

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Division of Policy and Operations

4 (Amended After Comments)

5 907 KAR 20:075. Eligibility Provisions and Requirements Regarding Former Foster
6 Care Individuals.

7 RELATES TO: KRS 205.520

8 STATUTORY AUTHORITY: KRS 194A.010(1), 194A.030(2), 194A.050(1),
9 205.520(3), 42 U.S.C. 1396a(a)(10)(A)(i)(IX).

10 NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family
11 Services, Department for Medicaid Services has responsibility to administer the Medi-
12 caid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to
13 comply with any requirement that may be imposed or opportunity presented by federal
14 law to qualify for federal Medicaid funds. This administrative regulation establishes the
15 Medicaid eligibility provisions and requirements for an individual between the ages of
16 nineteen (19) and twenty-six (26) years, who formerly was in foster care and was re-
17 ceiving Medicaid benefits at the time that the individual aged out of foster care.

18 Section 1. Former Foster Care Eligibility Criteria. An individual between the ages of
19 nineteen (19) and twenty-six (26) years, who formerly was in foster care, and was re-
20 ceiving Medicaid benefits at the time the individual's age exceeded the foster care age
21 limit shall be eligible for Medicaid benefits if the individual meets the requirements of

1 this administrative regulation.

2 Section 2. Income Standard. There shall be no income standard for individuals be-
3 tween the ages of nineteen (19) and twenty-six (26) years and who formerly were in fos-
4 ter care but aged out of foster care.

5 Section 3. Resource Standard. There shall be no resource standard for individuals
6 between the ages of nineteen (19) and twenty-six (26) years and who formerly were in
7 foster care but aged out of foster care.

8 Section 4. Attestation of Having Aged Out of Foster Care. (1) An individual between
9 the ages of nineteen (19) and twenty-six (26) years, who formerly was in foster care,
10 and was receiving Medicaid benefits at the time the individual's age exceeded the foster
11 care age limit shall attest, during the application process, that the individual was
12 receiving Medicaid benefits at the time that the individual reached the age which
13 exceeds the foster care age limit.

14 (2) An individual who does not attest as established in subsection (1) of this section
15 shall not be eligible for Medicaid benefits.

16 Section 5. Citizenship and Residency Requirements. (1) The citizenship
17 requirements established in 42 C.F.R. 435.406 shall apply.

18 (2) ~~Except as established in subsection (3) or (4) of this section,~~ To satisfy the
19 Medicaid:

20 (a) Citizenship requirements, an applicant or recipient shall be:

21 1. A citizen of the United States as verified through satisfactory documentary evi-
22 dence of citizenship or nationality presented during initial application or if a current re-
23 cipient, upon next redetermination of continued eligibility;

1 2. ~~[Except as provided in subsection (3) of this section,]~~ A qualified alien who en-
2 tered the United States before August 22, 1996, and is:

- 3 a. Lawfully admitted for permanent residence pursuant to 8 U.S.C. 1101;
- 4 b. Granted asylum pursuant to 8 U.S.C. 1158;
- 5 c. A refugee admitted to the United States pursuant to 8 U.S.C. 1157;
- 6 d. Paroled into the United States pursuant to 8 U.S.C. 1182(d)(5) for a period of at
7 least one (1) year;
- 8 e. An alien whose deportation is being withheld pursuant to 8 U.S.C. 1253(h), as in
9 effect prior to April 1, 1997, or 8 U.S.C. 1231(b)(3);
- 10 f. Granted conditional entry pursuant to 8 U.S.C. 1153(a)(7), as in effect prior to April
11 1, 1980;
- 12 g. An alien who is granted status as a Cuban and Haitian entrant pursuant to 8
13 U.S.C. 1522;
- 14 h. A battered alien pursuant to 8 U.S.C. 1641(c);
- 15 i. A veteran pursuant to 38 U.S.C. 101, 107, 1101, or 1301 with a discharge charac-
16 terized as an honorable discharge and not on account of alienage;
- 17 j. On active duty other than active duty for training in the Armed Forces of the United
18 States and who fulfills the minimum active duty service requirements established in 38
19 U.S.C. 5303A(d);
- 20 k. The spouse or unmarried dependent child of an individual described in clause i. or
21 j. of this subparagraph or the unremarried surviving spouse of an individual described in
22 clause i. or j. of this subparagraph if the marriage fulfills the requirements established in
23 38 U.S.C. 1304; or

