



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

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

September 22, 1997

Dear State Medicaid Director

**IMPLEMENTATION OF SECTION 1931 OF THE SOCIAL SECURITY ACT**

We are writing to remind you of our policy concerning implementation of 1931 of the Social Security Act (the Act) and to urge you to submit a State plan amendment adding the 1931 eligibility group to your Medicaid State plan, if you have not already done so. Section 1931 was added to the Act by the Personal Responsibility and Work Opportunity Act of 1996 (P.L. 104-193) on August 22, 1996. It established a new mandatory Medicaid eligibility group of low income families with children.

Eligibility requirements for the new 1931 eligibility group are related to certain requirements in your approved Aid to Families with Dependent Children (AFDC) State plan in effect on July 16, 1996. Section 1931 provides States several options to make changes to these eligibility requirements. I have enclosed a [letter to our regional administrators](#) in which we explain these options in some detail and provide a draft State plan amendment as a suggested format for adding the 1931 group to the Medicaid State plan. (This letter was also distributed to State eligibility staff at the National State-Federal Eligibility Workshop in Boston in August.)

Until we receive a State plan amendment adding the 1931 group to your State plan, we assume that you are using the requirements of your July 16, 1996 AFDC State plan. (If your State was operating under a welfare reform demonstration project on July 16, 1996, the term "July 16, 1996 AFDC State plan" means the actual AFDC State plan in effect on that date. The term does not mean the welfare reform demonstration project.) We realize that a number of States have continued to use these July 16th requirements and have not submitted a State plan amendment because of the need for State legislation before any changes could be made. Once State legislation has been enacted, we urge these States to submit an amendment as soon as possible.

If you have any questions about this letter or we can be of any assistance in implementing 1931, please call Judy Rhoades at (410) 786-4462.

Sincerely,

/s/

Sally K. Richardson

Director

Center for Medicaid and State Operations

Enclosure

cc: All HCFA Regional Administrators All HCFA Associate Regional Administrators for Medicaid and State Operations  
Lee Partridge - American Public Welfare Association Joy Wilson - National Conference of State Legislature Jennifer  
Baxendell - National Governors' Association