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Employees' Manual
Title 8
Chapter H

FOSTER CARE, ADOPTION AND GUARDIANSHIP SUBSIDY



Iowa Department
of Human Services

Page

Overview 1

- Definitions 2
- IM Responsibilities 3
- Service Responsibilities..... 4
- Categories of Medicaid Eligibility 5
 - SSI 5
 - Title IV-E 6
 - Medicaid Reciprocity for Subsidized Adoption 7
 - CMAP 8
 - MAC..... 9
 - Medically Needy Without a Spenddown 9
 - State-Only Medical Assistance 9

Foster Care and Presubsidy Placements 11

- Who Is Eligible 10
 - Placement Types 11
 - Placements Not Considered Foster Care 14
 - Iowa Child Placed Outside Iowa 15
 - Out-of-State Child Placed in Iowa Foster Care Placement..... 15
 - Child Hospitalized Before Entering Foster Care 16
- Processing the Application..... 17
 - Child Active for Medicaid at Time of Placement..... 17
 - Child Not Active for Medicaid at Time of Placement 18
- Defining the Eligible Group..... 19
 - When a Foster Child Is a Minor Parent 20
- Income Policies 21
- Determining Eligibility for the Retroactive Period 21
- Referral for Support Recovery..... 22

Subsidized Guardianship Placements 24

- Who Is Eligible for Subsidized Guardianship Placements 25
- Nonfinancial Criteria..... 26
 - Age..... 26
 - Eligible Group..... 27
 - Subsidized Guardianship Child is a Minor Parent 27
 - Parent Enters the Subsidized Guardianship Household..... 27
 - Residence Outside Iowa..... 28
 - Referral for Support Recovery..... 29
- Financial Criteria..... 29
- Application Processing 30
 - Service Worker Responsibilities..... 31
 - Income Maintenance Worker Responsibilities 32

Page

Subsidized Adoption Placements..... 33

- Who Is Eligible for Subsidized Adoption Placements33
 - Adoption Assistance Agreement From Another State34
 - Iowa Child Living Outside Iowa35
- Application Processing for Iowa Subsidized Adoption36
- Application Processing for Out-of-State Subsidized Adoption38
- Eligible Group for Subsidized Adoption Placements40
 - When the Family of the Adopted Child Wants Medicaid40
- Income42
 - Family's Medicaid Income When Including the Adopted Child.....43
 - Family's Medicaid Income When Not Including the Adopted Child.....43

Case Maintenance 44

- Managed Care45
- Home- and Community-Based Waivers45
- Reviews46
- Automatic Redetermination48

Overview

This chapter explains Medicaid coverage for children in a foster care, presubsidy, subsidized adoption or subsidized guardianship placement. Medicaid eligibility determinations for these children differ because:

- ◆ The service unit often initiates the application instead of the family.
- ◆ An additional federal coverage group is available for these children through the Foster Care and Adoption Assistance Act (Title IV-E of the Social Security Act). See 13-B, [DETERMINING TITLE IV-E ELIGIBILITY](#).
- ◆ An additional federal coverage group is available for some subsidized adoption children. See [Medicaid Reciprocity for Subsidized Adoption](#).
- ◆ Medical coverage is guaranteed by state rules for children for whom Iowa is responsible for a maintenance payment, even if the child does not meet eligibility requirements for a federally funded coverage group.

Medicaid benefits available to the children are the same, regardless of coverage group.

Establishing benefits for children who are in a foster care, presubsidy, subsidized adoption, or subsidized guardianship placement is a cooperative effort between the service worker and the income maintenance (IM) worker.

- ◆ The IM worker is responsible for determining the proper maintenance funding source, administrative cost source, and Medicaid coverage group.
- ◆ The service worker (or the juvenile court officer) provides the information necessary to make those determinations, calculates the amount of the maintenance payment, and makes the child support referral.

This chapter addresses program policies and procedures determining the appropriate medical coverage group for children in foster care, subsidized adoption, or subsidized guardianship. This first section of the chapter gives definitions, a summary of IM and service duties, and a summary of the applicable Medicaid coverage groups.

The requirements specific to foster care, adoption, and guardianship placements are explained in the sections that follow. Case maintenance procedures common to all types of placements are described in the final section.

Definitions

Legal reference: 441 IAC 156.1(234), 201.2(600), 202.1(234), and 204; Section 473(b)(3) of the Social Security Act

“FBU” means “family budget unit.” The FBU is a two-digit portion of the Automated Benefit Calculation (ABC) system case number that follows the serial number. It is used to distinguish certain kinds of cases. FBUs 18 and 19 are used only for Medicaid cases related to foster care, subsidized adoption, subsidized guardianship, or psychiatric medical institutions for children.

“Financial responsibility” means that the Department is legally required to pay a foster care maintenance payment, a guardianship subsidy payment, or an adoption subsidy payment to the persons with whom the child is placed. Financial responsibility can be imposed on the Department through juvenile court action, or assumed through a voluntary agreement with the child’s parents, adoptive parents, or legal guardian (or with the child, if aged 18 or over).

“Foster care placement” means 24-hour substitute care provided by a licensed foster care provider to an eligible child for whom the Department has financial responsibility. Foster care placements include, but are not limited to, foster family homes, group homes, shelter care facilities, group care facilities, supervised apartment living, and psychiatric medical institutions for children. (See [Placement Types](#) for more information.)

“Maintenance payment” means a monthly payment to help cover the basic expenses of an eligible child, including the cost of food, shelter, clothing, transportation, and recreation.

“Presubsidy placement” means placement in the home of an adoptive family before the adoption is finalized, with the child receiving assistance through a maintenance subsidy payment, a special services subsidy payment, or both, based on the special needs of the child. The presubsidy payment is a foster care payment.

“Subsidized adoption placement” means a permanent placement for a special needs child who legally becomes a member of the adoptive family, with the child receiving assistance under an adoption assistance agreement. This assistance may include a maintenance subsidy payment, a special services subsidy payment, or both. A child in a subsidized adoption placement is eligible for Medicaid under the terms of their adoption assistance agreement even if the child is not receiving an adoption subsidy maintenance payment.

“Subsidized guardianship placement” means a court-approved placement of an eligible child with a guardian who is assisted financially through a maintenance subsidy payment.

IM Responsibilities

The IM worker for a child in a foster care, presubsidy, subsidized adoption, or subsidized guardianship placement is responsible for:

- ◆ Determining Medicaid eligibility. Grant state-only medical assistance if:
 - Eligibility exists only for Medically Needy with a spenddown, or
 - There is no eligibility for any other coverage group. For non-IV-E subsidized guardianship cases, see the EXCEPTION under [State-Only Medical Assistance](#).
- ◆ Opening a Medicaid case on the ABC system, using an FBU of 19 in the case number. EXCEPTIONS: Use an FBU of 18 for:
 - An Iowa child who is placed out of state but remains on Iowa Medicaid.
 - A child in foster care or subsidized adoption who is placed in Iowa from another state and qualifies for Iowa Medicaid.
- ◆ Linking the ABC Medicaid case to the referral the service worker has made to the Iowa Collections and Recovery (ICAR) system to facilitate support recovery.
- ◆ Acting on changes reported by the service worker and others.
- ◆ Completing Medicaid eligibility reviews.

For responsibilities when a child enters foster care, see 13-B, [DETERMINING INITIAL ELIGIBILITY](#). For ongoing responsibilities for children who are IV-E-eligible, see 13-B, [PROCEDURES FOR CHANGES AND REVIEWS OF ELIGIBILITY](#).

Service Responsibilities

The service worker for a child in a foster care, presubsidy, subsidized adoption, or subsidized guardianship placement is responsible for:

- ◆ Sending a Medicaid application to the parents of the child or to the person responsible for the child with a request to return it within ten calendar days. (A new application is not required when the child is already receiving Medicaid or is IV-E-eligible. For more information, see 13-B, [DETERMINING TITLE IV-E ELIGIBILITY](#).)
- ◆ Completing the Medicaid application if the parents fail to cooperate and there is no other person representing the child. (Not applicable in subsidized guardianship cases.)
- ◆ Forwarding the application to the appropriate IM worker within two working days of receipt.
- ◆ Reporting changes to the IM worker (changes in placement, maintenance payment, income, deprivation, pregnancy, siblings placed together, etc.).
- ◆ Assisting the IM worker with reviews of eligibility when necessary. This includes completing required review forms. (Not applicable in subsidized guardianship cases.)
- ◆ Handling EPSDT activities. (Not applicable in subsidized guardianship cases.)
- ◆ Handling payments for court-ordered care and treatment and for services received that are not Medicaid-covered services or that were delivered when the child was not Medicaid-eligible.
- ◆ Notifying the IM worker of a child leaving a foster care, subsidized adoption, or subsidized guardianship placement no later than ten calendar days after the exit.

See XIII-J(1), [FOSTER CARE PAYMENT](#), XIII-J(3), [MEDICAL COVERAGE FOR CHILDREN IN FOSTER CARE](#), 13-D(1), [GUARDIANSHIP SUBSIDY](#), and 17-F(1), [PERMANENT PLACEMENT PROCEDURES](#), for more information on service responsibilities. Additional detail on service responsibilities specific to subsidized guardianship placement is covered later in this chapter.

Categories of Medicaid Eligibility

Legal reference: 441 IAC 75.1(15), 75.1(28), 75.1(16), 75.1(35)

The Department receives federal financial participation for Medicaid for children in these coverage groups:

- ◆ [Supplemental Security Income \(SSI\)](#)
- ◆ [Title IV-E](#) (meets requirements of Title IV-E of the Social Security Act)
- ◆ [Medicaid reciprocity for subsidized adoption](#)
- ◆ [Child Medical Assistance Program \(CMAP\)](#)
- ◆ [Mothers and Children \(MAC\)](#)
- ◆ [Medically Needy](#)

Determining Medicaid eligibility for a child in a foster care, presubsidy, subsidized adoption, or subsidized guardianship placement is the same as for other children, with the following exceptions:

- ◆ Count only the income of the child when determining eligibility.
- ◆ If a child for whom Iowa has financial responsibility qualifies for no federally funded coverage group except Medically Needy with a spenddown, approve the child for state-only medical assistance. For non-IV-E subsidized guardianship cases, see the EXCEPTION under [State-Only Medical Assistance](#).

