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AUTHORITY: Sec. 1102 of the Social Security Act (42 U.S.C. 1302).

SOURCE: 43 FR 45204, Sept. 29, 1978, unless otherwise noted.

Subpart A—General Provisions and Definitions

§ 435.2 Purpose and applicability.

This part sets forth, for the 50 States, the District of Columbia, the Northern Mariana Islands, and American Samoa—

- (a) The eligibility provisions that a State plan must contain;
- (b) The mandatory and optional groups of individuals to whom Medicaid is provided under a State plan;

(c) The eligibility requirements and procedures that the Medicaid agency must use in determining and redetermining eligibility, and requirements it may not use;

(d) The availability of FFP for providing Medicaid and for administering the eligibility provisions of the plan; and

(e) Other requirements concerning eligibility determinations, such as use of an institutionalized individual's income for the cost of care.

[43 FR 45204, Sept. 29, 1978, as amended at 44 FR 17937, Mar. 23, 1979; 51 FR 41350, Nov. 14, 1986]

§ 435.3 Basis.

(a) This part implements the following sections of the Act and public laws that mandate eligibility requirements and standards:

- 402(a)(22) Eligibility of deemed recipients of AFDC who receive zero payments because of recoupment of overpayments.
- 402(a)(37) Eligibility of individuals who lose AFDC eligibility due to increased earnings.
- 414(g) Eligibility of certain individuals participating in work supplementation programs.
- 473(b) Eligibility of children in foster care and adopted children who are deemed AFDC recipients.
- 1619(b) Benefits for blind individuals or those with disabling impairments whose income equals or exceeds a specific SSI limit.
- 1634(b) Preservation of benefit status for disabled widows and widowers who lost SSI benefits because of 1983 changes in actuarial reduction formula.
- 1634(d) Individuals who lose eligibility for SSI benefits due to entitlement to early widow's or widower's social security disability benefits under section 202(e) or (f) of the Act.
- 1902(a)(8) Opportunity to apply; assistance must be furnished promptly.
- 1902(a)(10) Required and optional groups.
- 1902(a)(12) Determination of blindness.
- 1902(a)(17) Standards for determining eligibility: flexibility in the application of income eligibility standards.
- 1902(a)(19) Safeguards for simplicity of administration and best interests of recipients.
- 1902(a)(34) Three-month retroactive eligibility.
- 1902(a) (second paragraph after (47)) Eligibility despite increased monthly insurance benefits under title II.

- 1902(a)(55) Mandatory use of outstation locations other than welfare offices to receive and initially process applications of certain low-income pregnant women, infants, and children under age 19.
- 1902(b) Prohibited conditions for eligibility:
 - Age requirement of more than 65 years;
 - State residence requirements excluding individuals who reside in the state; and
 - Citizenship requirement excluding United States citizens.
- 1902(e) Four-month continued eligibility for families ineligible because of increased hours or income from employment.
- 1902(e)(2) Minimum eligibility period for recipient enrolled in an HMO.
- 1902(e)(3) Optional coverage of certain disabled children being cared for at home.
- 1902(e)(4) Eligibility of newborn children of Medicaid eligible women.
- 1902(e)(5) Eligibility of pregnant woman for extended coverage for specified postpartum period after pregnancy ends.
- 1902(f) State option to restrict Medicaid eligibility for aged, blind, or disabled individuals to those who would have been eligible under State plan in effect in January 1972.
- 1902(j) Medicaid program in American Samoa.
- 1903(f) Income limitations for medically needy and individuals covered by State supplement eligibility requirements.
- 1903(v) Payment for emergency services under Medicaid provided to aliens.
- 1905(a) (clause following (21)) Prohibitions against providing Medicaid to certain institutionalized individuals.
- 1905(a) (second sentence) Definition of essential person.
- 1905(a)(i)-(viii) List of eligible individuals.
- 1905(d)(2) Definition of resident of an intermediate care facility for the mentally retarded.
- 1905(j) Definition of State supplementary payment.
- 1905(k) Eligibility of essential spouses of eligible individuals.
- 1905(n) Definition of qualified pregnant woman and child.
- 1912(a) Conditions of eligibility.
- 1915(c) Home or community-based services.
- 1915(d) Home or community-based services for individuals age 65 or older.
- 412(e)(5) of Immigration and Nationality Act—Eligibility of certain refugees.
- Pub. L. 93-66, section 230 Deemed eligibility of certain essential persons.
- Pub. L. 93-66, section 231 Deemed eligibility of certain persons in medical institutions.
- Pub. L. 93-66, section 232 Deemed eligibility of certain blind and disabled medically indigent persons.
- Pub. L. 93-233, section 13(c) Deemed eligibility of certain individuals receiving

