

TO: Local District Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Division of Consumer and Local District Relations

SUBJECT: Revision to Categorical Requirements for Aid to
Families with Dependent Children Due to Unemployment

EFFECTIVE DATE: October 1, 1999

CONTACT PERSON: Local District Liaison Unit Upstate 518-473-9130
NYC 212-613-4330

This is to inform local districts that as of October 1, 1999, the definition of Aid to Families with Dependent Children Due to Unemployment (ADC-U) has been revised. Revisions to the federal rule eliminated the requirement that the principal wage earner be employed less than 100 hours to receive coverage under the Medicaid program.

As a result of the revised federal regulations, the Department established new criteria for ADC-related categorical eligibility due to unemployment (ADC-U). Effective October 1, 1999, any two parent household which meets the Medically Needy income and resource provisions and which has identified one of the two parents as the principal wage earner, can be categorically eligible for ADC-U.

Parents in intact households previously categorized federally non participating (FNP), will now be able to receive federally participating Medicaid coverage as long as their income and resources are at or below the Medically Needy level. Parents in intact households who meet the criteria for ADC-U are now eligible to spenddown if the family's medical expenses are sufficient to offset excess income and/or resources.

As is required for all ADC-U households, the case record must include a notation as to which parent identifies himself/herself as principal wage earner. Both parents must be coded with individual categorical codes for dependent relatives (code 13 for parents financially eligible for Low Income Families but have ADC-U as a deprivation factor; code 21 for ADC-U-related Medically Needy individuals). At next recertification or client contact, districts must revise individual categorical codes for these parents.

If you have questions, please contact your local district support unit representative.