SSI

Legal reference: 441 IAC 75.1(3), (4), and (6)

Medicaid is provided to children in foster care, presubsidy, subsidized adoption, or subsidized guardianship placements who receive or are eligible for benefits through the Supplemental Security Income (SSI) program. Children who are both IV-E-eligible and receive SSI shall have their Medicaid provided under the SSI coverage group.

Title IV-E

Legal reference: P.L. 96-272; 42 CFR 435.145; Section 473(b)(3) of the Social Security Act as amended by P.L. 110-351; 42 CFR 435.909(a)

Policy:

Medicaid must be provided to children for whom any of the following is provided under Title IV-E of the Social Security Act:

- ◆ Foster care maintenance payments.
- ◆ Guardianship subsidy payments.
- ◆ Adoption assistance (regardless of whether or not the agreement provides for adoption subsidy maintenance payments).

IV-E Medicaid eligibility exists when all IV-E service, maintenance, and financial requirements are met according to 13-B, [DETERMINING TITLE IV-E ELIGIBILITY](#).

Procedure:

Make IV-E-eligible children eligible for Medicaid automatically without requiring a separate application or annual Medicaid review. However, an application or review form may be requested to gather information needed to determine whether the child is IV-E-eligible and to facilitate the child's Medicaid enrollment.

When an Iowa IV-E-eligible child is placed in or moves to another state, the state where the child is living provides Medicaid coverage, even though Iowa retains financial responsibility for the child.

When a child is placed in or moves to Iowa, the placing state determines the child's eligibility for IV-E maintenance payments or if an adoption assistance agreement is in effect for a IV-E-eligible child.

Iowa will provide Medicaid to IV-E-eligible children living in Iowa. If a child receives IV-E foster care maintenance payments, IV-E guardianship subsidy assistance payments, or has a IV-E adoption assistance agreement in effect from another state, the child is Medicaid-eligible in Iowa without an application, review form, or further verification.

Medicaid Reciprocity for Subsidized Adoption

Legal reference: 441 IAC 75.1(10), 75.1(16), 201.10(2)

Policy:

“Medicaid reciprocity” is an agreement among certain states to provide Medicaid to children who are placed in or move to each other’s state when the child was receiving Medicaid under specified conditions in the home state. Medicaid must be provided to non-IV-E-eligible children with an adoption subsidy agreement in a state with a Medicaid reciprocity agreement.

Procedure:

When a non-IV-E child with an adoption subsidy agreement from another state is placed in or moves to Iowa, Iowa provides Medicaid coverage if the state with the adoption subsidy agreement has a Medicaid reciprocity agreement, regardless of whether the child meets the eligibility requirements for Medicaid in Iowa.

Make these children automatically eligible for Medicaid without requiring a separate application. However, an application may be requested to gather information to facilitate the child’s Medicaid enrollment.

When a non-IV-E-eligible Iowa child with an Iowa adoption subsidy agreement moves to another state that has a Medicaid reciprocity agreement with Iowa, that state provides Medicaid coverage regardless of whether the child meets the eligibility requirements for Medicaid in that state.

If a child has an adoption subsidy agreement from a state that has a Medicaid reciprocity agreement with Iowa, the child is Medicaid-eligible in Iowa without further verification. See [Application Processing for Out-of-State Subsidized Adoption](#) later in this chapter for additional information about establishing the Medicaid case.

A non-IV-E-eligible child with an adoption subsidy agreement who moves into a state that does not have a reciprocity agreement must qualify for Medicaid according to the policies of the state where the child lives. If the child does not qualify, the state that made the adoption subsidy agreement must maintain Medicaid coverage.

Use the following list to determine which states have subsidized adoption Medicaid reciprocity agreements:

Alabama	Iowa	Nebraska	Tennessee
Alaska	Kansas	New Jersey	Texas
Arizona	Kentucky	New York	Utah
Arkansas	Louisiana	North Carolina	Vermont
California	Maine	North Dakota	Virginia
Colorado	Maryland	Ohio	Washington
Connecticut	Massachusetts	Oklahoma	West Virginia
Delaware	Michigan	Oregon	Wisconsin
Florida	Minnesota	Pennsylvania	Wyoming
Georgia	Mississippi	Rhode Island	
Idaho	Missouri	South Carolina	
Indiana	Montana	South Dakota	

CMAP

Legal reference: 441 IAC 75.1(15)

Medicaid is available through the Child Medical Assistance Program (CMAP) to children in foster care, presubsidy, subsidized adoption, or subsidized guardianship placements who:

- ◆ Are not eligible for SSI, IV-E, or Medicaid reciprocity for subsidized adoption;
- ◆ Are under age 21; and
- ◆ Meet all other CMAP requirements. (See 8-F, [Child Medical Assistance Program \(CMAP\)](#), for information on eligibility requirements.)

Karen, age 10, and her sister, Katrina, age 12, are placed together in foster care on October 15. An application is filed October 16. The children have no countable income but do not meet IV-E criteria. The worker determines eligibility for a household size of two. CMAP eligibility is granted.

MAC

Legal reference: 441 IAC 75.1(28)“a”

Medicaid is available under the Mothers and Children (MAC) coverage group to children in foster care, presubsidy, subsidized adoption, or subsidized guardianship placements who:

- ◆ Are not eligible for SSI, IV-E, Medicaid reciprocity for subsidized adoption, or CMAP; and
- ◆ Meet all MAC requirements. (See 8-F, [Mothers and Children \(MAC\) Program](#), for information on eligibility requirements.)

Karen, age 10, and her sister, Katrina, age 12, are placed in the same foster family home on October 15. An application is filed October 16. The children do not meet IV-E criteria. Karen has no income. Katrina has Social Security income that exceeds the CMAP income limit for two but is under the MAC income limit. MAC eligibility is granted.

Medically Needy Without a Spenddown

Legal reference: 441 IAC 75.1(35)“a,” Public Law 101-508

Medicaid is available under the Medically Needy program to children who would be eligible for SSI, IV-E, CMAP, or MAC if they were not over income limits. See [8-J](#) for more information on the Medically Needy coverage group.

John, age 19, receives a monthly non-IV-E subsidized adoption payment of \$424 from Iowa. John is not SSI-eligible. His income exceeds the CMAP guidelines, and he does not meet the age requirement for MAC. His Medicaid eligibility is established through the Medically Needy program, as his income is less than the MNIL for one.

If the child is required to meet a spenddown, the child must be provided with state-only medical assistance. See [State-Only Medical Assistance](#).

State-Only Medical Assistance

Legal reference: 441 IAC 75.1(10), 441 IAC 75.1(11)

If a child in a foster care, presubsidy, subsidized adoption, or subsidized guardianship placement for whom Iowa has financial responsibility does not qualify for federally funded Medicaid or qualifies only under Medically Needy with a spenddown, state-only medical assistance shall be provided.

EXCEPTION: In non-IV-E subsidized guardianship cases, when a guardian fails to provide necessary information, eligibility under a Medicaid coverage group cannot be determined. In this situation, the child is **not** eligible under state-only Medicaid coverage.

1. Elaine, age 12, is court ordered into foster care. She is not IV-E-eligible. She has countable income that exceeds the MAC income limit for one person. The only coverage group she is eligible for is Medically Needy with a spenddown. State-only Medical assistance is approved for Elaine.
2. A family adopts three brothers through the adoption subsidy program. The adoption subsidies are not IV-E-funded. The total of the three subsidies exceeds the MAC income limit for three people. The only coverage group the children are eligible for is Medically Needy with a spenddown. State-only Medical assistance is approved for the children.

NOTE: A child who is placed in Iowa from another state or who is receiving guardianship subsidy payment from another state **is not** eligible under this coverage group. This child's medical assistance must be provided by the other state if the child is not eligible for federally funded Medicaid.

Foster Care and Presubsidy Placements

Legal reference: 441 IAC 76.1, 202.1(234), 441 IAC 201.5(2)

The following sections explain Medicaid eligibility determination for children residing in a presubsidy or foster care placement. (Medicaid eligibility for the presubsidy period is the same as for a foster care placement.)

- ◆ [Who is eligible](#)
- ◆ [Application processing](#)
- ◆ [Defining the eligible group](#)
- ◆ [Income policies](#)
- ◆ [Determining eligibility for the retroactive period](#)
- ◆ [Referral for support recovery](#)

Who Is Eligible

Legal reference: 441 IAC 75.1(10)

Medicaid is available to children for whom the Department has financial responsibility and who are living in one of the placements listed under [Placement Types](#). See [Definitions](#) for additional information.

The Department provides foster care only to persons meeting the definition of a child. "Child" means either a person less than 18 years of age or a person 18 or 19 years of age who meets any of the following conditions:

- ◆ Is in full-time attendance at an accredited school pursuing a course of study leading to a high school diploma.
- ◆ Is attending an instructional program leading to a high school equivalency diploma.
- ◆ Has been identified by a director of special education of the area education agency as a child requiring special education.

A person over 18 years of age who has received a high school diploma or a high school equivalency diploma is not a child within this definition.

A child who is placed into foster care for a very short period is eligible for Medicaid for the months that the child was in foster care. Sometimes a child can be placed in foster care for less than a week or even overnight, but since the child is in foster care, the child is eligible for Medicaid. Medicaid covers the whole calendar month when a person is in foster care for any part of the month.

Children who were in subsidized adoption and go into foster care shall have their eligibility determined as a foster child.

The FACS system will generate Report S472N111-01, *Foster Care and/or Subsidized Adoption Information Exchange*, to the IM worker identifying the type of foster care placement where a child is residing.

Placement Types

Legal reference: 441 IAC 156.1(234), 201.2(600), 202.1(234), and 85.21(249A)

Foster family care is provided in a single-family home licensed for foster care, in which an individual or a couple provides room, board, and care to the child. The maintenance payment for a child in a foster family home is continued if the child is absent from the foster home for two weeks or less with the knowledge and consent of the service worker.

