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Remittance Advice (RA) Message

Title: **Change of Financial Eligibility Rule for Children in Residential Treatment Facilities**

Issue Date: 10/27/2014

Run Length: 8 weeks

Provider Type(s): 003

Message: Prior to implementation of the Patient Protection and Affordable Care Act (PPACA) of 2010, the Division of Public Assistance (DPA) determined Medicaid eligibility for children in residential or medical treatment facilities counting only their income once they were out of the home for 30 days. The PPACA changed how states determine Medicaid eligibility for families. Countable income for each household member is determined individually using federal tax rules. A recent clarification received from the Centers for Medicare and Medicaid Services stated that the new methods for determining Medicaid eligibility described in 42 CFR 435.603(f) also apply to children in residential or medical treatment facilities.

The basic rule states that if a parent reports they will claim their child as a tax dependent, the parent's income must be counted when determining Medicaid eligibility for the child. If the parent indicates they will not claim their child as a tax dependent or the tax filing status is unknown, Medicaid eligibility can be determined for the child counting only the child's income if the child is not living in their parent's home.

Children who are currently receiving Medicaid who are in residential or medical care treatment facilities will not have their eligibility redetermined until their annual review is submitted to DPA. At that time, if the review indicates the parent will claim the child as a tax dependent, the parent's income must be counted when determining the child's Medicaid eligibility.

We understand the concern about this policy change. The Department of Health and Social Services is working to minimize the impact this has on Alaskan families and treatment facilities.