



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower

The Governor Nelson A. Rockefeller Empire State Plaza

Albany, New York 12237

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*Commissioner*

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**ADMINISTRATIVE DIRECTIVE**

**TRANSMITTAL:** 09 OHIP/ADM-1

**TO:** Commissioners of  
Social Services

**DIVISION:** Office of Health  
Insurance Programs

**DATE:** March 4, 2009

**SUBJECT:** Chafee Amendment - Medicaid Coverage for Youth 18 to 21 Years Old  
Discharged from Foster Care

<b>SUGGESTED DISTRIBUTION:</b>	Medicaid Directors Temporary Assistance Directors Staff Development Child Services Directors Legal Staff Fair Hearing Staff
<b>CONTACT PERSON:</b>	Local District Liaison Upstate: (518)474-8887      NYC: (212)417-4500
<b>ATTACHMENTS:</b>	

**FILING REFERENCES**

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
			Foster Care Independence Act (FCIA) Of 1999 (P.L. 106-169)  NYS SSL 366(1)(a)(3-a)		08 OHIP LCM-1

**I. Purpose**

The purpose of this Administrative Directive (ADM) is to provide Upstate Local Departments of Social Services (LDSS) with information regarding procedures to authorize Medicaid coverage for a child from 18 up to 21 years old upon final discharge from foster care.

**II. Background**

In December of 1999, the Foster Care Independence Act of 1999 was enacted. The John H. Chafee Foster Care Independence Program (Chafee Amendment) offers assistance to help current and former foster care youths achieve self-sufficiency. A provision of the Chafee Amendment provides states the option of allowing these young people (Chafee children) to remain eligible for Medicaid up to age 21.

Chapter 58 of the Laws of 2008 added a new subparagraph 366(1)(a)(3-a) of the Social Services Law (SSL), effective January 1, 2009, providing Medicaid coverage to children under age 21 who were in foster care on or after their 18<sup>th</sup> birthday without an income or resource test. As a result of this change, Medicaid will be available to children final-discharged from foster care until their 21<sup>st</sup> birthday.

**III. Program Implications**

In accordance with SSL 366(1)(a)(3-a), a child who was in foster care on or after his/her 18<sup>th</sup> birthday will continue to receive Medicaid upon final discharge from foster care without regard to his/her income or resources up to age 21. The child must continue to be a New York State resident to have his/her Medicaid continued.

**IV. Required Actions**

**A. Final Discharge of Children Age 18 to 21 from Foster Care**

When a child age 18 up to age 21 is final-discharged from foster care and remains in New York State, Medicaid must be authorized for one year or until the end of the month in which they turn 21. The child's address upon final discharge must be obtained and updated on the Welfare Management System (WMS). The child's Medicaid case record must contain any necessary documentation (i.e., identity, citizenship/immigration status, and residency). In LDSSs that maintain documentation in the services case, procedures must be developed to provide the documentation to be included in the Medicaid case record. Medicaid for Chafee children is authorized on a Medicaid case (case type 20). The Medicaid case is authorized for the child with a Resource Verification Indicator of 09 (Exempt from resource verification) with coverage codes 01 (full coverage) or 30 (PCP full coverage), as appropriate.

During the Medicaid authorization process for the Chafee child, a notice of continuation of benefits must be sent. For LDSSs that use case type 20 for foster care children, the worker will authorize Medicaid unchanged for the Chafee child and generate the correct WMS/CNS undercare code C05 - Continue Unchanged. For LDSSs that use case type 13 ADC-FC to authorize their foster care case there is a two step process that must be used to authorize coverage for the Chafee child. The ADC-FC case must be closed, a case type 20 authorized and the CNS notice suppressed. The following day the worker must do a Change Transaction (05) and generate a notice code of C05 - Continue Unchanged to ensure the Chafee child gets the correct notice.

A child who moves back into the household of his/her legally responsible parent(s) after discharge from foster care may be included in the household budget when other family members are Medicaid recipients, if it is beneficial to the family. If including the Chafee child in the household results in ineligibility for the rest of the household, remove the child and his/her income and resources from the household budget. In this instance, the child must remain eligible on his or her own case until his or her 21<sup>st</sup> birthday.

A WMS "Chafee" indicator is under development, which will identify children ages 18 up to 21 who are discharged from foster care. Until the indicator is available, districts must track these children manually to identify cases that will require input of the "Chafee" indicator.

Until the availability of the "Chafee" indicator, in order to identify a child who meets the Chafee criteria, it is suggested a prefix or suffix is added to the case number at the time of foster care discharge when the Medicaid case is authorized. Districts may also use the Anticipated Future Action (AFA) code 503 - End of Automatic MA Extension with the renewal date in the AFA date field to track these cases. Once available, the LDSS will have to manually input the indicator on cases processed before the migration of the "Chafee" indicator.

New York City instructions for processing Medicaid coverage for Chafee children will be forthcoming.

**B. Discharge of Chafee Children to an Out-Of-District**

If it is determined, based on the address received from the foster care worker, that the child is residing in a different county, the district must authorize Medicaid coverage for an initial 12 month period following the foster care discharge, using the 503 AFA code. Once authorized, the child's case can be transferred to the new district of residence. The provisions outlined on 08 OHIP/LCM-1 "Continued Medicaid Eligibility for Recipients Who Change Residency (Luberto v. Daines)", must be followed to ensure the child's case is transferred to the new district of residence for the balance of the initial authorization period established by the former district, or four months, whichever is greater. The address provided to the foster care worker is sufficient notification of the child's address in the new county.

Note: Children discharged from foster care by an upstate district who are residing in New York City must be maintained by the upstate district until procedures for the transfer of Chafee children can be developed with New York City. Districts are advised to keep a list of these children so that their coverage can be transferred to New York City once the process is finalized.

**C. Renewal Procedures for Chafee Children**

1. The Chafee Medicaid renewal form which is currently being developed will be a one page passive renewal. Local districts will mail the Chafee Medicaid renewal to children who were identified upstate via AFA code 503, or the "Chafee" indicator, once in production.
2. If the renewal is not returned to the district by the United States Postal Service (USPS), eligibility must be authorized for another year, but never past the 21<sup>st</sup> birthday.
3. **A) Child's Change of Address Within the District** - If the renewal form is returned via the USPS with a forwarding address label that is within the district, the Chafee renewal form is to be resent to this address. If the form is not returned as undeliverable, update the address in WMS and authorize coverage for another 12-month period, up to the 21<sup>st</sup> birthday.

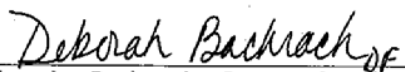
**B) Change of Address Out of District** - If the renewal form is returned via the USPS with a forwarding address label that is outside the district, the renewal form is to be resent to the address provided by the USPS. If the renewal is returned by the child confirming the address, the case should be renewed for a 12-month period. In accordance with 08 OHIP/LCM-1, a transfer transaction may then be initiated by the district. If the renewal is not returned by the client, the case may be closed.

**V. System Implications**

A WMS "Chafee" indicator is currently under development. System instructions will be issued under separate cover.

**VI Effective Date**

The provisions of this ADM are effective January 1, 2009.

  
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Deborah Bachrach, Deputy Commissioner  
Office of Health Insurance Programs