Since the maintenance payment continues during the absence, Medicaid coverage also continues under foster care. If the maintenance payment and foster care Medicaid eligibility end, see 8-F, [Continuous Eligibility for Children](#), to determine if continuous eligibility applies.

Group care is a group setting for children who are socially, emotionally, or physically unable to live in a family setting. The levels of group care are differentiated by the intensity and frequency of treatment services and the supervision and structure needed by the child. These levels are:

- ◆ Community residential group treatment
- ◆ Comprehensive residential treatment
- ◆ Enhanced residential treatment

Occasionally, children will be absent from a group care placement for short periods due to visits or hospitalization. As long as the maintenance payment continues, the child is still considered to be living in a foster care placement and is eligible for Medicaid on that basis. If the maintenance payment and foster care Medicaid eligibility end, see 8-F, [Continuous Eligibility for Children](#), to determine if continuous eligibility applies.

Shelter care is a group facility for the temporary care of children. Approval standards for shelter care facilities require that children be discharged to a permanent placement at the earliest possible time, preferably within 30 days.

Supervised apartment living foster care, formerly called "independent living," is a supervised foster care placement for children who are at least 16 years old but less than 20 years old, living on their own, and employed. Foster children in supervised apartment living placements are not eligible under the IV-E coverage group.

Presubsidy placement is placement in the home of the adoptive family before the adoption is finalized. The presubsidy payment is a foster care payment.

PMIC (psychiatric medical institution for children) is a medical institution that provides continuous care and diagnostic or long-term psychiatric services to children under the age of 21. PMICs must be licensed as health care facilities and must also have a license as either a foster care facility or a substance abuse treatment facility.

Children in a PMIC are not eligible under the IV-E coverage group. When a child enters a PMIC from foster care or subsidized adoption, refer the case to the IM worker assigned to the PMIC to determine eligibility. Children in a PMIC for whom the Department does not have custody are not considered to be in foster care, and Medicaid eligibility is not established on that basis.

Placements Not Considered Foster Care

The following are examples of placements where a child could be living but Medicaid does not recognize as a foster care placement:

- ◆ Locked juvenile detention facilities
- ◆ Training school in Toledo or Eldora (except for 30-day evaluations)
- ◆ Glenwood and Woodward Resource Centers
- ◆ Children in PMICs for whom the Department does not have custody
- ◆ Children living with a relative who:
 - Is not a licensed foster care provider, or
 - Is licensed but is not receiving a foster care maintenance payment

Juvenile detention facilities are temporary placements similar to shelter care, but they are public facilities for youth who have pending criminal charges, and are not considered foster care facilities. Children who are placed at the Eldora State Training School or the Toledo Juvenile Home are not eligible for Medicaid because they are residents of a public institution.

However, youth who are at Eldora or Toledo for a 30-day evaluation are not considered to be residing at the institution, so if they are already receiving Medicaid, eligibility can continue through the temporary absence during the evaluation period, as long as other eligibility requirements are met.

1. Jason has been removed from his foster family home and placed at the State Training School in Eldora. Cancel the Medicaid case. No automatic redetermination is required since the State Training School is not a foster care placement and its residents are not eligible for Medicaid.
2. Jane lives with her grandmother in Iowa. The grandmother is not a licensed foster care provider but is in the process of becoming one. Medicaid eligibility cannot be granted under foster care Medicaid policies, since Jane is not currently living in a licensed foster family home. If regular Medicaid eligibility exists, open the case under an FBU other than 19.

Iowa Child Placed Outside Iowa

Legal reference: 441 IAC 75.1(10)

Iowa provides Medicaid for a child placed outside the state if the child is not IV-E-eligible. Due to system constraints, the FBU for these cases must be 18.

When Iowa places a IV-E-eligible child in another state, Medicaid shall be provided by the other state. Timely cancel a IV-E-eligible child's Iowa Medicaid when the child is placed out-of-state and the placement meets IV-E requirements.

Refer to XIII-J(3), [COVERAGE FOR INTERSTATE PLACEMENTS](#), for service procedures involved in securing Medicaid coverage for these children.

Out-of-State Child Placed in Iowa Foster Care Placement

Legal reference: Section 473(b)(3) of the Social Security Act; 42 CFR 435.909(a)

Policy:

Iowa provides Medicaid coverage to IV-E-eligible children placed in Iowa by another state when the other state is making a IV-E foster care maintenance payment. These IV-E-eligible children must be made automatically eligible for Medicaid without a separate application or further verification.

NOTE: If the other state opts to extend IV-E foster care maintenance payments up to age 19, 20, or 21, Iowa must provide Medicaid without regard to Iowa's foster care age limits.

Procedure:

Refer to XIII-J(3), [Children Placed in Iowa by Another State](#), for procedures involved in identifying children placed in Iowa by another state.

Generally, when a foster child is placed in a IV-E placement in Iowa, the placing state instructs the family to file an application for Medicaid in Iowa and provides Iowa with written verification of the child's IV-E eligibility. The filing of a Medicaid application may help to facilitate enrollment by alerting Iowa that a child has been placed in an Iowa foster care placement.

However, since a IV-E-eligible foster child is eligible for Medicaid without an application, do not deny a Medicaid application in this situation. Instead, contact the placing state through the Interstate Compact on the Placement of Children (ICPC) coordinator in central office if the required IV-E documentation is not received. Establish this case with an 18 FBU when the required IV-E documentation is provided.

If the foster child from another state loses IV-E eligibility or leaves a IV-E placement, cancel the Medicaid. The child must get Medicaid from the placing state.

Child Hospitalized Before Entering Foster Care

A child who is removed from the home by court order may require hospitalization before going to the foster care placement. Until the child is actually placed in a licensed foster care facility, the child is not a foster child, and Medicaid eligibility cannot be established on that basis.

There is no maintenance payment for children placed in a hospital upon removal from the home. In these situations Medicaid eligibility must be established under a group such as CMAP or MAC without regard to the pending foster care placement. Consider the child as **a household of one**.

If the child is not eligible for a federally funded coverage group, deny the application. Do **not** establish a 19 FBU case providing state-only Medicaid in this situation.

1. Kelly, age 3, was removed from her home by court order due to reported child abuse. Since she required hospitalization for treatment of her injuries, Kelly did not immediately enter a foster care placement.

The IM worker establishes that Kelly meets the requirements for a CMAP household of one, and assigns an FBU **other than 19**. When Kelly actually enters foster care, her Medicaid eligibility is closed and re-opened under a 19 FBU.

2. Same as Example 1, except Kelly has income that exceeds the MAC income limit for one person. State-only medical assistance cannot be provided, since Kelly is not in a foster care placement. Medically Needy with a spenddown is established.

3. Susie, a newborn, will be placed directly into foster care following her hospital discharge due to a court order. Medicaid eligibility can be established for Susie as a one-member household. The Medicaid case will not have a 19 FBU.

When Susie leaves the hospital and begins living in a foster care placement, this Medicaid case will be closed and a Medicaid case will be opened with a 19 FBU.

If there is **no court order** removing the child from the parental home, consider the child a household of one only if the child will be hospitalized more than 12 months. If the child will be hospitalized less than 12 months, the child is considered with their family at home. See 8-C, [Absence in a Medical Institution](#).

Eligibility must be established under a group such as CMAP or MAC, without regard to any pending foster care placement. If the child is not eligible for a federally funded coverage group, deny the application for Medicaid and refer the case to *hawk-i* if appropriate. Do not establish a case providing state-only Medicaid in this situation. Any Medicaid case determined eligible for this group should not have an FBU of 18 or 19.

Processing the Application

Legal reference: 441 IAC 76.1(249A) and 76.2(249A); 42 CFR 435.909(a)

Procedures related to application processing depend on whether the child is IV-E eligible and whether the child was already receiving Medicaid before entering the foster care placement. Refer to 8-F, [Continuous Eligibility for Children](#), to determine if continuous eligibility applies.

Child Active for Medicaid at Time of Placement

Legal reference: 441 IAC 76.11(249A)

When the child is receiving Medicaid at the time of placement, contact the IM worker responsible for the case where the child is currently eligible.

If the child is eligible under an FMAP-related group, ask the worker to remove the child from the present family unit and send a copy of the most recent application and review form.

If the child is SSI-eligible, request the State Data Exchange (SDX) report from the case record. The SDX is needed in the foster care Medicaid case record to document how eligibility was established. The existing SSI Medicaid case must be closed.

Child Not Active for Medicaid at Time of Placement

Legal reference: 441 IAC 76.1(249A) and 76.2(249A); 42 CFR 435.909(a)

IV-E-eligible children must be made automatically eligible for Medicaid without requiring a separate application. However, an application may be requested to gather information needed to determine whether the child is IV-E eligible and to facilitate the child's Medicaid enrollment.

Request a *Health Services Application*, form 470-2927 or 470-2927(S), for a foster child who is not receiving Medicaid at the time of placement. The child's parents or someone acting on the child's behalf should complete the application.

When a parent or other responsible person cannot be located or fails to cooperate, the child's service worker or juvenile court officer completes the application on behalf of the child. The child may assist in the application process if the child is old enough to provide information. When the child is in a supervised apartment living foster care placement, the child completes the application.

The service worker provides the family with the *Health Services Application* at the time a *Voluntary Foster Care Placement Agreement*, form 470-0715 or 470-0715(S), is signed. For all other placements, the service worker or juvenile court officer sends the application to the child's parents within three working days after the child is placed.

The family is instructed to return the completed application to IM staff within ten calendar days. A service worker or juvenile court officer who receives the completed application shall forward it to the IM worker within two working days of its return.

If you have received a FACS *Foster Care and/or Subsidized Adoption Information Exchange* indicating a child has been placed in foster care, but after ten days you have not received a Medicaid application, contact the service worker or juvenile court officer about the status of the application.

If you still do not receive an application after contacting the service worker or juvenile court officer, contact your supervisor, who will contact the service supervisor to resolve the discrepancy.

