a physical, mental, or emotional disability.[30] Since 1999, with the passage of Title I of the Foster Care Independence Act,[31] known as the Chaffee Foster Care Independence Program, states have been able to cover all adolescents up to age 21 who were formerly in the federally subsidized foster care system.

Nine states, according to CMS,[32] currently provide Medicaid coverage to this category of adolescents. In addition, one state reported that it is awaiting approval of a state plan amendment to do so.

Reasonable Categories of Children Who Meet AFDC's Financial Criteria

States that elect not to cover all "Ribicoff children" (described in the children generally section above) still have the option of covering reasonable categories of these children up to age 18, 19, 20, or 21. Federal regulations identify several reasonable subgroups, including: children in publicly subsidized foster care or institutional care; children in privately subsidized foster care or institutional care, if the publicly subsidized optional group is covered; children in publicly subsidized adoption; children in a skilled nursing facility or intermediate care facility for the mentally retarded; and children receiving care in a psychiatric facility.

The applicable ages for these subgroups vary. For children in medical institutions or psychiatric facilities, coverage is linked to SSI, and the Ribicoff option would pertain to 18-year old children up to ages 19, 20, or 21. In the case of children in psychiatric facilities, coverage can be available until their 22nd birthday if they were in the facility on their 21st birthday. For children in subsidized foster care or adoption, coverage is linked to Title IV-E, and the Ribicoff option would pertain to 18-year old children up to ages 19, 20, or 21.[33] However, for various reasons, more than half of the children in publicly or privately subsidized foster care are not Title IV-E eligible[34] and therefore could be covered at younger ages as well.

Twenty-six states[17] reported that they are covering at least one of the reasonable categories of "Ribicoff children." States most commonly cover children in foster homes subsidized by a public agency: 22 states provide eligibility to these individuals. Children in psychiatric facilities have Medicaid eligibility in 18 states.

Children with High Medical Expenses Relative to Their Income

States have the option of establishing a medically needy program under which all children under the age of 18 would qualify for Medicaid coverage[35] through the "spend down" provision, that is, by incurring medical expenses, either paid or unpaid, that are high enough to reduce their countable income to below the state's medically needy income level (MNIL). A state can set its MNIL at any amount between 100% and 133% of the maximum AFDC payment standard in effect on July 16, 1996 for a similarly sized family or at an amount higher than 1996 payment levels, provided it does not exceed annual increases in the CPI for the urban population.[36] In addition, a state may use income and resource determination methodologies that are more liberal than those in effect for the AFDC-related population. States also have the option of including additional groups of children in their medically needy programs. They may cover all children up to age 19, 20, or 21, or any reasonable categories of these children.

Reasonable subgroups identified in the regulations are: children in publicly subsidized foster care or private institutions, children in privately subsidized foster care or institutional care, children in publicly subsidized adoption, children in skilled nursing facility or intermediate care facilities for the mentally retarded, and children receiving care in a psychiatric facility. For older adolescents ages 19 and 20 with incomes below the state's MNIL, the medically needy option provides an avenue for automatic Medicaid eligibility.

Currently, 34 states report covering the medically needy, according to CMS.[37] Of these, 18 cover all children up to ages 19, 20, or 21, and 11 cover only certain subgroups of these older adolescents.[38] States' 2005 MNILs range from 17% of the federal poverty

level in Louisiana to 100% in Minnesota.[39] Overall, the vast majority of states set their MNILs below 50% of poverty. However, according to the National Association of State Medicaid Directors, it appears that about a third of states use income disregards that apply to children.[40]

Children Who Are Optional Qualified Aliens Arriving After 1996

Since 1996, with the passage of the Personal Responsibility and Work Opportunities Reconciliation Act[41] that severed the link between AFDC cash assistance and Medicaid eligibility, states have had the option to cover only certain children who are legal immigrants. These are children who arrived in the United States after August 22 1996, meet the 5-year residency requirement, have 40 qualifying quarters under the Social Security system, and would otherwise qualify for Medicaid. There are certain exceptions, however, for refugees and asylees.

