option, under age 20, 19, or 18) or reasonable categories of these individuals as specified in paragraph (b) of this section, who are not receiving cash assistance but who meet the income and resource requirements of the State’s approved AFDC plan.

(b) The agency may cover all individuals described in paragraph (a) of this section or reasonable classifications of those individuals. Examples of reasonable classifications are as follows:

(1) Individuals in foster homes or private institutions for whom a public agency is assuming a full or partial financial responsibility. If the agency covers these individuals, it may also provide Medicaid to individuals of the same age in foster homes or private institutions by private nonprofit agencies.

(2) Individuals in adoptions subsidized in full or in part by a public agency.

(3) Individuals in nursing facilities when nursing facility services are provided under the plan to individuals within the age group selected under this provision. If the agency covers these individuals, it may also provide Medicaid to individuals in intermediate care facilities for individuals with intellectual disabilities.

(4) Individuals receiving active treatment as inpatients in psychiatric facilities or programs, if inpatient psychiatric services for individuals under 21 are provided under the plan.

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

(6) Would have been eligible for Medicaid before the adoption agreement was entered into, if the eligibility standards and methodologies of the 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 paragraph (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.


§ 436.229 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 §436.3; or

(b) Reasonable categories of these individuals.

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§ 436.230 Essential spouses of aged, blind, or disabled individuals receiving cash assistance.

The agency may provide Medicaid to the spouse of an individual receiving OAA, AB, APTD, or AABD, if—

(a) The spouse is living with the individual receiving cash assistance;

(b) The cash assistance agency has determined that the spouse is essential to the well-being of the individual and
Subpart D—Optional Coverage of the Medically Needy

§ 436.300 Scope.

This subpart specifies the option for coverage of medically needy individuals.

§ 436.301 General rules.

(a) A Medicaid agency may provide Medicaid to individuals specified in this subpart who:

(1) Either:
   (i) Have income that meets the standard in §436.811; or
   (ii) If their income is more than allowed under the standard, have incurred medical expenses at least equal to the difference between their income and the applicable income standards; and

(2) Have resources that meet the standard in §§436.840 and 436.843.

(b) If the agency chooses this option, the following provisions apply:

(1) The agency must provide Medicaid to the following individuals who meet the requirements of paragraph (a) of this section:
   (i) All pregnant women during the course of their pregnancy who, except for income and resources, would be eligible for Medicaid as mandatory or optional categorically needy under subparts B and C of this part;
   (ii) All individuals under 18 years of age who, except for income and resources, would be eligible for Medicaid as mandatory categorically needy under §436.124. The woman is considered to remain eligible if she meets the spend-down requirements in any consecutive budget period following the birth of the child.
   (iii) Specified relatives (§436.310).
   (iv) Disabled (§436.322).

(2) The agency may provide Medicaid to any or all of the following groups of individuals:
   (i) Individuals under age 21 (§436.308).
   (ii) Specified relatives (§436.310).
   (iii) Aged (§436.320).
   (iv) Blind (§436.321).

(3) If the agency provides Medicaid to any individual in a group specified in paragraph (b)(2) of this section, the agency must provide Medicaid to all individuals eligible to be members of that group.


§ 436.308 Medically needy coverage of individuals under age 21.

(a) If the agency provides Medicaid to the medically needy, it may provide Medicaid to individuals under age 21 (or at State option, under age 20, 19, or 18) as specified in paragraph (b) of this section:

(1) Who would not be covered under the mandatory medically needy group of individuals under 18 under §436.124. The woman is considered to remain eligible if she

(b) The agency may cover all individuals in paragraph (a) of this section or