The following time limits apply to processing applications for children in placement:

- ◆ FMAP-related: 30 days
- ◆ Medically Needy: 45 days
- ◆ SSI-related: 60 days

You may allow additional time when you are attempting to obtain information necessary to establish eligibility. Determine the case to be state-funded if the information is not received after **60 days** of repeated attempts to obtain necessary eligibility information. Continue to pursue the missing information and when it is received, adjust the Medicaid eligibility accordingly.

Defining the Eligible Group

Legal reference: 42 CFR 435.100

When determining FMAP-related eligibility for siblings who are placed together and who are not IV-E eligible, follow the Medicaid policies regarding siblings located in 8-C, [NONFINANCIAL FMAP-RELATED ELIGIBILITY: Eligible Group](#).

1. Todd, age 5, and his sister Nancy, age 3, are placed in the same foster family home. They are not IV-E eligible. In determining eligibility under CMAP, the IM worker compares their countable income to the CMAP standard for a two-member household. If eligible, Todd and Nancy are on the same CMAP case, even though there are two service cases.
2. Same as Example 1, except Todd and Nancy are each placed in a different foster family home. Each child's countable income compared to the CMAP income limit for a one-member household. Two CMAP cases are established.

When one or more of the biological or legal siblings is eligible for IV-E or SSI, consider each IV-E-eligible or SSI-eligible child separately from other siblings.

1. Bobby, age 10, and his half-sister Susie, age 4 months, are placed in the same foster family home. Bobby meets the IV-E eligibility factors; but Susie does not. Susie's countable income is compared to the CMAP income limit for a one-member household. Two Medicaid cases are established.
2. Same as Example 1, except both Bobby and Susie receive SSI. Two separate SSI Medicaid cases are established.

When a Foster Child Is a Minor Parent

Legal reference: 441 IAC 41.7(6)

When a foster child is a minor parent and the baby lives with the foster child, the baby's needs may be included in the maintenance payment. See 18-D, [Teen Parent Maintenance](#).

◆ When the minor parent is in foster care but the baby is not:

If the baby has newborn status, Medicaid eligibility does not need to be determined for the baby until the automatic redetermination when the child is turning age one.

Evaluate both minor parent and baby together if the minor parent is not eligible for IV-E or SSI and the child is not eligible under newborn policy or SSI.

If the mother is eligible for IV-E, evaluate the baby separately for Medicaid, as a household of one, when the child is not in newborn status. (Do not count the maintenance payment as income to the child.)

◆ When both the minor parent and the baby are in foster care:

If one is not eligible for IV-E, determine Medicaid for the one not IV-E-eligible as a household of one. Establish separate cases with 19 (or 18) FBUs.

If neither is IV-E-eligible or SSI-eligible and the baby is not receiving Medicaid under the newborn policy, determine eligibility for the minor parent and the child together. Establish one case with a 19 (or 18) FBU.

If the parent is receiving medical assistance under the state-only coverage group, the baby cannot be granted medical under the newborn status.

◆ When the parent is in supervised apartment living with the child:

When a minor parent is in a supervised apartment living foster care arrangement with the child, only the parent's needs are included in the foster care maintenance payment. In that case, the minor parent may apply for FIP for the child.

If the baby has newborn status, Medicaid eligibility does not need to be determined for the baby until the automatic redetermination when the child is turning age one.

If the baby is not in newborn status, Medicaid eligibility for the child is determined separately with a household size of one. Medicaid for the minor parent is determined under the foster care procedures.

Income Policies

Legal reference: 441 IAC 75.13(249A)

Determine countable income according to FMAP policies for the FMAP-related coverage groups and according to SSI policies for SSI-related coverage groups.

When determining income:

- ◆ Count SSI and Social Security payments for the child even though they are assigned to the state.
- ◆ Count child support payments made by either parent even when assigned to the state.
- ◆ If a child in subsidized adoption enters foster care, count the child's adoption subsidy payment as income if the child is not IV-E-eligible.
- ◆ Do not count the parents' income unless it is made available to the child.
- ◆ Do not count the foster care maintenance or presubsidy payment.

Determining Eligibility for the Retroactive Period

Legal reference: 42 CFR 435.914, 441 IAC 76.5(1)

Medicaid benefits may be available for any or all of the three months preceding the month in which the application is filed. Consider the retroactive period for all newly filed applications.

If a child was in foster care more than three months before the month the application is filed, federally funded Medicaid cannot cover those months. Provide state-only Medicaid coverage in this situation. If a child incurs medical expenses for services not covered by Medicaid, handle these expenses according to XIII-J(3).

NOTE: Policies related to determining the retroactive period do not apply to IV-E-eligible children because IV-E-eligible children must be made automatically eligible for Medicaid without requiring an application to be filed.

Referral for Support Recovery

Legal reference: 441 IAC 75.14(249A) and 156.2(234)

The Department collects child support and medical support on behalf of children in foster care. Where applicable, the Department also recovers the cost of foster care from the unearned income of the child.

The Foster Care Recovery Unit (FCRU), a part of the Division of Field Operations, is responsible for enforcing child support orders and for medical support for referrals received through the FACS system.

When the Medicaid application is approved:

- ◆ Both parents of children under age 18 who are in foster care should be referred to FCRU. FCRU defines foster care as children who are in family foster care, group care, shelter care, or supervised apartment living.
- ◆ Subsidized adoption parents should be referred only if all of the following apply:
 - The parent has left the adoptive home,
 - There is an existing child support order, and
 - The child covered by the order is in foster care.

FCRU will enforce an assignment of support due to the state. New establishment action will not be taken on subsidized adoption cases.

- ◆ Parents of a child in a PMIC should not be referred for support recovery.

Service workers are responsible for making the referral on the FACS system. In order for FCRU to receive the referral, the IM worker must link the referral to the ABC medical case.

Linking of referrals is completed through the ICSC linking screen between the ABC system and ICAR, the CSRU computer system. The ICSC screen will not display the FACS referral when called up by the ABC case number.

Find the FACS referral and its ICAR case number by changing the ICSC display to a SID# display. Do this by entering "3 ICSC" from the ICSC screen along with the client's state identification number and pressing ENTER. See the example below:

ICSC		IOWA DHS SYSTEM		DATE: 05 14 03	
IABC #: 000003-19-0-8					
CHILD SUPPORT		ABSENT PARENT		CASE NUMBER	
PAYEE/CHILD 0000010B					
STATE ID/NAME	REFER	ROLE	A/D/R	CASE NUMBER	ICAR NUM
FIRST LAST	TI	(Y,N)			DATE
0000010B	-----				
SUSAN EXAMPLE					
*1=STOP 2=FRWD 3=NEXT SCR N 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCR N: 3					
ICSC					
SID: 0000010B		IABC:		FACS: ICAR:	
The screen example below shows all referrals for this state ID number. You can identify a FACS referral by seeing under the ROLE column a code of "F" and under the CASE NUMBER column an "F" followed by the child's state ID number.					
ICSC		IOWA DHS SYSTEM		DATE: 05 14 03	
SID #: 0000010B					
CHILD SUPPORT		ABSENT PARENT		CASE NUMBER	
PAYEE/CHILD 0000010B					
STATE ID/NAME	REFER	ROLE	A/D/R	CASE NUMBER	ICAR NUM
FIRST LAST	TI	(Y,N)			DATE
0000010B	Y	F		F00000-10-B	0121217 03/13/03
SUSAN EXAMPLE	Y	F		F00000-10-B	0121218 03/13/03
	N			M00021-00-0	09/07/97
	Y	I		C02000-00-0	0098888 12/12/00
*1=STOP 2=FRWD 3=NEXT SCR N 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCR N: 3 ICSC					
SID:		IABC: 000003-19-0		FACS: ICAR:	
The two ICAR cases to review are 0121217 and 0121218. Look up both ICAR case numbers to verify that one or both list "Foster Care State of Iowa" as payee with account type of 10 or 13 and the payor is a parent to the foster child.					
If so, change the display back to the ABC case number by entering "3 ICSC" and the ABC case number and pressing ENTER. After the ICSC display changes to the ABC case number, you can continue with the referral process. Link the matched ICAR cases to the Medicaid case as follows:					

ICSC		IOWA DHS SYSTEM		DATE: 05 14 03	
IABC #: 000003-19-0-8					
CHILD SUPPORT		ABSENT PARENT		CASE NUMBER	
STATE ID/NAME	REFER	ROLE	A/D/R	CASE NUMBER	PAYEE/CHILD 0000010B
FIRST LAST	TI	(Y,N)			ICAR NUM DATE
0000010B	Y	I	A	F00000-10-B	0121217 03/13/03
SUSAN EXAMPLE					
*1=STOP 2=FRWD 3=NEXT SCRN 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCRN:					
SID		IABC:		FACS: ICAR: 0121217	
Use the PF6 key to update the screen. Link both parents to ICAR. After both links are made, the ICSC screen should look like this:					
ICSC		IOWA DHS SYSTEM		DATE: 05 14 03	
IABC #: 000003-19-0-8					
CHILD SUPPORT		ABSENT PARENT		CASE NUMBER	
STATE ID/NAME	REFER	ROLE	A/D/R	CASE NUMBER	PAYEE/CHILD 0000010B
FIRST LAST	TI	(Y,N)			ICAR NUM DATE
0000010B	Y	I	A	000003-19-0-8	0121217 05/14/03
SUSAN EXAMPLE	Y	I	A	000003-19-0-8	0121218 05/14/03
*1=STOP 2=FRWD 3=NEXT SCRN 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCRN:					
SID:		IABC:		FACS: ICAR:	

Subsidized Guardianship Placements

Legal reference: 441 IAC 75.1(11), 441 IAC Chapter 204, "Subsidized Guardianship Program"; P.L. 110-351

This section pertains to Medicaid eligibility for a child who has been placed in a subsidized guardianship home approved by an Iowa court and has a *Guardianship Subsidy Agreement*, form 470-3631, in effect. It also contains information about children receiving IV-E funded subsidized guardianship payments from other states.

The requirements for this program are found in Employees' Manual 13-D(1), [GUARDIANSHIP SUBSIDY](#).

The purpose of the subsidized guardianship program is to provide financial assistance to guardians of eligible children who are not able to return home or be adopted. This allows children a more permanent living arrangement than they have in foster care. It also provides Medicaid for children in a subsidized guardianship arrangement.

