

# **Foster Care, Adoption, and Guardianship Subsidy**

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## **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](#).
- Each child is considered as a household size of one and all income is disregarded in the Medicaid determination.
- With one exception, state rules guarantee medical coverage for children for whom Iowa has financial responsibility, 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, a summary of the applicable Medicaid coverage groups, and application processing policies and procedures for all types of placements.

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 or has an adoption assistance agreement or a court-approved subsidized guardianship agreement for the child. 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. A child in a subsidized guardianship placement is eligible for Medicaid under the terms of their guardianship assistance agreement even if the child is not receiving a guardianship subsidy maintenance 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 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 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 additional information about responsibilities related to children in foster care, presubsidy, subsidized adoption, or subsidized guardianship placements see I3-B, [Determining Title IV-E 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 I3-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, etc.).
- Making FACS entries as needed to correctly reflect the child's circumstances. This includes opening a new FACS case when one FACS case is closed (e.g. when a child terminates foster care but begins subsidized guardianship or subsidized adoption) to ensure there is no interruption in medical coverage for the child.
- Assisting the IM worker with reviews of eligibility when necessary.
- 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 I8-C(1), [Handoff to Case Management](#), I8-F(2), [Subsidized Guardianship](#), and I8-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 (Rules in Process)

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)
- [Child Medical Assistance Program \(CMAP\)](#)
- [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:

- Each child is considered as a household size of one, and all income is disregarded in the Medicaid determination.
- If a child for whom Iowa has financial responsibility qualifies for no federally funded coverage group, the child is eligible for state-only medical assistance. For non-IV-E subsidized guardianship cases, see the EXCEPTION under [State-Only Medical Assistance](#).

### **SSI**

Legal reference: 20 CFR 416.1160, 416.1165, 441 IAC 75 (Rules in Process)

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.

Consider each child as a household size of one.

### **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; 441 IAC 75 (Rules in Process)

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 assistance (regardless of whether or not the agreement provides for guardianship subsidy maintenance 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](#).

Consider each child as a household size of one.

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 or guardianship 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, or has a IV-E adoption assistance or guardianship agreement in effect from another state, the child is Medicaid-eligible in Iowa without an application, review, or further verification.

### **CMAP**

Legal reference: 42 CFR 435.222; 441 IAC 75 (Rules in Process)

Medicaid is available through the Child Medical Assistance Program (CMAP) to children in foster care, presubsidy, or subsidized adoption for whom Iowa has financial responsibility and who:

- Are not eligible for SSI or IV-E and
- Are under age 21.

Consider each child as a household size of one and disregard all income.

Refer also to [Medicaid Reciprocity for Subsidized Adoption](#).

Karen, age 10, and her sister, Katrina, age 12, are placed together in foster care. The children do not meet SSI or IV-E criteria. CMAP eligibility is granted separately for each child using a household size of one.

### **Medically Needy**

Legal reference: 441 IAC 75 (Rules in Process), 42 CFR 435.308(b)

Medicaid is available under the Medically Needy program to children in subsidized guardianship for whom Iowa has financial responsibility and who:

- Are not eligible for SSI or IV-E and
- Are under age 21.

Consider each child as a household size of one and disregard all income.

Medically Needy will not pay for facility care. If the subsidized guardianship child resides in a facility (ICF-ID, PMIC, or any other institutional care), the child will need to qualify for a different federally funded coverage group that considers the income of the MAGI household or meets the requirements of the 300% group which has a 30-day stay requirement. Refer to 8-D, [People in a Medical Institution Within the 300% Income Limit](#).

John is a child living in a private home pursuant to a court-approved subsidized guardianship agreement. John is not SSI-eligible and is not IV-E eligible. His Medicaid eligibility is established through the Medically Needy program as a household of one and any income is disregarded.

### **State-Only Medical Assistance**

Legal reference: 441 IAC 75 (Rules in Process)

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, state-only medical assistance shall be provided.

Consider each child as a household size of one and disregard all income.