All but 2 states, according to CMS,[42] have opted to provide Medicaid eligibility to legal immigrant children and their families.[43]

Conclusions

States' eligibility policies suggest that a substantial proportion of children in the current Medicaid program are optionally eligible. We found that all states are taking advantage of optional eligibility provisions that enable them to extend Medicaid coverage to certain children with special needs as well as to children who are older than age 19 or whose families have incomes higher than the mandatory levels established by Congress. States nearly always provide Medicaid coverage to children up to age 20 or 21, children who are legal immigrants, severely disabled children who qualify under home- and community-based waivers, and children receiving state-sponsored adoption assistance. In addition, about two-thirds of states provide coverage to medically needy children, infants between 133% and 185% of poverty, and children eligible for SCHIP.

Ongoing budgetary concerns, however, continue to plague the Medicaid program at both the federal and state levels. The administratively appointed Medicaid commission will be making immediate recommendations to Congress on ways to cut $10 billion from the program over the next 5 years as well as proposing longer term solutions for controlling Medicaid costs. In the meantime, several states reportedly are considering major overhauls of their programs. Certainly, it is too soon to know whether future policy program changes will directly affect optionally eligible children, in terms of the cost-sharing charges to their families, the providers available to serve them, the benefits they can receive, and even their right to enroll in the Medicaid program.

TABLE 2. STATES' MEDICAID INCOME ELIGIBILITY LEVELS, JULY 2004

States	Infants	Children Under Age 6	Children Under Age 19
AL	133%	133%	100%
AK	175%	175%	175%
AZ	140%	133%	100%
AR	200%	200%	200%
CA	200%	133%	100%
CO	133%	133%	100%
CT	185%	185%	185%
DE	200%	133%	100%
DC	200%	200%	200%
FL	200%	133%	100%
GA	200%	133%	100%
HI	200%	200%	200%
ID	150%	150%	150%
IL	200%	133%	133%
IN	150%	150%	150%
IA	200%	133%	133%
KS	150%	133%	100%
KY	185%	150%	150%
LA	200%	200%	200%
ME	200%	150%	150%
MD	200%	200%	200%
MA	200%	150%	150%
MI	185%	150%	150%
MN	280%	275%	275%
MS	185%	133%	100%
MO	300%	300%	300%
MT	133%	133%	100%
NE	185%	185%	185%
NV	133%	133%	100%
NH	300%	185%	185%
NJ	200%	133%	133%
NM	235%	235%	235%
NY	200%	133%	133%
NC	185%	133%	100%
ND	133%	133%	100%
OH	200%	200%	200%
OK	185%	185%	185%
OR	133%	133%	100%
PA	185%	133%	100%
RI	250%	250%	250%
SC	185%	150%	150%
SD	140%	140%	140%
TN	200%	200%	200%
TX	185%	133%	100%
UT	133%	133%	100%
VT	300%	300%	300%
VA	133%	133%	133%
WA	200%	200%	200%
WV	150%	133%	100%
WI	185%	185%	185%
WY	133%	133%	100%
AVG	187%	166%	153%

Source: Information obtained by the Maternal and Child Health Policy Research Center through analysis of documents from the Kaiser Family Foundation and the Centers for Medicare and Medicaid Services in March and April 2005.

TABLE 3. STATES' USE OF MEDICAID OPTIONS FOR EXPANDING ELIGIBILITY TO CHILDREN GENERALLY, 2005

States	Infants up to 185%	Section 1902(r)(2)	Medicaid SCHIP	Section 1115 Demonstration Waiver	Ribicoff Children up to Age 20 or 21
AL					
AK			X		X(20)
AZ	X				
AR			X		
CA	X	X			X(21)
CO					X(20)
CT	X	X	X		X(21)
DE	X		X		
DC	X		X		
FL	X		X		
GA	X				
HI	X		X		
ID			X		
IL			X		
IN	X		X		
IA	X		X		X(21)
KS	X				
KY	X		X		
LA			X		
ME	X	X	X		X(21)
MD	X		X		X(21)
MA	X		X		
MI	X	X	X		
MN			X	X	X(21)
MS	X				
MO	X		X	X	
MT					
NE	X		X		
NV					
NH	X	X	X		
NJ	X		X		X(21)
NM	X	X	X		
NY	X	X	X		X(21)
NC	X				X(21)
ND					X(21)
OH			X		X(21)
OK	X		X		
OR					
PA	X				X(21)
RI	X		X	X	
SC	X		X		
SD			X		
TN	X			X	X(21)
TX	X				
UT					
VT	X	X		X	X(21)
VA			X		
WA	X	X			
WV	X				
WI		X	X		
WY					
Total	33 (65%)	10 (20%)	31 (61%)	5 (10%)	16 (31%)

Source: Information obtained by the Maternal and Child Health Policy Research Center through correspondence with state Medicaid eligibility staff and CMS staff and analysis of state plan documents available at www.cms.gov in March and April 2005.