Eligibility for Medicaid for children in subsidized guardianship arrangements differs from children in foster care and subsidized adoption placements because:

- ◆ The subsidized guardianship home is not a foster care placement and does not require supervision by the Department. The Department's service worker's responsibilities are limited to payment-only.
- ◆ The guardian is responsible for providing applications and review forms needed to determine the child's Medicaid eligibility. (Applications and reviews are not required if the guardianship is IV-E funded.)
- ◆ If the guardian fails to provide information needed to determine eligibility under a Medicaid coverage group, the child is **not** eligible under state-only coverage. (Applications and reviews are not required if the guardianship is IV-E funded.)

The following sections address:

- ◆ [Who is eligible for subsidized guardianship placements](#)
- ◆ [Nonfinancial criteria](#)
- ◆ [Financial criteria](#)
- ◆ [Application processing](#)

Who Is Eligible for Subsidized Guardianship Placements

Legal reference: 441 IAC 75.54(249A), 441 IAC 75.1(11), P.L. 110-351, Section 473(b) of the Social Security Act, 42 CFR 435.909(a)

Policy:

Medicaid is available to children for whom the Department has financial responsibility and who are living in a court-approved subsidized guardianship home. See [Definitions](#) for additional information. In Iowa's subsidized guardianship program, a subsidy payment may be made until the child reaches the age of 18.

In addition, children receiving IV-E funded subsidized guardianship payments from Iowa or another state are automatically eligible for Medicaid under the IV-E coverage group without a separate application, annual review, or further verification.

NOTE: Iowa must provide Medicaid without regard to Iowa's subsidized guardianship age limits to a child receiving a IV-E subsidized guardianship payment from another if that state opts to extend IV-E subsidized guardianship payments up to age 19, 20, or 21.

Comment:

A child receiving a non-IV-E-funded subsidized guardianship payment from another state may receive Medicaid in Iowa. However, the child must meet the financial and categorical eligibility requirements, including state residency requirements, of an FMAP-related or SSI-related coverage group. See 8-F, [COVERAGE GROUPS](#). The state-only coverage group is **not** available to these children.

Procedure:

See 17-F(3), Topic 12, [Interstate Compact on Adoption and Medical Assistance](#), and 13-D(1), [GUARDIANSHIP SUBSIDY](#), for procedures on identifying children receiving a guardianship subsidy from another state and whether they are IV-E eligible.

Children who were in subsidized guardianship and go into foster care shall have their Medicaid eligibility established as a foster child. See 8-F, [Continuous Eligibility for Children](#), to determine if continuous eligibility applies.

Nonfinancial Criteria

To be eligible for Medicaid, children receiving subsidized guardianship must meet certain nonfinancial eligibility requirements. See 8-C, [NONFINANCIAL ELIGIBILITY](#), for general rules. Exceptions to 8-C are explained in the following sections:

- ◆ [Age](#)
- ◆ [Eligible group](#)
- ◆ [Residence outside Iowa](#)
- ◆ [Referral to support recovery](#)

Age

Legal reference: Section 473(b) of the Social Security Act

A child for whom Iowa has financial responsibility is eligible for Medicaid while in a court-approved subsidized guardianship home.

When eligibility does not exist under a IV-E, SSI-related, or FMAP-related coverage group, Medicaid is provided under the state-only coverage group.

Eligibility under the state-only coverage group ends when a subsidized guardianship child reaches the age of 18.

NOTE: Iowa must provide Medicaid without regard to Iowa's subsidized guardianship age limits to a child receiving a IV-E subsidized guardianship payment from another if that state opts to extend IV-E subsidized guardianship payments up to age 19, 20, or 21.

Eligible Group

Legal reference: 42 CFR 435.100, 441 IAC 75.58(1)

Group together all siblings (of whole or half-blood or adoptive) living in the same home, following the Medicaid policies regarding siblings located in 8-C, [Nonfinancial FMAP-Related Eligibility: Eligible Group](#). EXCEPTION: If one or more siblings are IV-E-eligible or SSI-eligible, consider each IV-E-eligible or SSI-eligible child separately from other siblings.

Subsidized Guardianship Child is a Minor Parent

When a child in subsidized guardianship is a minor parent and has a child who resides with the minor parent, that child is not included in the minor parent's eligibility group. Medicaid eligibility for the minor parent's child is determined separately.

An infant born to a Medicaid-eligible mother shall be granted newborn status; see 8-F, [Newborn Children of Medicaid-Eligible Mothers](#).

Parent Enters the Subsidized Guardianship Household

When the parent of a child in subsidized guardianship enters the household, guardianship subsidy eligibility continues until the court terminates the guardianship order. The parent's parental liability also continues until the court terminates the order.

If the child's Medicaid is provided under IV-E or an SSI-related coverage group, the presence of the parent has no effect on Medicaid eligibility.

If the child is in an FMAP-related coverage group, the child will remain eligible through the next annual review date without regard to the parent's income; see 8-F, [Continuous Eligibility for Children](#).

If the parent requests Medicaid and is eligible with the child, close the child's 19 FBU case. Open the child and parent together on a 30-8 aid type using a C entry reason and a C status code. Adjust the next review date to match the next annual review from the child's closed case.

If the parent and child are not eligible together, continue the child's eligibility under the continuous eligibility provisions using the existing 19 FBU case.

At the next annual review, consider the parent's income when determining the child's ongoing eligibility. If the child is eligible only under Medically Needy with a spenddown, change the child's coverage group to state-only.

NOTE: In this situation, if the parent or court-appointed guardian fails to provide information needed to determine eligibility under a Medicaid coverage group, the child is **not** eligible under the state-only Medicaid coverage group.

When the court terminates the guardianship order, reexamine eligibility under other coverage groups. The state-only coverage group is **not** available once the subsidized guardianship is terminated.

Residence Outside Iowa

Legal reference: 441 IAC 75.53(1) and (2), 441 IAC 204.9(234), Section 473(b)(3) of the Social Security Act, 42 CFR 435.909(a)

Policy:

When a child in a IV-E funded Iowa court-approved subsidized guardianship home moves with the guardian or is placed with a guardian out of state, the other state must provide Medicaid. A separate application, review form, or further verification is not required.

Procedure:

When a child in a IV-E funded Iowa subsidized guardianship home moves with the guardian or is placed with a guardian out of state, see 17-F(3), Topic 12, [Interstate Compact on Adoption and Medical Assistance](#), and 13-D(1), [GUARDIANSHIP SUBSIDY](#), for procedures on notifying the other state. Cancel the Iowa Medicaid case effective the month following the move unless additional time is necessary to provide a timely notice of decision.

When a child in a non-IV-E-funded Iowa subsidized guardianship moves with the guardian or is placed with a guardian out of state, the guardian must apply for Medicaid coverage for the child in the new state of residence. Cancel the Iowa Medicaid case effective the month following the move unless additional time is necessary to provide a timely notice of decision.

If a child receiving a non-IV-E subsidized guardianship payment does not meet the other state's eligibility requirements due to no fault of the guardian, the guardian must provide official notification of Medicaid ineligibility from the other state. The child's Medicaid will then be reopened under Iowa's state-only coverage group. Due to system constraints, the FBU for these cases must be 18.

Referral for Support Recovery

Legal reference: 441 IAC 204.5(234)

The Department will collect child and medical support on behalf of a child in a subsidized guardianship placement. If these children come directly from a foster care placement, a new referral is not needed.

Financial Criteria

Legal reference: 441 IAC 75.1(11)

Children receiving IV-E subsidized guardianship payments are automatically eligible for Medicaid without further verification.

Children receiving non-IV-E subsidized guardianship must have their eligibility determined using the financial eligibility requirements found in 8-D, [RESOURCES](#), and 8-E, [INCOME](#). NOTE: See [State-Only Medical Assistance](#) for more information when a non-IV-E subsidized guardianship child is not eligible under any other coverage group.

Application Processing

Legal reference: 441 IAC 76.1(249A), 76.2(249A), and 76.11(249A); 42 CFR 435.909(a)

When an Iowa subsidized guardianship placement begins and the service worker enters the placement into the FACS system, FACS will generate a *Foster Care and/or Subsidized Adoption Exchange* report to the IM worker indicating a placement exit from foster care and into a subsidized guardianship placement.

Procedures related to application processing depend on whether the child is IV-E eligible and whether the child is already receiving Medicaid when the subsidized guardianship begins. Refer to 8-F, [Continuous Eligibility for Children](#), to determine if continuous eligibility applies.

When the child is receiving Medicaid at the time that subsidized guardianship placement begins, contact the IM worker responsible for the case where the child is currently eligible. Obtain a copy of the most recent application or review form, and any other documents needed to establish eligibility from the existing case file.

Request a *Health Services Application*, form 470-2927 or 470-2927(S), for a child who is not receiving Medicaid at the time that subsidized guardianship begins. The child's guardian is responsible for completing the application. When a guardian fails to return necessary information, such as an application form, eligibility under a Medicaid coverage group cannot be determined. In this situation, the child is not eligible under the state-only coverage group.

IV-E-eligible children must be made automatically eligible for Medicaid without requiring a separate application. However, an application may be requested to gather information needed to determine whether the child is IV-E eligible and to facilitate the child's Medicaid enrollment.

The following sections address:

- ◆ [Service worker responsibilities](#)
- ◆ [IM worker responsibilities](#)

Service Worker Responsibilities

The service worker's responsibilities in an Iowa guardianship subsidy case are as follows:

- ◆ Initiate permanency plan to the court recommending guardianship.
- ◆ Provide form 470-3632, *Guardianship Subsidy Application*, to the prospective guardian. The guardian need not reside in Iowa.
- ◆ Determine the child's eligibility for subsidized guardianship.
- ◆ Negotiate the amount of subsidy with the guardian.
- ◆ Obtain the court order awarding guardianship. NOTE: Only the court has jurisdiction to award guardianship. The subsidy cannot begin until the court order is issued.
- ◆ When negotiations are completed and the court has awarded guardianship, complete form 470-3631, *Guardianship Subsidy Agreement*. This form must be completed and signed by the service worker and the guardian before subsidy payments are authorized.