- 1 I. An Amerasian immigrant pursuant to 8 U.S.C. 1612(a)(2)(A)(v); or
- 2 3. A qualified alien who entered the United States on or after August 22, 1996 and is:
- 3 a. Granted asylum pursuant to 8 U.S.C. 1158;
- 4 b. A refugee admitted to the United States pursuant to 8 U.S.C. 1157;
- 5 c. An alien whose deportation is being withheld pursuant to 8 U.S.C. 1253(h) as in
- 6 effect prior to April 1, 1997 or 8 U.S.C. 1231(b)(3);
- 7 d. An alien who is granted status as a Cuban and Haitian entrant pursuant to 8
- 8 U.S.C. 1522;
- 9 e. A veteran pursuant to 38 U.S.C. 101, 107, 1101, or 1301 with a discharge charac-
- 10 terized as an honorable discharge and not on account of alienage;
- 11 f. On active duty other than active duty for training in the Armed Forces of the United
- 12 States and who fulfills the minimum active duty service requirements established in 38
- 13 U.S.C. 5303A(d);
- 14 g. The spouse or unmarried dependent child of an individual described in clause e.
- 15 or f. of this subparagraph or the unremarried surviving spouse of an individual de-
- 16 scribed in clause e. or f. of this subparagraph if the marriage fulfills the requirements
- 17 established in 38 U.S.C. 1304;
- 18 h. An Amerasian immigrant pursuant to 8 U.S.C. 1612(a)(2)(A)(v); or
- 19 i. An individual lawfully admitted for permanent residence pursuant to 8 U.S.C. 1101
- 20 who has earned forty (40) quarters of Social Security coverage; and
- 21 (b) Residency requirements, the applicant or recipient shall be a resident of Kentucky
- 22 who meets the conditions for determining state residency pursuant to 42 C.F.R.
- 23 435.403.

1 ~~[(3) A qualified or nonqualified alien shall be eligible for medical assistance as~~
2 ~~provided in this subsection.~~

3 ~~(a) The individual shall meet the income, resource, and categorical require-~~
4 ~~ments of the Medicaid Program.~~

5 ~~(b) The individual shall have, or have had within at least one (1) of the three (3)~~
6 ~~months prior to the month of application, an emergency medical condition:~~

7 ~~1. Not related to an organ transplant procedure;~~

8 ~~2. Which shall be a medical condition, including severe pain, in which the ab-~~
9 ~~sence of immediate medical attention could reasonably be expected to result in~~
10 ~~placing the individual's health in serious jeopardy, serious impairment to bodily~~
11 ~~functions, or serious dysfunction of any bodily organ or part.~~

12 ~~(c)1. Approval of eligibility shall be for a time limited period which includes,~~
13 ~~except as established in subparagraph 2 of this paragraph, the month in which~~
14 ~~the medical emergency began and the next following month.~~

15 ~~2. The eligibility period shall be extended for an appropriate period of time up-~~
16 ~~on presentation to the department of written documentation from the medical~~
17 ~~provider that the medical emergency will exist for a more extended period of time~~
18 ~~than is allowed for in the time limited eligibility period.~~

19 ~~(d) The Medicaid benefits to which the individual is entitled shall be limited to~~
20 ~~the medical care and services, including limited follow-up, necessary for the~~
21 ~~treatment of the emergency medical condition of the individual.~~

22 ~~(4)(a) The satisfactory documentary evidence of citizenship or nationality re-~~
23 ~~quirement in subsection (2)(a)1 of this section shall not apply to an individual~~

1 **who:**

2 ~~1. Is receiving SSI benefits;~~

3 ~~2. Previously received SSI benefits but is no longer receiving them;~~

4 ~~3. Is entitled to or enrolled in any part of Medicare;~~

5 ~~4. Previously received Medicare benefits but is no longer receiving them;~~

6 ~~5. Is receiving:~~

7 ~~a. Disability insurance benefits under 42 U.S.C. 423; or~~

8 ~~b. Monthly benefits under 42 U.S.C. 402 based on the individual's disability~~

9 ~~pursuant to 42 U.S.C. 223(d);~~

10 ~~6. Is in foster care and who is assisted under Title IV-B of the Social Security~~

11 ~~Act; or~~

12 ~~7. Receives foster care maintenance or adoption assistance payments under~~

13 ~~Title IV-E of the Social Security Act.~~

14 ~~(b) The department's documentation requirements shall be in accordance with~~