EXCEPTIONS: Eligibility for state-only medical assistance does not exist in non-IV-E subsidized guardianship cases when:

- A guardian fails to provide necessary information or comply with procedural requirements;  
or
- The subsidized guardianship child resides in a facility (ICF-ID, PMIC, or any other institutional care).

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.

### **Application Processing**

Legal reference: 441 IAC 76.1(249A), 76.2(249A), 76 (Rules in Process), 76.16(3), 76.17

Procedures related to application processing depend on whether the child is IV-E eligible and whether the child is already receiving Medicaid when the foster care, subsidized adoption, or 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 foster care, subsidized adoption, or subsidized guardianship placement begins, contact the IM worker responsible for the case where the child is currently eligible to have the child removed from the existing case. Obtain from the existing case file a copy of the most recent application or review form and any other documents (e.g. SDX for an SSI-eligible child) needed to establish eligibility.

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 an *Application for Foster Care and Subsidized Adoption Medicaid*, form 470-5535 or 470-5535(S), for a foster child or subsidized adoption child who is not receiving Medicaid at the time of placement. Use the *Application for Health Coverage and Help Paying Costs*, forms 470-5170 or 470-5170(S) for children in subsidized guardianship. The child's parents, guardian, or someone acting on the child's behalf should complete the application.

NOTE: Foster care-related Medicaid cannot begin until the month of foster care placement. Send a referral to the local office to determine coverage for any month(s) a child needs coverage prior to placement in a foster care setting (e.g. a child, including but not limited to a newborn or a deemed newborn, who is hospitalized prior to the start of the foster care placement). Send this referral to the same email address used for continuous eligibility referrals; include the placement address, who has custody, the date of foster care-related Medicaid approval (if approved), and placement dates. The local office will then determine Medicaid as directed in NJA0110, *Referrals from IV-E Unit*.

### **Foster Care**

The service worker provides the family with the 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.

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 family, or child if applicable, 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.

Follow normal application processing timeframes for children in placement. Refer to 8-B, [Application Processing](#).

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.

### **Subsidized Guardianship**

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. In addition, the IV-E IM will receive alerts via JARVIS/IV-E Tracking, and the SW will complete the *IV-E Changes*, form 470-3918 and provide guardianship paperwork.

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.

### **Iowa Subsidized Adoption**

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 message/alert 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.' In addition, the IV-E IM will receive adoption paperwork needed to complete the IV-E determination.

Complete an automatic redetermination of Medicaid eligibility when a child is already a Medicaid member when the adoption is finalized. To maintain the confidentiality of the biological identity of the child and the child's biological parents, do not place any 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 record.

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 I3-B, [Overview of IV-E Adoption Requirements](#), for more information on IV-E policies. EXCEPTION: Children who are both IV-E-eligible and receive SSI shall have their Medicaid provided under the SSI coverage group.

For a child who is not either receiving SSI, IV-E eligible, or already receiving Medicaid at the time the adoption is finalized, request an *Application for Foster Care and Subsidized Adoption Medicaid*, form 470-5535 or 470-5535(S). The child's adoptive parents are responsible for filing the Medicaid application.

If SSI or IV-E eligibility does not exist, determine if Medicaid eligibility exists under CMAP.

If the Iowa child is not eligible under CMAP, determine if the child is eligible on the basis of policies at 8-F, [Continuous Eligibility for Children](#). If so, document in the adoption Medicaid case record that the child's pre-adoption Medicaid case was reviewed, the pre-adoption Medicaid case number, and the date through which the child is continuously eligible. Do not place any identifying information from the pre-adoption record in the adoption Medicaid record.

NOTE: Although a child is deemed "newborn" status is not continuously eligible, the above process also applies to these children. Document in the adoption Medicaid case record that the child's pre-adoption Medicaid case was reviewed, the pre-adoption Medicaid case number, and the date through which the child is eligible due to deemed newborn status. Do not place any identifying information from the pre-adoption record in the adoption Medicaid record.

