



Pathways to Medicaid

PATHWAYS TO MEDICAID COVERAGE

Children and youth with special health care needs may be eligible for Medicaid coverage via several different pathways.

• *Path one: By Income, not health status*

States establish income eligibility criteria either as a dollar threshold or as a [percentage of the Federal Poverty Level \(FPL\)](#). States have flexibility in establishing income-based eligibility, as long as it is not lower than the Federal limit of 138% FPL. The Federal Poverty Level (FPL) is updated every year and it is adjusted to account for inflation.



FOCUS ON EQUITY:

A [2020 Urban Institute report](#) (Urban) stated that after more than 10 years of decline, the rate of uninsurance among children stalled and then started to increase. The authors reported that in 2018, the share of uninsured children eligible for public insurance but not enrolled was over 57%. Are the Medicaid outreach and enrollment efforts in your state equitable? How could they be more equitable?



BLOCK GRANT TIP:

Consider including the information from the table below in the “Overview of the State” section of your state Block Grant Application.

Under federal statute, Title V is required to help Medicaid with outreach and enrollment activities for Medicaid eligible people. Please see Section 8 in this chapter for more information about Title V and Medicaid partnership.

Complete the rows below with the income eligibility level for children under age 21 in your state Medicaid program.

Start at <https://www.benefits.gov/categories/Healthcare%20and%20Medical%20Assistance>

Filter for your state and select “Medicaid and Medicare” under the Subcategory drop down menu. You will see a list of Federal benefit programs in your state. Select your state’s Medicaid program. From there, if available, use the household size drop down to complete the table below. If not, follow the link on the page to the website for your state’s Medicaid program to complete the table. Insert the dollar amount followed by the %FPL this dollar amount represents.

	Annual Income (%FPL)
A household of 2	
A household of 4	
A household of 6	

• Path Two: By Income and Functional Disability

Individuals who are eligible for Supplemental Security Income (SSI) are eligible for Medicaid in most states.²³ Eligibility for SSI is based on income and meeting [the Social Security Administration’s definition of disability](#).²⁴ In many states where individuals who receive SSI are eligible for Medicaid, the Social Security Administration is permitted to enroll SSI recipients in Medicaid and sends a notice informing recipients that they are enrolled in Medicaid with the SSI award letter. In a few states, Medicaid eligibility is not aligned with eligibility for SSI. These states are known as “209(b) states.”²⁵ This comes from Section 209(b) of the Social Security Amendments of 1972, which allows states to use more restrictive criteria (based on income and assets, disability, or both) than SSI for Medicaid eligibility.²⁶

Is your state a 209(b) state?

Tip: You can find out [here](#).

If yes, what is the criteria in your state for Medicaid? How is it different from the criteria for SSI?

States can choose to include individuals with higher incomes, who have high health-related expenses through what are known as [“Medicaid Buy-in” programs](#). The [Family Opportunity Act \(FOA\)](#) established such an option for states related to children with disabilities, and you can read more about it below in the State Option section.

• Path 3: By Severe Disability (TEFRA state plan option and home- and community-based service waiver programs)

States may choose to implement programs that allow them to enroll CYSHCN who require an institutional level of care in Medicaid regardless of family income. Each state can establish its own definition,²⁷ but generally “institutional level of care” means that a child needs a level of care that is typically provided in an institutional setting, such as an intermediate care facility.²⁸ States implement this pathway to Medicaid through a TEFRA state plan option or Home- and Community-Based Services (HCBS) waivers. See Chapter 5 for more information about this eligibility pathway.



²³ United States Department of Health and Human Services. (n.d.-b). *Supplemental Security Income (SSI) Disability & Medicaid coverage*. <https://www.healthcare.gov/people-with-disabilities/ssi-and-medicaid/>

²⁴ United States Department of Health and Human Services. (n.d.-b). *Supplemental Security Income (SSI) Disability & Medicaid coverage*. <https://www.healthcare.gov/people-with-disabilities/ssi-and-medicaid/>

²⁵ United States Social Security Administration. (2017). *Program Operations Manual System*. <https://secure.ssa.gov/poms.nsf/lnx/0501715010>

²⁶ Centers for Medicare & Medicaid Services. (n.d.-g). *Implementation Guide: Medicaid State Plan Eligibility More Restrictive Requirements than SSI under 1902(f) – 209(b) States*. <https://www.medicare.gov/resources-for-states/downloads/macpro-ig-more-restrictive-requirements-1902f-209bstates.pdf>

²⁷ Catalyst Center. (2015). *Expanding Access to Medicaid Coverage: The TEFRA Option and Children with Disabilities*. <https://ciswh.org/wp-content/uploads/2016/02/TEFRA-policy-brief.pdf>

²⁸ Catalyst Center. (2016). *The TEFRA Medicaid State Plan Option and Katie Beckett Waiver for Children – Making it possible to care for children with significant disabilities at home*. <https://ciswh.org/wp-content/uploads/2016/07/TEFRA.pdf>

• Path 4: Foster Care

Children in foster care are eligible for Medicaid regardless of disability status or income level. Notably, these children also meet the HRSA definition of CYSHCN. The ACA (2010) established that children aging out of foster care are eligible for Medicaid in the state where they were in care until age 26.²⁹

What are the characteristics of children in foster care in your state?

Tip: Go to the Kids Count Data Center and look at the indicators for your state. Look for the “Out of Home Placement” indicators in the topic “Safety and Risky Behaviors.” You may also find data for your state on the website for the state agency responsible for children in foster care. You can find National data on foster care on the Administration for Children and Families website: <https://www.acf.hhs.gov/cb/research-data-technology/statistics-research/afcars>

Children 0 to 17 in foster care

Children in foster care by age group

• Under 1

• 1 to 5

• 6 to 10

• 11 to 15

• 16 to 20

Children in foster care by gender

• Male

• Female

Use this space to note other indicators of interest to you.

Anyone in the state has the right to apply for Medicaid or CHIP, and the state Medicaid agency must assess eligibility promptly. If a disability determination is not involved in the application, the state is required to make a decision on the application within 45 days. If a disability determination is involved as part of the application (for example, as when assessing eligibility for an FOA buy-in program), the state is required to complete the determination process within 90 days. All applicants must receive notice in writing of the eligibility decision; all applicants must also be provided the opportunity to appeal the decision if they wish.

²⁹ Adrienne L. Fernandes-Alcantara, & Evelyne P. Baumrucker. (2018). *Medicaid Coverage for Former Foster Youth up to Age 26*. <https://sgp.fas.org/crs/misc/IF11010.pdf>