15 ~~the requirements established in 42 U.S.C. 1396b(x).~~

16 ~~(5) The department shall assist an applicant or recipient who is unable to se-~~

17 ~~cure satisfactory documentary evidence of citizenship or nationality in a timely~~

18 ~~manner because of incapacity of mind or body and lack of a representative to act~~

19 ~~on the applicant's or recipient's behalf.~~

20 ~~(6)(a) Except as established in paragraph (b) of this subsection, an individual~~

21 ~~shall be determined eligible for Medicaid for up to three (3) months prior to the~~

22 ~~month of application if all conditions of eligibility are met.~~

23 ~~(b) The retroactive eligibility period shall begin no earlier than January 1, 2014~~

1 ~~for an individual who gains Medicaid eligibility solely by qualifying:~~

2 ~~1. As a former foster care individual pursuant to this administrative regulation;~~

3 ~~or~~

4 ~~2. As an adult with income up to 133 percent of the federal poverty level who:~~

5 ~~a. Does not have a dependent child under the age of nineteen (19) years; and~~

6 ~~b. Is not otherwise eligible for Medicaid benefits.]~~

7 Section 6. Provision of Social Security Numbers. (1)~~[(a)]~~ Except as provided in sub-
8 sections (2) and (3) of this section, an applicant for or recipient of Medicaid shall pro-
9 vide a Social Security number as a condition of eligibility.

10 ~~[(b) If a parent or caretaker relative and the child, unless the child is a deemed~~
11 ~~eligible newborn, refuses to cooperate with obtaining a Social Security number~~
12 ~~for the newborn child or other dependent child, the parent or caretaker relative~~
13 ~~shall be ineligible due to failing to meet technical eligibility requirements.]~~

14 (2) An individual shall not be denied eligibility or discontinued from eligibility due to a
15 delay in receipt of a Social Security number from the United States Social Security Ad-
16 ministration if appropriate application for the number has been made.

17 (3) An individual who refuses to obtain a Social Security number due to a well-
18 established religious objection shall not be required to provide a Social Security number
19 as a condition of eligibility.

20 Section 7. Institutional Status. (1) An individual shall not be eligible for Medicaid if the
21 individual is a:

22 (a) Resident or inmate of a nonmedical public institution except as established in
23 subsection (2) of this section;

1 (b) Patient in a state tuberculosis hospital unless the individual[he] has reached
2 age sixty-five (65);

3 (c) Patient in a mental hospital or psychiatric facility unless the individual is:

4 1. Under age twenty-one (21) years of age; or

5 2. Under age twenty-two (22) if the individual was receiving inpatient services on his
6 or her 21st birthday; or

7 ~~**[3. Sixty-five (65) years of age or over; or]**~~

8 (d) Patient in a nursing facility classified by the Medicaid program as an institution for
9 mental diseases~~[, unless the individual has reached age sixty-five (65)].~~

10 (2) An inmate who meets the eligibility criteria in this administrative regulation
11 shall[may] be eligible for Medicaid after having been admitted to a medical institution
12 and been an inpatient at the institution for at least twenty-four (24) consecutive hours.

13 Section 8. ~~**[Incarceration Status. An inmate who meets the eligibility require-**~~
14 ~~**ments of this administrative regulation shall be eligible for Medicaid after having**~~
15 ~~**been admitted to a medical institution and been an inpatient at the institution for**~~
16 ~~**at least twenty-four (24) consecutive hours.**~~

17 ~~**Section 9. Application for Other Benefits. (1)(a) As a condition of eligibility for**~~
18 ~~**Medicaid, an applicant or recipient shall apply for each annuity, pension, retire-**~~
19 ~~**ment, and disability benefit to which the individual is entitled, unless the individ-**~~
20 ~~**ual can demonstrate good cause for not doing so.**~~

21 ~~**(b) Good cause shall be considered to exist if other benefits have previously**~~
22 ~~**been denied with no change of circumstances or the individual does not meet all**~~
23 ~~**eligibility conditions.**~~

1 ~~(c) Annuities, pensions, retirement, and disability benefits shall include:~~

2 ~~1. Veterans' compensations and pensions;~~

3 ~~2. Retirement, Survivors, and Disability Insurance;~~

4 ~~3. Railroad retirement benefits;~~

5 ~~4. Unemployment compensation; and~~

6 ~~5. Individual retirement accounts.~~

7 ~~(2) An applicant or recipient shall not be required to apply for federal benefits~~
8 ~~if:~~