- mandatory State supplementary payments.
- Pub. L. 94–566, section 503 Deemed eligibility of certain individuals who would be eligible for supplemental security income benefits but for cost-of-living increases in social security benefits.
- Pub. L. 96–272, section 310(b)(1) Continued eligibility of certain recipients of Veterans Administration pensions.
- Pub. L. 99–509, section 9406 Payment for emergency medical services provided to aliens.
- Pub. L. 99–603, section 201 Aliens granted legalized status under section 245A of the Immigration and Nationality Act (8 U.S.C. 1255a) may under certain circumstances be eligible for Medicaid.
- Pub. L. 99–603, section 302 Aliens granted legalized status under section 210 of the Immigration and Nationality Act may under certain circumstances be eligible for Medicaid (8 U.S.C. 1160).
- Pub. L. 99–603, section 303 Aliens granted legal status under section 210A of the Immigration and Nationality Act may under certain circumstances be eligible for Medicaid (8 U.S.C. 1161).

(b) This part implements the following other provisions of the Act or public laws that establish additional State plan requirements:

- 1618 Requirement for operation of certain State supplementation programs.
- Pub. L. 93–66, section 212(a) Required mandatory minimum State supplementation of SSI benefits programs.

[52 FR 43071, Nov. 9, 1987; 52 FR 48438, Dec. 22, 1987, as amended at 55 FR 36819, Sept. 7, 1990; 55 FR 48607, Nov. 21, 1990; 57 FR 29155, June 30, 1992; 59 FR 48809, Sept. 23, 1994]

§ 435.4 Definitions and use of terms.

As used in this part—

AABD means aid to the aged, blind, and disabled under title XVI of the Act;

AB means aid to the blind under title X of the Act;

AFDC means aid to families with dependent children under title IV-A of the Act;

APTD means aid to the permanently and totally disabled under title XIV of the Act;

Categorically needy refers to families and children, aged, blind, or disabled individuals, and pregnant women, described under subparts B and C of this part who are eligible for Medicaid. Subpart B of this part describes the mandatory eligibility groups who, generally, are receiving or deemed to be

receiving cash assistance under the Act. These mandatory groups are specified in sections 1902(a)(10)(A)(i), 1902(e), 1902(f), and 1928 of the Act. Subpart C of this part describes the optional eligibility groups of individuals who, generally, meet the categorical requirements or income or resource requirements that are the same as or less restrictive than those of the cash assistance programs and who are not receiving cash payments. These optional groups are specified in sections 1902(a)(10)(A)(ii), 1902(e), and 1902(f) of the Act.

