

if they were in a medical institution, and who are receiving, while living at home, medical care that would be provided in a medical institution.

(b) If the agency elects the option provided by paragraph (a) of this section, it must determine, in each case, that the following conditions are met:

(1) The child requires the level of care provided in a hospital, SNF, or ICF.

(2) It is appropriate to provide that level of care outside such an institution.

(3) The estimated Medicaid cost of care outside an institution is no higher than the estimated Medicaid cost of appropriate institutional care.

(c) The agency must specify in its State plan the method by which it determines the cost-effectiveness of caring for disabled children at home.

[55 FR 48608, Nov. 21, 1990]

**§ 435.227 Individuals under age 21 who are under State adoption assistance agreements.**

(a) The agency may provide Medicaid to individuals under the age of 21 (or, at State option, age 20, 19, or 18)—

(1) For whom an adoption agreement (other than an agreement under title IV-E) between the State and the adoptive parent(s) is in effect;

(2) Who, the State agency responsible for adoption assistance, has determined cannot be placed with adoptive parents without Medicaid because the child has special needs for medical or rehabilitative care; and

(3) Who meet either of the following:

(i) Were eligible for Medicaid under the State plan before the adoption agreement was entered into; or

(ii) Would have been eligible for Medicaid before the adoption agreement was entered into, if the eligibility standards and methodologies of the title IV-E foster care program were used without employing the threshold title IV-A eligibility determination.

(b) For adoption assistance agreements entered into before April 7, 1986—

(1) The agency must deem the requirements of paragraphs (a)(1) and (2) of this section to be met if the State adoption assistance agency determines that—

(i) At the time of the adoption placement, the child had special needs for medical or rehabilitative care that made the child difficult to place; and

(ii) There is in effect an adoption assistance agreement between the State and the adoptive parent(s).

(2) The agency must deem the requirements of paragraph (a)(3) of this section to be met if the child was found by the State to be eligible for Medicaid before the adoption assistance agreement was entered into.

[55 FR 48608, Nov. 21, 1990]

**§ 435.229 Optional targeted low-income children.**

The agency may provide Medicaid to—

(a) All individuals under age 19 who are optional targeted low-income children as defined in § 435.4; or

(b) Reasonable categories of these individuals.

[66 FR 2667, Jan. 11, 2001]

OPTIONS FOR COVERAGE OF THE AGED,  
BLIND, AND DISABLED

**§ 435.230 Aged, blind, and disabled individuals in States that use more restrictive requirements for Medicaid than SSI requirements: Optional coverage.**

(a) *Basic optional coverage rule.* If the agency elects the option under § 435.121 to provide mandatory eligibility for aged, blind, and disabled SSI recipients using more restrictive requirements than those used under SSI, the agency may provide eligibility as optional categories to additional individuals who meet the requirements of this section.

(b) *Group composition.* Subject to the conditions specified in paragraphs (d) and (e) of this section, the agency may provide Medicaid to individuals who:

(1) Meet the nonfinancial criteria that the State has elected to apply under § 435.121;

(2) Meet the resource requirements that the State has elected to apply under § 435.121; and

(3) Meet the income eligibility standards specified in paragraph (c) of this section.

(c) *Criteria for income standards.* The agency may provide Medicaid to the

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following individuals who meet the requirements of paragraphs (b)(1) and (b)(2) of this section:

(1) Individuals who are financially eligible for but not receiving SSI benefits and who, before deduction of incurred medical and remedial expenses, meet the State's more restrictive eligibility requirements described in § 435.121;

(2) Individuals who meet the income standards of the following eligibility groups:

(i) Individuals who would be eligible for cash assistance except for institutional status described in § 435.211;

(ii) Individuals who are enrolled in an HMO or other entity and who are deemed to continue to be Medicaid eligible for a period specified by the agency up to 6 months from the date of enrollment and who became ineligible during the specified enrollment period, as described in § 435.212;

(iii) Individuals receiving home and community-based waiver services described in § 435.217;

(iv) Individuals receiving only optional State supplements described in § 435.234;

(v) Institutionalized individuals with income below a special income level described in § 435.236;

(vi) Aged and disabled individuals who have income below 100 percent of the Federal poverty level described in section 1905(m) of the Act.

(3) Individuals who qualify for special status under §§ 435.135 and 435.138, and with respect to whom the State elects to disregard some or the maximum amount of title II payments permitted to be disregarded under those sections.

(d) *Use of more liberal methods.* The agency may elect to apply more liberal methods of counting income and resources that are approved for this eligibility group under the provisions of § 435.601.

[58 FR 4928, Jan. 19, 1993]

**§ 435.232 Individuals receiving only optional State supplements.**

(a) If the agency provides Medicaid to individuals receiving SSI under § 435.120, it may provide Medicaid, in one or more of the following classifications, to individuals who receive only an optional State supplement that

meets the conditions specified in paragraph (b) of this section and who would be eligible for SSI except for the level of their income.

(1) All aged individuals.

(2) All blind individuals.

(3) All disabled individuals.

(4) Only aged individuals in domiciliary facilities or other group living arrangements as defined under SSI.

(5) Only blind individuals in domiciliary facilities or other group living arrangements as defined under SSI.

(6) Only disabled individuals in domiciliary facilities or other group living arrangements as defined under SSI.

(7) Individuals receiving a federally administered optional State supplement that meets the conditions specified in this section.

(8) Individuals in additional classifications specified by the Secretary for federally administered supplementary payments under 20 CFR 416.2020(d).

(9) Reasonable groups of individuals, as specified by the State, receiving State-administered supplementary payments.

(b) Payments under the optional supplement program must be—

(1) Based on need and paid in cash on a regular basis;

(2) Equal to the difference between the individual's countable income and the income standard used to determine eligibility for supplement. Countable income is income remaining after deductions required under SSI or, at State option, more liberal deductions are made (see § 435.1006 for limitations on FFP in Medicaid expenditures for individuals receiving optional State supplements); and

(3) Available to all individuals in each classification in paragraph (a) of this section and available on a statewide basis. However, the plan may provide for variations in the income standard by political subdivision according to cost-of-living differences.

[43 FR 45204, Sept. 29, 1978. Redesignated and amended at 58 FR 4928, Jan. 19, 1993]