9 ~~(a) The federal law governing that benefit specifies that the benefit is optional;~~

10 ~~and~~

11 ~~(b) The applicant or recipient believes that applying for the benefit would be to~~
12 ~~the applicant's or recipient's disadvantage.~~

13 ~~(3) An individual who would be eligible for SSI benefits but has not applied for~~
14 ~~the benefits shall not be eligible for Medicaid.~~

15 ~~Section 10. Assignment of Rights to Medical Support. By accepting assistance~~
16 ~~for or on behalf of a child, a recipient shall be deemed to have assigned to the~~
17 ~~Cabinet for Health and Family Services any medical support owed for the child~~
18 ~~not to exceed the amount of Medicaid payments made on behalf of the recipient.~~

19 ~~Section 11. Third-party Liability as a Condition of Eligibility. (1)(a) Except as~~
20 ~~provided in subsection (3) of this section, an individual applying for or receiving~~
21 ~~Medicaid shall be required as a condition of eligibility to cooperate with the Cabi-~~
22 ~~net for Health and Family Services in identifying, and providing information to as-~~
23 ~~sist the cabinet in pursuing, any third party who may be liable to pay for care or~~

1 ~~services available under the Medicaid program unless the individual has good~~
2 ~~cause for refusing to cooperate.~~

3 ~~(b) Good cause for failing to cooperate shall exist if cooperation:~~

4 ~~1. Could result in physical or emotional harm of a serious nature to a child or~~
5 ~~custodial parent;~~

6 ~~2. Is not in a child's best interest because the child was conceived as a result~~
7 ~~of rape or incest; or~~

8 ~~3. May interfere with adoption considerations or proceedings.~~

9 ~~(2) A failure of an individual to cooperate without good cause shall result in in-~~
10 ~~eligibility of the individual.~~

11 ~~(3) A pregnant woman eligible under poverty level standards shall not be re-~~
12 ~~quired to cooperate in establishing paternity or securing support for her unborn~~
13 ~~child.~~

14 **Section 12.]** Application Process, Initial and Continuing Eligibility Determination. (1)

15 An individual may apply for Medicaid benefits by:

16 (a) Using the Web site located at www.kynect.ky.gov;

17 (b) Applying over the telephone by calling:

18 1. 1-855- 459-6328; or

19 2. 1-855-326-4654 if deaf or hearing impaired;

20 (c) Faxing an application to 1-502-573-2007;

21 (d) Mailing a paper application to Office of Health Benefits Exchange, 12 Mill Creek,
22 Frankfort, KY, 40601; or

23 (e) Going to the applicant's local Department for Community Based Services Office

1 and applying in person.

2 (2) An individual shall attest in accordance with Section 4 of this administrative regu-
3 lation when applying for Medicaid benefits.

4 (3)(a) An application shall be processed (approved, denied, or a request for addition-
5 al information sent) **by the department or other entity involved in processing the**
6 **given application** within forty-five (45) days of application submittal.

7 (b) If a trusted source indicates that an applicant is incarcerated, a request for addi-
8 tional information shall be generated **by the department or other entity involved in**
9 **processing the application** requesting verification of the applicant's incarceration
10 dates **or status**.

11 (c) If an applicant fails to provide information in response to a request for additional
12 information within forty-five (45) days of the beginning of the application process, the
13 application shall be denied.

14 ~~[(4)(a) An annual renewal of eligibility shall occur without an individual having~~
15 ~~to take action to renew eligibility, unless:~~

16 ~~1. The individual's eligibility circumstances change resulting in the individual~~
17 ~~no longer being eligible for Medicaid; or~~

18 ~~2. A request for additional information is generated due to a change in income~~
19 ~~or incarceration status.~~

20 ~~(b)1. If an individual receives a request for additional information as part of the~~
21 ~~renewal process, the individual shall provide the information requested within~~
22 ~~forty-five (45) days of receiving the request.~~

23 ~~2. If an individual fails to provide the information requested within forty-five~~

1 ~~(45) days of receiving the request, the individual's eligibility shall be terminated~~
2 ~~on the forty-fifth day from the request for additional information.~~

3 ~~(5) An individual shall be required to report to the department any changes in~~
4 ~~circumstances or information related to Medicaid eligibility.]~~

5 Section ~~9.~~13. Adverse Action, Notice, and Appeals. The adverse action, notice, and
6 appeals provisions established in 907 KAR 20:060 shall apply to former foster care in-
7 dividuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster
8 care while receiving Medicaid coverage.