If Medicaid eligibility does not exist under any of the above provisions, approve under state-only. If the adoptive child is only eligible for state-only medical assistance due to an issue that can be corrected (e.g. by obtaining an SSN, by resolving a non-cooperation, etc.), encourage the adoptive family to take any actions needed to establish Medicaid for the child under a federally funded coverage group.

### **Out-of-State Subsidized Adoption**

Legal reference: 441 IAC 75 (Rules in Process)

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 ICAMA 7.0, *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 [Iowa Subsidized Adoption](#) for opening a new Medicaid case while protecting the child's pre-adoptive identity.

The adoption program manager will forward a copy of form ICAMA 7.0 and the adoption assistance agreement to the IV-E unit for processing. Form ICAMA 7.0 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.

When form ICAMA 7.0 is received, review the information and request additional information if needed. If form ICAMA 7.0 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 I3-B, [Overview of IV-E Adoption Requirements](#), for more information on IV-E policies. EXCEPTION: Children who are both IV-E-eligible and receive SSI shall have their Medicaid provided under the SSI coverage group.

A child who is eligible for non-IV-E adoption assistance from a state that has a Medicaid reciprocity agreement is eligible for the CMAP 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 37-2 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 an *Application for Health Coverage and Help Paying Costs*, form 470-5170 or 470-5170(S), if assistance is desired. The child may be eligible under a MAGI-related or Non-MAGI related Medicaid coverage group if the rest of the family is included in the eligibility determination regardless of whether the rest of the family wants Medicaid coverage.

There is no state-only Medicaid eligibility for children with out-of-state adoption assistance agreements from non-reciprocity states. 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.

#### **Determining Eligibility for the Retroactive Period**

Legal reference: 42 CFR 435.915, 441 IAC 76.13(3)

Medicaid benefits may be available for any or all of the three months preceding the month in which the application is filed as long as the individual meets a category of eligibility for the retroactive period as defined in 8-A, [Definitions](#). 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.

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.

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## **Foster Care and Presubsidy Placements**

Legal reference: 441 IAC 202, 441 IAC 201

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](#)
- [Defining the eligible group](#)
- [Referral for support recovery](#)

### **Who Is Eligible**

Legal reference: 441 IAC 75 (Rules in Process), 234.1

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. In addition, the IV-E IM will receive alerts via JARVIS/IV-E Tracking, and the SWW will complete *IV-E Initial Placement Information*, form 470-3839 and *IV-E Changes*, form 470-3918.

### **Placement Types**

Legal reference: Section 472 of the Social Security Act, P.L. 115-123, 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. Prior to July 1, 2020, the levels of group care were differentiated by the intensity and frequency of treatment services and the supervision and structure needed by the child. These levels were:

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

Starting July 1, 2020, pursuant to the Family First Prevention Services Act (FFPSA), all prior levels of group care began to be collapsed into the single category of group care referred to as Qualified Residential Treatment Program.

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. In addition, 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 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, Eldora State Training School, and Glenwood/Woodward Resource Centers 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 placed in these settings are not eligible for full Medicaid because they are residents of a public institution but should have their Medicaid benefits limited to inpatient hospital claims only if they continue to meet other Medicaid eligibility requirements while incarcerated. Refer also to 8-C, [Residents of Public Nonmedical Institutions](#) for procedures when the report of incarceration is received via a data match.

Exception: Youth who are only at Eldora 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.

### **Iowa Child Placed Outside Iowa**

Legal reference: 441 IAC 75 (Rules in Process)

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 18-D(6), [Medical Services](#) 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; 441 IAC 75 (Rules in Process)

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. Refer to 18-D(6), [Placement of Out-of-State Children in Iowa](#) for procedures involved in identifying children placed in Iowa by another state.

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 non-IV-E foster care-related Medicaid from the placing state. Note: If the new placement is not foster care (e.g. is instead a relative or other suitable adult), determine if the child instead remains eligible under continuous eligibility policies.

### **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 licensed foster care, 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 non-foster care-related coverage group without regard to the pending foster care placement.