The effective date of the subsidy payment shall be the date the guardianship order is signed if all other conditions of eligibility are met. The agreement remains in effect regardless of the state in which the guardian resides.

- ◆ Issue form 470-0602, *Notice of Decision: Services*, to reflect the eligibility decision and subsidy amount.
- ◆ Complete FACS entries to initiate payment of the subsidy. The FACS subsidy case is to be opened when the foster care case is closed to ensure that there is no interruption in medical coverage for the child.
- ◆ Send form 470-2927 or 470-2927(S), *Health Services Application*, to the guardian when the child is not currently receiving Medicaid. Instruct the guardian that it is their responsibility to complete and return the application in order to obtain Medicaid for the child.
- ◆ Update FACS as needed to correctly reflect changes in the child's circumstances, such as change in placement or termination of subsidy.

Income Maintenance Worker Responsibilities

The income maintenance worker's responsibilities in an Iowa guardianship subsidy case are as follows:

- ◆ Act on Medicaid applications or *Foster Care and/or Subsidized Adoption Exchange* reports generated by the FACS system indicating a subsidized guardianship placement.
- ◆ If the child is a Medicaid member when the subsidized guardianship placement begins:
 - Continue eligibility according to 8-F, [Continuous Eligibility for Children](#), or
 - Complete an automatic redetermination if continuous eligibility does not apply.
- ◆ Determine Medicaid eligibility under SSI, IV-E, CMAP, MAC, or Medically Needy with zero spenddown before state-only.
- ◆ Establish or maintain an ABC case with an FBU of 19. EXCEPTION: Use an 18 FBU for a child living in another state who remains eligible for Iowa's state-only coverage group (see [Residence Outside Iowa](#)).
- ◆ Make CSRU referrals, as appropriate.
- ◆ Complete reviews as required by coverage group. See [Case Maintenance: Reviews](#).
- ◆ Act on reported changes.
- ◆ When subsidized guardianship terminates or eligibility no longer exists:
 - Continue eligibility according to 8-F, [Continuous Eligibility for Children](#), or
 - Complete an automatic redetermination if continuous eligibility does not apply.

Subsidized Adoption Placements

Legal reference: 441 IAC 201, Public Law 101-508

This section pertains to Medicaid eligibility for a child who has been adopted and has an adoption assistance agreement in effect. In Iowa, adoption assistance agreements are made on the *Adoption Subsidy Agreement*, form 470-0749 or 470-0749(S).

“Subsidized adoption” means a permanent placement and assistance for parents for a special needs child who legally becomes a member of the adoptive family. “Special needs” means a child who is physically or mentally handicapped, older, or otherwise hard to place. The service worker negotiates the amount of the subsidy with the adoptive parents.

The following sections address:

- ◆ [Who is eligible for subsidized adoption placements](#)
- ◆ [Application processing](#)
- ◆ [Defining the eligible group](#)
- ◆ [Income policies](#)

Who Is Eligible for Subsidized Adoption Placements

Legal reference: 441 IAC 201.2(600), 441 IAC 75.1(10), Section 473(b)(3) of the Social Security Act

A child in an Iowa subsidized adoption placement is eligible for Medicaid. The child is eligible for Medicaid regardless of whether or not the adoptive parents choose to accept an adoption subsidy payment.

A IV-E-eligible child with an adoption assistance agreement is automatically eligible for Medicaid under the IV-E coverage group without a separate application, annual review, or further verification.

In Iowa’s subsidized adoption program, a “child” is defined as either a person under age 18 or a person under age 21 with a physical or mental disability.

Adoption Assistance Agreement From Another State

Legal reference: Public Law 99-272, 441 IAC 75.1(16)

Iowa Medicaid is provided to a IV-E-eligible child with an adoption assistance agreement from another state. See 17-F(3), Topic 12, [Interstate Compact on Adoption and Medical Assistance](#).

A IV-E-eligible child with an adoption assistance agreement is automatically eligible for Medicaid under the IV-E coverage group without a separate application, annual review, or further verification.

NOTE: Iowa must provide Medicaid without regard to Iowa's adoption subsidy age limits to a IV-E-eligible child with an adoption assistance agreement from another state if that state opts to extend IV-E adoption assistance agreements up to age 19, 20, or 21.

Iowa Medicaid is also provided to a non-IV-E-eligible child with an adoption assistance agreement from a state with a Medicaid reciprocity agreement. These children are eligible under the reciprocity coverage group without a separate application.

A non-IV-E-eligible child with an adoption assistance agreement from another state **is not** eligible under the state-only coverage group. If Medicaid eligibility does not exist under another coverage group, the child is not eligible for Iowa Medicaid.

1. Lily, age 7, is in subsidized adoption placement in Texas. She is not eligible for IV-E. Lily and her adoptive family move to Iowa and meet Iowa residency requirements.

The IM worker receives form ICAMA 6.01 (470-3699 in Iowa), *Notice of Medicaid Eligibility/Case Activation*, indicating Lily is living in Iowa and is eligible for a state-funded adoption subsidy from Texas.

The IM worker determines that Lily is eligible for Medicaid reciprocity for subsidized adoption, considering only the fact that Lily receives a subsidy payment and that Texas has a Medicaid reciprocity agreement.

Since the adoption service is not open in FACS, Medicaid cannot be approved with a 19 FBU. The IM worker opens a Medicaid case with an 18 FBU.

2. Richard is not IV-E-eligible. Richard's adoption subsidy is paid by Nebraska. Nebraska does not have a Medicaid reciprocity agreement, so Richard is not eligible for Medicaid reciprocity for subsidized adoption. Richard's income exceeds the MAC income limit.

Iowa **will not** provide state-only Medicaid for Richard. If Nebraska does not provide Medicaid to Richard, eligibility can be established under Medically Needy with a spenddown.

Iowa Child Living Outside Iowa

When a IV-E-eligible child with an Iowa *Adoption Subsidy Agreement*, form 470-0749 or 470-0749(S), moves out of Iowa, the other state is responsible for the Medicaid unless the child is not eligible based on rules in the other state, such as residency.

Similarly, the other state is responsible for the Medicaid when a non-IV-E-eligible child moves to a state with a reciprocity agreement. A non-IV-E-eligible child with an Iowa adoption assistance agreement who is residing in a state that does not provide Medicaid reciprocity remains eligible under Iowa Medicaid. See 17-F(3), Topic 12, [Interstate Compact on Adoption and Medical Assistance](#).

Write to the parents of the child and ask that they apply for Medicaid in that state. Ask the parents to provide a copy of the official notification from the other state about the status of Medicaid eligibility.

If the parents do not comply with your request that they apply for Medicaid in the other state, inform the child's service worker and ask for help in the application process.

Application Processing for Iowa Subsidized Adoption

Legal reference: 441 IAC 201, Public Law 101-508

When an Iowa subsidized adoption becomes final and the service worker enters the finalization into the FACS system, FACS will generate a *Foster Care and/or Subsidized Adoption Information Exchange* to the IM worker indicating 'placement exit.'

This action will cause the ABC system to close the foster care (presubsidy) Medicaid case and send the IM worker a tickler message indicating that the case has been closed.

The adoption worker will open a new subsidized adoption case in FACS with the child's new name, new state identification number, and possibly a new social security number. FACS will generate a *Foster Care and/or Subsidized Adoption Information Exchange* to the IM worker that indicates 'subsidy adoption placement.'

Procedures related to application processing depend on whether the child is IV-E-eligible and whether the child is already receiving Medicaid when the adoption is finalized.

When the child is a Medicaid member when the adoption is finalized and continuous eligibility applies:

1. Open a new adoption Medicaid case.
2. Continue Medicaid in accordance with 8-F, [Continuous Eligibility for Children](#).
3. Document in the Medicaid adoption case record that the child's pre-adoption Medicaid case was reviewed and the date through which the child is continuously eligible.
 - ◆ Include the ABC case number of the pre-adoption Medicaid case record.
 - ◆ To maintain the confidentiality of the biological identity of the child and the child's biological parents, do **not** place any other identifying information from the pre-adoption record (e.g. redacted copies of applications or other materials, copies marked "confidential," or any references to the child's pre-adoptive name) in the adoption Medicaid file.

NOTE: Although a child in deemed "newborn" status is not continuously eligible, the above process also applies to these children. Continue Medicaid on a new adoption case, documenting in the adoption Medicaid case record that the child's pre-adoption Medicaid case was reviewed and the date through which the child is eligible due to deemed newborn status.

Complete an automatic redetermination of eligibility when a child who is a Medicaid member when the adoption is finalized is not continuously eligible.

Request a *Health Services Application*, form 470-2927 or 470-2927(S), for a child who is not receiving Medicaid at the time the adoption is finalized. The child's adoptive parents are responsible for filing the Medicaid application.

IV-E-eligible children must be made automatically eligible for Medicaid without requiring a separate application or annual Medicaid review. However, an application form may be requested to gather information needed to determine whether the child is IV-E eligible and to facilitate the child's Medicaid enrollment.

A IV-E-eligible child with an adoption assistance agreement is eligible under the IV-E Medicaid coverage group. The child will remain IV-E eligible as long as the child remains in the adoptive home and an adoption assistance agreement is in effect. See 13-B, [Overview of IV-E Adoption Requirements](#), for more information on IV-E policies.

If IV-E eligibility does not exist, establish Medicaid under another coverage group. Determine Medicaid eligibility that is most beneficial to the child and family. If the Iowa child is not eligible under a federally funded Medicaid program, approve under state-only.

If the adoptive child is eligible for state-only medical assistance, encourage the adoptive family to apply for Medicaid as a family to see if the child is eligible under an FMAP-related or SSI-related coverage group. The child may be eligible under a federally funded coverage group if the rest of the family is included in the eligibility determination.

Application Processing for Out-of-State Subsidized Adoption

Legal reference: 441 IAC 75.1(10), 75.1(16), 201.10(2)

When a child with an out-of-state adoption assistance agreement moves to Iowa, the adoption program manager in the Division of Adult, Children, and Family Services is notified by the other state with form 470-3699 (ICAMA 6.01), *ICAMA Notice of Medicaid Eligibility/Case Activation*. The other state attaches a copy of their adoption assistance agreement.