9 ~~[Section 14. Implementation Date of Former Foster Care Eligibility Provisions~~
10 ~~and Requirements.~~

11 ~~(1) The eligibility provisions and requirements established in this administra-~~
12 ~~tive regulation shall be effective beginning on January 1, 2014.~~

13 ~~(2) An individual shall not be eligible to receive Medicaid benefits pursuant to~~
14 ~~the eligibility provisions and requirements established in this administrative regu-~~
15 ~~lation any earlier than January 1, 2014.]~~

907 KAR 20:075

REVIEWED:

Date

Lawrence Kissner, Commissioner
Department for Medicaid Services

APPROVED:

Date

Audrey Tayse Haynes, Secretary
Cabinet for Health and Family Services

REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Administrative Regulation #: 907 KAR 20:075

Cabinet for Health and Family Services

Department for Medicaid Services

Agency Contact Person: Marchetta Carmicle (502) 564-6204 or Stuart Owen (502) 564-4321

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation establishes the provisions and requirements regarding Medicaid eligibility for a new eligibility group mandated by the Affordable Care Act. The new group is comprised of individuals between the ages of nineteen (19) and twenty-six (26) who formerly were in foster care and aged out of foster care while receiving Medicaid coverage at the time of aging out of foster care. To qualify for Medicaid coverage the individuals have to attest to having received Medicaid benefits at the time they aged out of foster care but there is no income standard or resource standard/test for this population as the Affordable Care Act prohibits such standards from being applied to this population. Additionally, the individuals have to meet residency and citizenship requirements that other Medicaid applicants/recipients have to meet.
 - (b) The necessity of this administrative regulation: This administrative regulation is necessary to comply with an Affordable Care Act mandate to establish Medicaid eligibility for a new eligibility group comprised of individuals between the ages of nineteen (19) and twenty-six (26) who formerly were in foster care and aged out of foster care while receiving Medicaid benefits at the time of aging out of foster care.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of the authorizing statutes by establishing the eligibility requirements for a new Medicaid eligibility group mandated by the Affordable Care Act.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the authorizing statutes by establishing the eligibility requirements for a new Medicaid eligibility group mandated by the Affordable Care Act.

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: The amendment after comments deletes provisions that do not apply to former foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster care while still covered under Medicaid.
 - (b) The necessity of the amendment to this administrative regulation: The amendment after comments is necessary to delete provisions that do not apply to for-

- mer foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster care while still covered under Medicaid.
- (c) How the amendment conforms to the content of the authorizing statutes: The amendment after comments conforms to the content of the authorizing statutes by deleting provisions that do not apply to former foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster care while still covered under Medicaid.
 - (d) How the amendment will assist in the effective administration of the statutes: The amendment after comments will assist in the effective administration of the authorizing statutes by deleting provisions that do not apply to former foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster care while still covered under Medicaid.
- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: Individuals in the newly mandated eligibility category [individuals aged nineteen (19) to twenty-six (26) who formerly were in foster care but aged out of foster care] are affected. Currently, there are 700 foster care individuals for whom the Department for Community Based Services (DCBS) purchases health insurance, but the Department for Medicaid Services (DMS) estimates that over 3,300 individuals will become eligible for Medicaid coverage as a result of this new eligibility group.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment. Individuals would need to apply for Medicaid coverage in order to gain Medicaid coverage.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3). This amendment imposes no cost on the regulated individuals.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3). Individuals in the new mandated Medicaid eligibility group – individuals aged nineteen (19) to twenty-six (26) who previously were in foster care but aged out of foster care – will benefit by becoming eligible for Medicaid benefits.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
- (a) Initially: Adding the new mandated Medicaid eligibility group - individuals aged nineteen (19) to twenty-six (26) who previously were in foster care but aged out of foster care – will enable the Department for Medicaid Services (DMS) to receive federal funding [at a seventy (70) percent match rate] for health insurance coverage for these individuals. Previously, the Department for Community Based Services (DCBS) purchased health insurance coverage for

approximately 700 of these individuals with 100% state general funds. The annual cost was approximately \$1 million. Thus, covering this group via the Medicaid program is expected to reduce Cabinet for Health and Family Services' expenditures by \$700,000 annually. However, DMS estimates that over 3,300 individuals will become eligible in the next year via this eligibility category with a total cost of approximately \$42.1 million. The federal matching percent for this new eligibility group is seventy (70) percent; thus, the federal share of \$42.1 million would be \$29.47 million and the commonwealth's share would be \$12.63 million.