TABLE 4. STATES' USE OF MEDICAID OPTIONS FOR EXPANDING ELIGIBILITY TO SPECIAL GROUPS OF CHILDREN, 2005

States	TEFRA State Plan Option	Section 1915(c) Home- and Community-Based Services Waiver	Working Disabled Adolescents	State-Sponsored Adoption Assistance	Chafee Foster Care Adolescents	Reasonable Categories of Ribicoff Children	Medically Needy	Optional Qualified Aliens
AL		X		X		X		X
AK	X	X		X				X
AZ			X	X	X			X
AR		X	X	X		X	X	X
CA		X		X	X		X	X
CO		X		X				
CT		X	X	X	*		X	X
DE	X	X		X		X		X
DC	X	X		X		X	X	X
FL		X		X		X	X	X
GA	X	X		X			X	X
HI		X		X		X	X	X
ID	X	X		X		X		X
IL		X	X	X		X	X	X
IN		X	X	X		X		X
IA		X		X			X	X
KS		X	X	X	X	X	X	X
KY		X		X			X	X
LA		X	X	X		X	X	X
ME	X	X		X			X	X
MD		X		X			X	X
MA	X	X		X			X	X
MI	X	X	X	X			X	X
MN	X	X	X	X			X	X
MS	X	X		X	X	X		X
MO		X	X	X		X		X
MT		X		X		X	X	X
NE		X		X		X	X	X
NV	X	X	X	X				X
NH	X	X	X	X		X	X	X
NJ		X	X	X	X		X	X
NM		X				X		X
NY		X	X	X			X	X
NC		X		X			X	X
ND		X	X	X			X	X
OH		X		X				X
OK		X		X	X	X		X
OR		X		X		X		X
PA		X	X	X			X	X
RI	X	X		X		X	X	X
SC	X	X		X	X			X
SD	X	X		X		X		X
TN		X		X			X	X
TX		X		X	X		X	X
UT		X		X			X	X
VT	X	X		X			X	X
VA		X		X		X	X	X
WA		X	X	X		X	X	X
WV	X	X	X	X			X	X
WI	X	X		X		X	X	X
WY		X	X	X	X	X		
Total	18 (35%)	50 (98%)	19 (37%)	50 (98%)	9 (18%)	25 (49%)	34 (67%)	49 (96%)

Source: Information obtained by the Maternal and Child Health Policy Research Center through correspondence with state Medicaid eligibility staff and CMS staff and analysis of state plan documents available at www.cms.gov in March and April 2005.

* State plan amendment pending, as of January 1, 2005.

Endnotes

[1] At the time of this publication, there are no current estimates of the number of optionally eligible children.

[2] For the purposes of this report, the term "states" includes the 50 states and the District of Columbia.

[3] The state plan documents posted on the Centers for Medicare and Medicaid Services' (CMS) website are current only as of 2000. CMS does not collect information on all eligibility groups covered by states. It only maintains current information pertaining to SCHIP, TEFRA, independent foster care, Ticket to Work, and the medically needy.

[4] Alaska and Hawaii have separate poverty level standards.

[5] P.L. 100-203.

[6] We analyzed documents from the Kaiser Family Foundation and CMS: Kaiser Health Facts Online, available at www.kff.org, and state plans and amendments, available at www.cms.gov.

[7] P.L. 100-360.

[8] In determining financial eligibility for AFDC-related groups, states discount certain amounts of an applicant's income and then consider whether the remaining countable income falls at or below the required income eligibility threshold. There typically are specified income disregards for various purposes – child care, other dependent care, and assistance from other agencies – in addition to the federally required disregard for the first $90 of earnings.