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](#). If the child is not eligible for a federally funded coverage group, do not establish a case providing state-only Medicaid in this situation.

Send a referral to the local office to determine coverage for any month(s) a child needs coverage prior to placement in a foster care setting. Send this referral to the same email address used for continuous eligibility referrals; include the placement address, who has custody, the date of foster care-related Medicaid approval (if approved), and placement dates. The local office will then determine Medicaid as directed in NJA0110, *Referrals from IV-E Unit*.

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 local office IM worker establishes that Kelly meets MAGI- or Non-MAGI-related eligibility requirements and opens the case in ELIAS. When Kelly actually enters foster care, the IV-E IM opens foster care Medicaid on a 19 FBU case and notifies the local office IM worker to close their case.
2. Same as Example 1, except Kelly has income that exceeds applicable income limits. The local office IM worker determines if eligibility exists under another coverage group. State-only medical assistance cannot be provided, since Kelly is not in a foster care placement.
3. Susie, a newborn, was relinquished to a hospital by a birth parent under Iowa's Safe Haven law. The Department has enough information to determine that Susie's birth mother was on Medicaid for the birth month. The local office opens a "deemed newborn" Medicaid case for Susie, narrating in the case file that her birth mother was verified to be on Medicaid for the birth month but that no identifying information about the mother can be placed in the child's case due to confidentiality.
4. Same as Example 3, except there is not enough information to determine if Susie meets "deemed newborn" criteria. A court order for placement is sought quickly when a Safe Haven case is identified, usually before the child leaves the hospital. The court typically places the child in foster care, so a foster care-related Medicaid case is established. If, however, the court orders the child placed into a home licensed for adoption only, this "suitable other" placement requires the local office to consider eligibility for the child and any other applicants in the household using regular MAGI or Non-MAGI-related policies and procedures.

### **Defining the Eligible Group**

When determining eligibility for siblings who are placed in foster care together, establish Medicaid eligibility for each child separately from other siblings. Each child is considered as a household size of one and set up on their own case.

1. Todd, age 5, and his sister Nancy, age 3, are placed in the same foster family home. Todd is eligible under the IV-E coverage group while Nancy is eligible under the CMAP coverage group. A separate Medicaid case is established for each child.
2. Same as Example 1, except Todd and Nancy are both eligible under the CMAP coverage group. A separate Medicaid case is still established for each child.

### **When a Foster Child Is a Minor Parent**

Legal reference: 441 IAC 75 (Rules in Process)

When a minor parent is in foster care placement and has their own child living with them, who is also in foster care placement, set up separate Medicaid cases for the minor parent and their child.

If the minor parent is in foster care placement and their child is not (e.g., as in the case with supervised apartment living when only the minor parent's needs are included in the foster care maintenance payment), only the minor parent is placed on a foster care medical case. The minor parent's child's case must be handled by the local office following regular Medicaid policy. Refer to 8-F, [Coverage Groups](#).

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

### **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 when the Department does not have custody.

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	
STATE ID/NAME		REFER ROLE A/D/R		PAYEE/CHILD 0000010B	
FIRST LAST TI (Y,N)		CASE NUMBER		ICAR NUM DATE	
0000010B -----					
SUSAN EXAMPLE					
*1=STOP 2=FRWD 3=NEXT SCR N 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCRN: <b>3 ICSC</b>					
SID: <b>0000010B</b>		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	
STATE ID/NAME		REFER ROLE A/D/R		PAYEE/CHILD 0000010B	
FIRST LAST TI (Y,N)		CASE NUMBER		ICAR NUM 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/SCRN: <b>3 ICSC</b>					
SID:		IABC: <b>000003-19-0</b>		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		PAYEE/CHILD 0000010B	
FIRST LAST TI (Y,N)		CASE NUMBER		ICAR NUM DATE	
0000010B		Y I A		F00000-10-B 0121217 03/13/03	
SUSAN EXAMPLE					
*1=STOP 2=FRWD 3=NEXT SCR N 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCRN:					
SID		IABC: FACS: ICAR: <b>0121217</b>			
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		PAYEE/CHILD 0000010B	
FIRST LAST TI (Y,N)		CASE NUMBER		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 SCR N 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCRN:					
SID:		IABC: FACS: ICAR:			

## **Subsidized Guardianship Placements**

Legal reference: 441 IAC 75 (Rules in Process) and 204; 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 18-F(2), [Subsidized Guardianship](#).