Families and children refers to eligible members of families with children who are financially eligible under AFDC or medically needy rules and who are deprived of parental support or care as defined under the AFDC program (see 45 CFR 233.90, 233.100). In addition, this group includes individuals under age 21 who are not deprived of parental support or care but are financially eligible under AFDC rules or medically needy rules (see optional coverage group, § 435.222). It does not include individuals under age 21 whose eligibility for Medicaid is based on blindness or disability—for these individuals, SSI rules govern;

Mandatory State supplement means a cash payment a State is required to make under section 212, Pub. L. 93–66 (July 9, 1973) to an aged, blind, or disabled individual. Its purpose is to provide an individual with the same amount of cash assistance he was receiving under OAA, AB, APTD, or AABD if his SSI payment is less than that amount;

Medically needy refers to families, children, aged, blind, or disabled individuals, and pregnant women listed under subpart D of this part who are not listed in subparts B and C of this part as categorically needy but who may be eligible for Medicaid under this part because their income and resources are within limits set by the State under its Medicaid plan (including persons whose income and resources fall within these limits after their incurred expenses for medical or remedial care are deducted) (Specific financial requirements for determining eligibility of the medically needy appear in subpart I of this part.);

OAA means old age assistance under title I of the Act;

OASDI means old age, survivors, and disability insurance under title II of the Act;

Optional State supplement means a cash payment made by a State, under section 1616 of the Act, to an aged, blind, or disabled individual;

SSI means supplemental security income under title XVI of the Act.

SWICA means the State Wage Information Collection Agency under section 1137(a) of the Act. It is the State agency administering the State unemployment compensation law; a separate agency administering a quarterly wage reporting system; or a State agency administering an alternative system which has been determined by the Secretary of Labor, in consultation with the Secretary of Agriculture and the Secretary of Health and Human Services, to be as effective and timely in providing employment related income and eligibility data.

[43 FR 45204, Sept. 29, 1978, as amended at 45 FR 24883, Apr. 11, 1980; 46 FR 6909, Jan. 22, 1981; 46 FR 47984, Sept. 30, 1981; 51 FR 7211, Feb. 28, 1986; 58 FR 4925, Jan. 19, 1993]

§ 435.10 State plan requirements.

A State plan must—

(a) Provide that the requirements of this part are met; and

(b) Specify the groups to whom Medicaid is provided, as specified in subparts B, C, and D of this part, and the conditions of eligibility for individuals in those groups.

Subpart B—Mandatory Coverage of the Categorically Needy

§ 435.100 Scope.

This subpart prescribes requirements for coverage of categorically needy individuals.

MANDATORY COVERAGE OF FAMILIES AND CHILDREN

§ 435.110 Individuals receiving aid to families with dependent children.

(a) A Medicaid agency must provide Medicaid to individuals receiving AFDC.

(b) For purposes of this section, an individual is receiving AFDC if his

needs are included in determining the amount of the AFDC payment. This includes an individual whose presence in the home is considered essential to the well-being of a recipient (see 45 CFR 233.20(a)(2)(vi)) and who could be a recipient under the State's AFDC plan if that plan were as broad as allowed under the Act for FFP.

§ 435.112 Families terminated from AFDC because of increased earnings or hours of employment.

(a) If a family loses AFDC solely because of increased income from employment or increased hours of employment, the agency must continue to provide Medicaid for 4 months to all members of the family if—

(1) The family received AFDC in any 3 or more months during the 6-month period immediately before the month in which it became ineligible for AFDC; and

(2) At least one member of the family is employed throughout the 4-month period, although this need not be the same member for the whole period.

(b) The 4 calendar month period begins on the date AFDC is terminated. If AFDC benefits are terminated retroactively, the 4 calendar month period also begins retroactively with the first month in which AFDC was erroneously paid.

[43 FR 45204, Sept. 29, 1978, as amended at 45 FR 24883, Apr. 11, 1980]

§ 435.113 Individuals who are ineligible for AFDC because of requirements that do not apply under title XIX of the Act.

The agency must provide Medicaid to:

(a) Individuals denied AFDC solely because of policies requiring the deeming of income and resources of the following individuals who are not included as financially responsible relatives under section 1902(a)(17)(D) of the Act;

(1) Stepparents who are not legally liable for support of stepchildren under a State law of general applicability;

(2) Grandparents;

(3) Legal guardians;

(4) Alien sponsors who are not organizations; and

(5) Siblings.