[9] We analyzed documents from the Kaiser Family Foundation, CMS, and the National Association of State Medicaid Directors (NASMD): Kaiser Health Facts Online, available at www.kff.org; Aged, Blind, and Disabled State Summaries from NASMD, available at www.nasmd.org/research/ABD/abd.htm; and state plans and amendments, available at www.cms.gov.

[10] Title XXI gives states the option to expand their Medicaid programs to cover SCHIP children, to establish a separate program for SCHIP children, or to do a combination of both. States, however, must maintain Medicaid eligibility at the levels in effect prior to the implementation of SCHIP.

[11] P.L. 105-33.

[12] P.L. 87-543.

[13] Ryan JM. *1115 Ways to Waive Medicaid and SCHIP Rules.* Washington, DC: National Health Policy Forum, 2002.

[14] We analyzed Section 1115 waiver fact sheets, available at www.cms.gov.

[15] Twenty-nine other states have Section 1115 waivers to pursue a variety of other objectives, including implementing statewide managed care and extending Medicaid eligibility to populations of adults.

[16] The option to lower income and resource standards below the 1996 level is also available, but states may not lower standards below those in effect on May 1, 1988. P.L. 104-193.

[17] We contacted all 50 states and the District of Columbia to ascertain their coverage policies for Ribicoff children. Thirty-seven states (73%) responded; for the remaining states, we relied on state plan documents available at www.cms.gov.

[18] P.L. 97-248.

[19] Children hospitalized on a long-term basis, at least 30 days, are eligible to receive SSI regardless of income because their parents' income is no longer deemed available to them.

[20] Personal correspondence with CMS staff, March 11, 2005.

[21] Maine, one of the 18 states, is awaiting CMS approval to cover severely disabled children under an 1115 waiver.

[22] P.L. 97-35.

[23] We analyzed the descriptions of each state's home- and community-based waiver programs, prepared by the Center for Personal Assistance Services, available at www.pascenter.org.

[24] There are 34 waivers that serve children exclusively, but not all waive the deeming rules.

[25] P.L. 106-170.

[26] Personal correspondence with CMS staff, March 15, 2005.

[27] P.L. 99-272.

[28] Association of Administrators of the Interstate Compact on Adoption and Medical Assistance. *COBRA Option/Reciprocity as of October 2004.* Washington, DC: AAICAMA, 2004.

[29] New Mexico is the only state not providing Medicaid eligibility to these children.

[30] All children and adolescents who receive federal assistance under Title IV-E are considered a mandatory eligibility group under Medicaid.

[31] P.L. 106-169.

[32] Personal correspondence with CMS staff, March 14, 2005.

[33] States may have already used the Title IV-E adoption assistance option to extend Medicaid coverage to children with special needs who are over age 18.

[34] U.S. House Ways and Means Committee. *2004 Green Book Background Material and Data on the Programs within the Jurisdiction of the Committee on Ways and Means.* Washington, DC: Government Printing Office, March 2004.

[35] States using the medically needy option are able to offer these beneficiaries more limited services than those available to categorically needy beneficiaries. For children, federal law requires states only to cover ambulatory services, and, if ICF-MR services are covered, then they must also cover inpatient and outpatient hospital services, nursing facility services, and nurse-midwife services.

[36] The option to lower income and resource standards below the 1996 level is also available, but states may not lower standards below those in effect on May 1, 1988. P.L. 104-193

[37] Personal correspondence with CMS staff, April 1, 2005.

[38] We contacted all 50 states and the District of Columbia to ascertain their coverage policies for medically needy children. Thirty-seven states (73%) responded; for the remaining states, we relied on state plan documents available at www.cms.gov.

[39] These figures are based on the 37 states that responded to our questions about medically needy coverage policies.

[40] The National Association of State Medicaid Directors collects information relevant to the aged, blind, and disabled population.

[41] P.L. 104-193.

[42] Personal correspondence with CMS staff, March 17, 2005.

[43] Colorado and Wyoming are the only 2 states not providing Medicaid eligibility to these children.

Acknowledgements

We are extremely grateful to state Medicaid agency officials who answered our questions about their state's eligibility policies and to CMS staff who patiently responded to our multiple requests for information.