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 needed to determine the child's Medicaid eligibility. (Applications are not required if the guardianship is IV-E funded.)
- If the guardian fails to provide information needed to determine eligibility or comply with procedural requirements 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](#)

### **Who Is Eligible for Subsidized Guardianship Placements**

Legal reference: 441 IAC 75 (Rules in Process), P.L. 110-351, Section 473(b) of the Social Security Act

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, unless the Department determines that the subsidy may continue until the child reaches the age of 21 due to the child's physical, intellectual, or mental health disability.

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 state if that state opts to extend IV-E subsidized guardianship payments up to age 19, 20, or 21.

A child with a non-IV-E-funded subsidized guardianship agreement from another state may receive Medicaid in Iowa. However, the child must meet the financial and categorical eligibility requirements, including state residency requirements, of a Non-MAGI or MAGI-related Medicaid coverage group. Iowa's Medically Needy coverage group for subsidized guardianship children and state-only coverage group are **not** available to these children.

See 18-D(6), [Interstate Compact on the Placement of Children](#), and 18-F(2), [Subsidized Guardianship](#) 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:

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

#### **Eligible Group**

Legal reference: 441 IAC 75 (Rules in Process)

When determining eligibility for a subsidized guardianship child living in the same home with siblings, establish Medicaid eligibility for each subsidized guardianship child separately from the other siblings. Each child in subsidized guardianship is considered a household of one and set up on their own case.

#### **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. Refer to 8-F, [Coverage Groups](#).

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

### **Parent Enters the Subsidized Guardianship Household**

If the parent of a child in subsidized guardianship enters the household, the presence of the parent has no effect on the child's Medicaid eligibility and the child remains eligible for Medicaid on the basis of subsidized guardianship as long as the guardianship subsidy agreement remains in effect. The parent's parental liability also continues until the court terminates the order.

If the parent requests Medicaid, the parent's case must be handled by the local office following regular Medicaid policy. Refer to 8-F, [Coverage Groups](#).

Note: In this situation, if the guardian fails to provide necessary information or comply with procedural requirements, the child is **not** eligible under the state-only Medicaid coverage group.

When the guardianship subsidy agreement is terminated, reexamine eligibility under other coverage groups. See 8-F, [Continuous Eligibility for Children](#), to determine if continuous eligibility applies. The state-only coverage group is **not** available once the guardianship subsidy agreement is terminated.

### **Residence Outside Iowa**

Legal reference: 441 IAC 75.10(2) and 204.9(234); Section 473(b)(3) of the Social Security Act

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.

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 18-D(6), [Interstate Compacts on the Placement of Children](#), and 18-F(2), [Subsidized Guardianship](#) 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 with a non-IV-E guardianship subsidy agreement 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.

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### **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.

### **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 disabled, older, or otherwise hard to place. The service worker negotiates the amount of the subsidy with the adoptive parents.

The following sections address:

- [Medicaid reciprocity for subsidized adoption](#)
- [Who is eligible for subsidized adoption placements](#)
- [Defining the eligible group](#)

### **Medicaid Reciprocity for Subsidized Adoption**

Legal reference: 441 IAC 75 (Rules in Process), 441 IAC 201.11(2)

“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.

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

### **Who Is Eligible For Subsidized Adoption Placements**

Legal reference: 441 IAC 201.2(600), 75 (Rules in Process), 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:** P.L. 99-272, 441 IAC 75 (Rules in Process)

Iowa Medicaid is provided to a IV-E-eligible child with an adoption assistance agreement from another state. See 18-F(1), [Permanent Placement Procedures](#).