NOTE: If the child with an out-of-state adoption assistance agreement is already receiving Iowa Medicaid when the adoption is finalized, follow the procedures under [Application Processing for Iowa Subsidized Adoption](#) for opening a new Medicaid case on a continuously eligible child with a new adoptive identity.

The adoption program manager will forward a copy of form 470-3699 (ICAMA 6.01) and the adoption assistance agreement to the local DHS office for the county where the child is now living. Form 470-3699 (ICAMA 6.01) includes the following information:

- ◆ Name, date of birth, and social security numbers for each adopted child and the parents.
- ◆ The family's address and phone number in the other state.
- ◆ The family's new address and phone number in Iowa.
- ◆ Whether the child is eligible for IV-E or state-funded subsidy assistance.
- ◆ Whether the other state provides Medicaid reciprocity for children with an adoption assistance agreement from another state.
- ◆ Whether the child remains eligible for Medicaid from the state where the child has an adoption assistance agreement (which may or may not be the state the child is moving from).
- ◆ Information about other health insurance and eligibility for SSI or Social Security.

A sample of form 470-3699 (ICAMA 6.01), *ICAMA Notice of Medicaid Eligibility/Case Activation*, can be found in [17-Appendix](#).

A Medicaid application cannot be required for a child who is eligible for Medicaid under either the IV-E or the reciprocity coverage group. However, an application may be requested to facilitate the child's Medicaid enrollment.

When the local office receives form 470-3699 (ICAMA 6.01), review the information received and request additional information if needed. If form 470-3699 (ICAMA 6.01) is fully completed, no additional information should be required to process eligibility for Medicaid.

A child who is eligible for IV-E adoption assistance is eligible under the IV-E coverage group. The child will remain IV-E-eligible as long as the child remains in the adoptive home and an adoption assistance agreement is in effect. See 13-B, [Overview of IV-E Adoption Requirements](#), for more information on IV-E policies.

A child who is eligible for non-IV-E adoption assistance from a state that has a Medicaid reciprocity agreement is eligible under the Medicaid reciprocity for subsidized adoption coverage group. (See [Medicaid Reciprocity for Subsidized Adoption](#) for a list of states.)

The non-IV-E reciprocity child will remain eligible for Medicaid as long as all of the following are true:

- ◆ The child is under age 21;
- ◆ The child has been placed and is living with a family in Iowa or has moved with the adoptive family to Iowa;
- ◆ Another state has a state-funded adoption assistance agreement for the child;
- ◆ That state is a member of the Interstate Compact on Adoption and Medical Assistance (ICAMA); and
- ◆ That state also provides Medicaid to children with Iowa subsidized adoption cases who move to that state.

Use a 18 FBU, a 92-0 aid type, and a TD03 FACS indicator code of "R" when setting up a case for reciprocity Medicaid. No case will be open in FACS, but the TD03 coding is used to claim federal funding, since a unique aid type is not available. The system will convert the aid type for SSNI.

A child who is not IV-E-eligible and whose adoption assistance agreement is with a state that does not have a Medicaid reciprocity agreement must file a Medicaid application if assistance is desired. Determine eligibility for Medicaid under a coverage group other than reciprocity Medicaid. There is no state-only Medicaid eligibility for children with out-of-state adoption assistance agreements from non-reciprocity states.

If the adopted child is not eligible for Medicaid, encourage the adoptive family to apply for Medicaid as a family to see if the child is eligible under an FMAP-related or SSI-related coverage group. The child may be eligible for Medicaid if the rest of the family is included in the eligibility determination.

NOTE: There is no need to maintain a separate case with an FBU of 18 in this situation; the child can be included on the regular FBU with the family.

If there is no eligibility for Iowa Medicaid for the child, the state with the adoption assistance agreement will remain responsible for the child's medical expenses.

Eligible Group for Subsidized Adoption Placements

Legal reference: 42 CFR 435.100

Group together all biological siblings adopted by the same family. EXCEPTION: If siblings are SSI-eligible or IV-E-eligible, open a separate case for each child with a household size of one. Do not group together children who are not biological siblings.

When the Family of the Adopted Child Wants Medicaid

If the child is eligible under SSI, the child cannot be included in the household size on the family's Medicaid case.

If the adopted child is the only child, evaluate the parents for FMAP. See 8-F, [Family Medical Assistance Program \(FMAP\)](#), for policy on FMAP eligibility.

Mr. and Mrs. B adopt Sue, who is IV-E eligible and receives a subsidy payment of \$600 per month. Sue does not have to be included in Mr. and Mrs. B's Medicaid eligible group. Mr. and Mrs. B have no income and no resources. Their household size is two. FMAP eligibility exists for Mr. and Mrs. B.

The adopted child may be included in the family's eligible group if the benefits for the group would increase and the adopted child would still receive Medicaid benefits. Examples of this would be:

- ◆ The family's spenddown decreases to zero by including the adopted child.
- ◆ The child goes from state-only to a regular Medicaid coverage group.

When the adopted child is considered in the family's eligible group:

1. Change the adopted child's FACS status code to "N" on the 19 FBU case.
2. Open the family's Medicaid case (FBU is not 19) and code the adopted child as a considered person.
3. Once family's case is active, change the adopted child's FACS code back to "S" on the 19 FBU case.

The adopted child will remain active on the case with the 19 FBU; other family members will have a separate Medicaid case. Document in the family's case record that the adopted child is a considered household member and receives Medicaid under a different case number.

Ned receives a non-IV-E adoption subsidy from Iowa of \$1,100 per month. He is currently receiving Medicaid under the state-only group. Also in the home are his parents, Mr. and Mrs. X, and their daughters, Jane and Nancy.

Mr. X loses his job and receives unemployment insurance benefits of \$300 weekly. The entire family now needs Medicaid. Since the total household income is less than the MAC income limit for five people, Ned is now eligible for MAC along with Jane and Nancy. Mr. and Mrs. X are eligible for Medically Needy with a spenddown.

This family will have three Medicaid cases. Ned's aid type will change from 40-9 to 92-0. The daughters' aid type will be 92-0. The parents' aid type will be 37-E. Document in the case records that Ned is considered in the family's eligible groups but his Medicaid eligibility is opened under the 19 FBU case.

Income

Legal reference: 441 IAC 75.13(249A)

In determining eligibility for the adopted child, determine countable income according to FMAP policies found in 8-E, [INCOME POLICIES FOR FMAP-RELATED COVERAGE GROUPS](#):

- ◆ Count the child's Social Security payments.
- ◆ Count any child support payments received on behalf of the child.
- ◆ Count the state-paid (non-IV-E) adoption subsidy for FMAP-related coverage groups.
- ◆ Do not count the state-paid (non-IV-E) adoption subsidy for SSI-related coverage groups.

1. Mr. and Mrs. T adopt three brothers. Their adoption subsidies are not IV-E-funded. The total of the three adoption subsidy payments does not exceed the MAC guidelines for a household size of three. Eligibility for the children is established under MAC.
2. Gary's adoptive family receives an adoption subsidy of \$500. The funding for this subsidy payment is not IV-E. Gary's adoptive father moves out of the home and pays \$200 per month child support for him.

Gary's countable income is \$650 (\$200 minus \$50 child support exemption plus the \$500 adoption subsidy payment). Gary is eligible under the MAC coverage group.
3. Sue's adoption subsidy is paid by Illinois and is less than the MAC income limit. Sue is not IV-E-eligible. Illinois does not have a Medicaid reciprocity agreement. Sue's household size is one. Eligibility for Sue is established under MAC.

For SSI-related coverage groups, determine countable income according to policies found in 8-E, [INCOME POLICIES FOR SSI-RELATED COVERAGE GROUPS](#).

Family's Medicaid Income When Including the Adopted Child

Legal reference: 441 IAC 75.13(249A)

When determining eligibility for the family with the adopted child included:

- ◆ Count the adoption subsidy payment.
- ◆ Count child support or any other unearned income received for the adopted child.
- ◆ Count the child's and family's other earned and unearned income according to policies found in 8-E, [INCOME](#).

Jason, who is not IV-E-eligible, lives with his adoptive parents, Mr. and Mrs. D, and their other children, Cody and Max. Jason's adoption subsidy is \$200. Medicaid is now needed for Cody and Max, both over age one. Mr. D has countable income of \$2,100.

If Jason is not included, Cody and Max are not eligible for MAC. Including Jason brings the household size to five, with countable income of \$2,300. MAC eligibility exists for Jason, Cody, and Max.

The worker opens two case records and documents in the records that Jason is considered in the MAC eligible group, but his Medicaid eligibility is opened under the case with the 19 FBU.

NOTE: If including the child makes the family go to Medically Needy with a spenddown or the spenddown increases, then the adoptive child must revert to a unit of one, and the family can get benefits without the child.

Family's Medicaid Income When Not Including the Adopted Child

Legal reference: 441 IAC 75.13(249A)

When determining eligibility for an adoptive family without including the adopted child, count the adoption subsidy as income to the parents if:

- ◆ The adopted child receives Medicaid under a SSI-related coverage group, and
- ◆ The adoption subsidy is not IV-E-funded.

Do not count the adoption subsidy as income to the parents if the adoption subsidy is IV-E-funded.

Follow the applicable income policies found in 8-E, [INCOME](#), for the coverage group in determining the family's Medicaid case.

1. Steve receives a non-IV-E-eligible adoption subsidy payment from Iowa of \$700. His Medicaid eligibility is under the MAC coverage group. Also in the home is Mrs. M, his adoptive mother and her daughter, Patty, age 6. Mrs. M receives \$300 child support for Patty.

If Steve is included in the eligible group, the countable income is \$950 (\$700 subsidy and \$250 child support) and Medicaid eligibility exists only for Steve and Patty. By excluding Steve, the countable income of \$250 is less than the FMAP income limit for a household of two, and Mrs. M and Patty are eligible for FMAP.