- (b) On a continuing basis: DMS projects the cost of covering former foster care individuals estimated for the first year will remain near that level in future years.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used for implementation and enforcement of this administrative regulation are federal funds authorized under Title XIX of the Social Security Act and matching funds from general fund appropriations.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment. Additional funding for DMS will be needed to cover the cost of care of individuals between the ages of nineteen (19) and twenty-six (26) who were formerly in foster care but aged out of foster care.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: The amendment to this administrative regulation neither establishes nor increases any fees.
- (9) Tiering: Is tiering applied? (Explain why tiering was or was not used) Tiering is not applied as the requirements apply equally to all individuals in the new eligibility group.

FEDERAL MANDATE ANALYSIS COMPARISON

Regulation Number: 907 KAR 20:075

Agency Contact Person: Marchetta Carmicle (502) 564-6204 or Stuart Owen (502) 564-4321

1. Federal statute or regulation constituting the federal mandate. 42 U.S.C. 1396a(a)(10)(A)(i)(IX).
2. State compliance standards. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with a requirement that may be imposed or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry.

KRS 194A.050(1) authorizes the Cabinet for Health and Family Services secretary to “formulate, promote, establish, and execute policies, plans, and programs and shall adopt, administer, and enforce throughout the Commonwealth all applicable state laws and all administrative regulations necessary under applicable state laws to protect, develop, and maintain the health, personal dignity, integrity, and sufficiency of the individual citizens of the Commonwealth and necessary to operate the programs and fulfill the responsibilities vested in the cabinet. The secretary shall promulgate, administer, and enforce those administrative regulations necessary to implement programs mandated by federal law, or to qualify for the receipt of federal funds and necessary to cooperate with other state and federal agencies for the proper administration of the cabinet and its programs.”

3. Minimum or uniform standards contained in the federal mandate. Federal law created the new mandated eligibility category of individuals between nineteen (19) and twenty-six (26) who formerly were in foster care but aged out of foster care and were receiving Medicaid benefits at the time of aging out of foster care and bars the application of an income standard or resource/asset test or standard to this population.
4. Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate? The administrative regulation does not impose stricter than federal requirements.
5. Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements. The administrative regulation does not impose stricter than federal requirements.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 907 KAR 20:075

Agency Contact Person: Marchetta Carmicle (502) 564-6204 or Stuart Owen (502) 564-4321

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department for Medicaid Services (DMS), the Department for Community Based Services (DCBS), and Department of Corrections will be affected by this administrative regulation.
2. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. 42 CFR 435.603 and this administrative regulation authorize the action taken by this administrative regulation.
 - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? DMS anticipates no revenue being generated for the first year for state or local government due to the amendment to this administrative regulation.
 - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? DMS anticipates no revenue being generated for subsequent years for state or local government due to the amendment to this administrative regulation.
 - (c) How much will it cost to administer this program for the first year? Adding the new mandated Medicaid eligibility group - individuals aged nineteen (19) to twenty-six (26) who previously were in foster care but aged out of foster care – will enable the Department for Medicaid Services (DMS) to receive federal funding [at a seventy (70) percent match rate] for health insurance coverage for these individuals. Previously, the Department for Community Based Services (DCBS) purchased health insurance coverage for approximately 700 of these individuals with 100% state general funds. The annual cost was approximately \$1 million. Thus, covering this group via the Medicaid program is expected to reduce Cabinet for Health and Family Services' expenditures by \$700,000 annually. However, DMS estimates that over 3,300 individuals could become eligible in the next year via this eligibility category with a total cost of approximately \$42.1 million. The federal matching percent for this new eligibility group is seventy (70) percent; thus, the federal share of \$42.1 million would be \$29.47 million and the commonwealth's share would be \$12.63 million.
 - (d) How much will it cost to administer this program for subsequent years? DMS projects the cost of covering former foster care individuals estimated for the first year will remain near that level in future years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): _____

Expenditures (+/-): _____
Other Explanation: _____