



**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
**Health Care Financing Administration**

**Center for Medicaid and State Operations**  
**7500 Security Boulevard**  
**Baltimore, MD 21244-1850**

August 17, 1998

Dear State Medicaid Director:

I am writing to inform you that a final regulation with comment was published in the Federal Register on August 7, 1998 that gives States increased flexibility to coordinate TANF and Medicaid eligibility for low income families under section 1931 of the Social Security Act. A copy of the regulation is attached to this letter.

Prior regulations allowed States to provide Medicaid coverage to single parent families regardless of the number of hours that the parent was working but did not allow States to provide Medicaid coverage to two parent families in which the principal wage earner was working more than 100 hours per month. The regulation removes this 100 hour limitation.

The only exception to this limit had been for States which had received an AFDC waiver which could then be carried over to Medicaid. With this regulatory change, all States will be able to provide health care coverage under Medicaid to virtually all TANF recipients and to continue that health coverage after a parent has found employment.

This past June, the Administrator of HCFA and the Assistant Secretary for Children and Families wrote you and TANF Administrators urging you to seek out innovative ways to coordinate the administration of and eligibility for your TANF and Medicaid programs. This regulatory change provides another tool that you can use to more effectively coordinate these two programs. We urge you once again to invest every possible effort in reaching out to low-income families and in facilitating the enrollment of all eligible children.

Sincerely,

/s/

Sally K. Richardson

Director

cc:

Nolan Jones, National Governors' Association

Lee Partridge, American Public Human Services Association

Joy Wilson, National Conference of State Legislatures