2. Same as Example 1, except that Steve is receiving SSI plus an adoption subsidy of \$100. Steve's Medicaid eligibility is based on SSI. Steve's \$100 adoption subsidy is countable income to Mrs. M. The eligible group for Mrs. M and Patty is a household size of two with countable income of \$350 (\$100 subsidy and \$250 child support). Mrs. M and Patty are eligible for FMAP.

Case Maintenance

The following sections address case maintenance issues that are treated the same way for both foster care and subsidized adoption cases:

- ◆ [Managed care](#)
- ◆ [Home- and community-based waivers](#)
- ◆ [Eligibility reviews](#)
- ◆ [Automatic redetermination](#)

Managed Care

Legal reference: 441 IAC 88.2(4)"f," 88.4(4)"d," 88.22(4)"d," 88.22(4)"f,"
88.42(2)"f," 88.47(1)"b," 88.63(2)

Children in foster care, presubsidy, subsidized adoption, or subsidized guardianship placement are automatically enrolled in the Iowa Plan, but are not enrolled in an HMO or MediPASS. A child who is currently enrolled in an HMO or MediPASS will be disenrolled no later than the month after the month the foster care Medicaid case is established.

Each month at cutoff, the ABC system checks all foster care Medicaid cases opened since the previous cutoff. If an open foster care case shows that the child is enrolled with an HMO or MediPASS provider, the enrollment is ignored, starting with the next calendar month and for the duration of the foster care placement.

An annual Medicaid card is issued when a child is placed in foster care, subsidized adoption, or subsidized guardianship and is eligible for Medicaid. Timely notice is not required to disenroll the child from managed health care in this situation.

The service worker will give the foster care provider form 470-2747, *Foster Care Provider Medical Letter*, which contains the name and phone number of the managed health care provider. If the child is taken to another medical provider without a managed care referral, Medicaid will not pay the bills. The medical provider needs to contact the service worker to receive any payment for any service not payable by Medicaid.

Mike enters foster care on March 2. He is already a Medicaid member and is enrolled in MediPASS. The foster care Medicaid case is not opened until after ABC cutoff in April. Mike continues to be enrolled in MediPASS through May 31.

Home- and Community-Based Waivers

A child who receives Medicaid home- and community-based waiver services while in a foster care, presubsidy, subsidized adoption, or subsidized guardianship placement shall have waiver eligibility established on a separate case. Do not use a 19 FBU for the waiver case.

Reviews

Legal reference: 441 IAC 76.7(249A)

The following chart shows when Medicaid reviews are required.

Medicaid Coverage Group	Medicaid Review Due
<ul style="list-style-type: none">◆ SSI-related coverage groups◆ FMAP-related coverage groups◆ State-only medical assistance◆ Medicaid reciprocity for subsidized adoption	Annually
<ul style="list-style-type: none">◆ IV-E foster care, subsidized guardianship, or subsidized adoption	No review required

Form 470-2914, *Foster Care, Adoption, and Guardianship Medicaid Review*, is used for regularly scheduled reviews. Form 470-2927 or 470-2927(S), *Health Services Application*, is used for Medically Needy recertifications.

Generate the review form a month before the Medicaid review is due, based on the review dates on the management report. Since SSI reviews do not show on the management report, create a tickler to notify you to initiate the review process.

When you generate the review form:

- ◆ Complete the identifying information.
- ◆ In foster care cases, send the review form with a list of needed verification to the service worker or juvenile court officer.
- ◆ In supervised apartment living cases, send the form to the child to complete and return with requested information. Inform the service worker that the review is due and what verification is needed.
- ◆ In subsidized guardianship cases, send the form to the guardian.
- ◆ In subsidized adoption cases, send the form to the adoptive parents.

NOTE: For Medicaid reciprocity for subsidized adoption, there is no Iowa service worker for the family. Therefore, IM will need to assist in obtaining the needed verifications. The following items must be verified:

- ◆ The child still lives with the adoptive family in Iowa,
- ◆ The child is under age 21,
- ◆ The family still has an adoption assistance agreement from another state in effect,
- ◆ The state providing the adoption assistance agreement still has a Medicaid reciprocity agreement.

For all cases except Medicaid reciprocity for subsidized adoption and subsidized guardianship, if the review form is not returned by the end of the month before the review month:

1. Contact the service worker.
2. Change the coverage group to state-only if the review is not completed by the end of the review month.
3. If additional information is needed to complete the review, the service worker or juvenile court officer must assist in obtaining the information. Notify the service worker's supervisor that the form was not returned and is still needed.
4. When the review form is returned, re-establish Medicaid eligibility under a different coverage group, if possible.

EXCEPTION: For subsidized guardianship cases, it is the guardian's responsibility to provide any forms and information needed. If a guardian fails to provide necessary information, eligibility under a Medicaid coverage group cannot be determined.

In this situation, the child is **not** eligible under the state-only coverage group. The service worker is not involved in the process of completing or returning the review form. Notify the service worker if Medicaid eligibility ends. If the review form is received after the effective date of cancellation, a new application is required to make an eligibility determination. See 8-G, [Grace Period](#), to determine if Medicaid can be reinstated without a new application.

1. A review is due in May for a foster care case. The IM worker sends review form to the service worker in April. The review is not returned by the end of May. The IM worker changes the aid type to 40-9 to reflect state-only medical assistance and notifies the service worker's supervisor that the review form was not returned.

After the review form is returned and the review is completed, the IM worker changes the aid type to the aid type for the applicable coverage group.

2. A review is due in April for a Medicaid reciprocity for subsidized adoption case. The IM worker sends a review form to the adoptive family in March. The review form is returned in April and verification is provided that the child still lives with the adoptive family, but the family has not verified that an adoption assistance agreement is still in effect from another state.

The IM worker verifies with the other state that an adoption assistance agreement is still in effect. The IM worker also checks that the other state still has a Medicaid reciprocity agreement and that the child is under 21, then processes the review.

Automatic Redetermination

Legal reference: 441 IAC 76.11(249A)

Refer to 8-F, [Continuous Eligibility for Children](#), to determine if continuous eligibility applies.

If continuous eligibility for children policies do **not** apply, complete an automatic redetermination of eligibility when:

- ◆ A child in foster care, subsidized adoption, or subsidized guardianship enters or leaves a PMIC.
- ◆ A child leaves the subsidized adoption home and enters foster care.
- ◆ A child leaves foster care. (See 8-F, [Medicaid for Independent Young Adults \(MIYA\)](#), when redetermining Medicaid for a child who was in foster care, including court-ordered PMIC placement, at age 18.)
- ◆ Subsidized guardianship terminates or eligibility no longer exists.
- ◆ IV-E eligibility changes.
- ◆ Other changes occur that affect Medicaid eligibility.

When a child leaves foster care, subsidized adoption, or subsidized guardianship, determine eligibility for Medicaid under another coverage group based on the child's new residence and household circumstances. NOTE: Assume the child's income is the same as reported at the time of last review or any report subsequent to the review. A new application form is not needed.

When completing an automatic redetermination, close the 19 FBU case and reopen Medicaid with a different FBU.

If information creating ineligibility is received **by the tenth of the month**, complete the automatic redetermination by the end of that month.

If you cannot immediately determine eligibility under another coverage group, reopen Medicaid under the automatic redetermination aid type and request any additional information using form 470-3152, *Notice of Cancellation/Redetermination*. Allow the client ten calendar days from the date of notification to return the requested information.

Refer to 8-G, [AUTOMATIC REDETERMINATIONS](#), for more information about the automatic redetermination process. Refer to 8-F, [Continuous Eligibility for Children](#), to determine when continuous eligibility applies to children leaving placement.

The following chart lists various changes in placement and the effect of the change.

Change in Placement	Effect of the Change
Foster child returns home to family currently receiving Medicaid	Close the 19 FBU case. Add child to family's case.
Foster child returns home to family not receiving Medicaid	Determine if continuous eligibility for children applies, or redetermine Medicaid eligibility under another coverage group. Establish a non-19 FBU case.
SSI child leaves foster care	Establish a non-19 FBU case with the 64-0 aid type.
Foster child moves to a supervised apartment living placement	Send form 470-0306 or 470-0307(Spanish), Application for Food Assistance.

Change in Placement	Effect of the Change
Child is canceled from foster care (includes court-ordered PMIC placement), subsidized adoption, reciprocity for subsidized adoption, or subsidized guardianship due to age	Determine if continuous eligibility for children applies, or redetermine Medicaid eligibility under another coverage group. Establish a non-19 FBU case. See 8-F, Medicaid for Independent Young Adults (MIYA) , when redetermining Medicaid for a child who was in foster care at age 18.
Child no longer meets federal Medicaid eligibility requirements but remains in foster care	Change the aid type to 40-9, state-only medical assistance.
Child loses SSI due to subsidized adoption	Determine if child meets IV-E requirements. (See 13-B .) If not, determine if continuous eligibility for children applies, or redetermine Medicaid eligibility under another coverage group.
Child enters a PMIC	Determine if continuous eligibility for children applies, or redetermine Medicaid eligibility under another coverage group. Use a 19 FBU on the PMIC case.
Child enters a nursing facility or RCF	Determine if continuous eligibility for children applies, or redetermine Medicaid eligibility under another coverage group. Establish a non-19 FBU case.
Child runs away and cannot be located	Cancel Medicaid.
IV-E-eligible foster child is placed out-of-state	Cancel Medicaid after confirmation of approval in the other state.
Child with IV-E adoption assistance moves out of state	Cancel Medicaid after confirmation of approval in the other state.
Child with non-IV-E adoption assistance moves out-of-state	You will receive form 470-3701 (ICAMA 6.03) or an e-mail from the adoption program manager. If the other state has a reciprocity agreement, cancel Medicaid after confirmation of approval in the other state.

Change in Placement	Effect of the Change
Child with out-of-state non-IV-E adoption assistance moves to Iowa	You will receive form 470-3699 (ICAMA 6.01) from the adoption program manager. If the other state has a reciprocity agreement, send a Medicaid application to the family and process the application when it is returned with all necessary information.
Out-of-state IV-E foster child moves to an Iowa placement that is not IV-E eligible	Cancel Medicaid.