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 CMAP 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 7.0, *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 CMAP, 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 Illinois. Illinois does not have a Medicaid reciprocity agreement, so Richard's Medicaid eligibility will need to be determined for a MAGI or Non-MAGI-related coverage group.  
  
Iowa **will not** provide state-only Medicaid for Richard.

### **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.

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 18-F(1), [Permanent Placement Procedures](#).

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.

### **Eligible Group for Subsidized Adoption Placements**

Legal reference: 42 CFR 435.100

Consider all biological siblings adopted by the same family separately. Open a separate case for each child with a household size of one.

If the family of the adopted child also wants Medicaid, the local office must determine their Medicaid eligibility according to MAGI or Non-MAGI Medicaid policies and procedures. Refer to 8-F, [Coverage Groups](#).

### **Case Maintenance**

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

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

#### **Managed Care Organization (MCO)**

Medicaid received by children in foster care, presubsidy, subsidized guardianship, and subsidized adoption will be handled by the managed care organization (MCO) unless the child also has a status that is exempt from MCO management.

#### **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**

Medicaid annual reviews for the foster care, subsidized adoption and subsidized guardianship child populations are handled passively/administratively without a review form.

For SSI eligible children, Medicaid reviews are not required.

For IV-E eligible children, Medicaid reviews are not required. However, IM must enter the review on TD05 so the review does not show as overdue, and to set the correct continuous eligibility period if the child leaves foster care, subsidized adoption or subsidized guardianship, or becomes ineligible due to age.

For all other children (CMAP, Medically Needy, and State-Only), Medicaid policy requires a review; however, since there is no income or resource criteria for eligibility, the review will be handled passively/administratively without a review form.

The IV-E IM will confirm the foster care, subsidized adoption, or subsidized guardianship placement for ongoing cases. In addition, the IV-E IM will receive alerts for each child turning 17 and one-half years of age.

Since reciprocity for subsidized adoption cases are not in FACS, the IM will send a letter to the family to verify that the adoption agreement is still in effect and the child continues to live in Iowa

Review the foster care case every time there is a court order or change in placement.

## **Automatic Redetermination**

Legal reference: 441 IAC 76.17(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, [Expanded Medicaid for Independent Young Adults \(EMIYA\)](#) and [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 status 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. A new application form **cannot** be required, but an application may be requested to gather information to facilitate the child’s Medicaid enrollment.

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 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 using continuous eligibility procedures.
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 and place the child on SSI Medicaid in ELIAS.
Foster child moves to a supervised apartment living placement	Determine if continuous eligibility for children applies, or redetermine Medicaid eligibility under another coverage group.
Child is canceled from foster care (includes court-ordered PMIC placement), 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, <a href="#">Expanded Medicaid for Independent Young Adults (EMIYA)</a> and <a href="#">Medicaid for Independent Young Adults (MIYA)</a> , when redetermining Medicaid for a child who was in foster care at age 18.

Change in Placement	Effect of the Change
Child no longer meets federal Medicaid eligibility requirements but remains in foster care, subsidized adoption, or subsidized guardianship	Change the aid type to 40-9, state-only medical assistance. See EXCEPTION related to subsidized guardianship.
Child loses SSI due to subsidized adoption	Determine if child meets IV-E requirements. (See <a href="#">13-B</a> .) 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. CFEU must determine eligibility for facility Medicaid coverage. 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 ICAMA 7.5 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.
Child with out-of-state non-IV-E adoption assistance moves to Iowa	You will receive form ICAMA 7.0 from the adoption program manager.
Out-of-state IV-E foster child moves to an Iowa placement that is not IV-E eligible	If the new placement is still foster care, cancel Medicaid; the child must get non-IV-E foster care-related Medicaid from the placing state.  If the new placement is not foster care (e.g. is instead a relative or other suitable adult), determine if the child remains eligible under continuous eligibility policies. If not, cancel Iowa Medicaid.