



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

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

November 25, 1998

Dear State Medicaid Director:

The purpose of this letter is to urge States to implement strategies to improve coordination between the Medicaid program and the programs of the Ryan White Comprehensive AIDS Resources Emergency Act (CARE). We strongly encourage States to make effective use of strategies to coordinate the services each program provides in order to serve individuals with human immunodeficiency virus (HIV) disease and acquired immunodeficiency disease (AIDS) more effectively and efficiently. This letter specifically addresses the need for State Medicaid agencies to cooperate with Ryan White grantees to ensure that Medicaid pays for Medicaid-covered services for Medicaid-eligible individuals with HIV disease to conserve the limited funds appropriated for Ryan White programs. Also, we are requesting that you designate a contact person in your agency for Ryan White grantees and to coordinate Ryan White issues.

Generally, State Medicaid agencies are required to pay for covered health care needs of individuals with HIV disease when such individuals become eligible for the Supplemental Security Income (SSI) program, or meet the SSI definition of disability and the financial requirements of the optional medically needy program. Alternatively, HIV-positive individuals may qualify for Medicaid by meeting the other categorical and financial tests for Medicaid eligibility (e.g., women, children, and the elderly) regardless of their HIV status.

In addition, State Public Health Departments are responsible for developing a comprehensive plan for HIV/AIDS services under the CARE Act. Although there are no statutory income restrictions for receiving CARE Act services, the statute mandates that CARE Act programs be the payor of last resort. However, CARE Act funds may be used to pay for care provided to Medicaid beneficiaries if the State's Medicaid program does not cover a particular service benefit, or if a beneficiary's service needs are greater than the amount of services available under Medicaid.

Under 42 C.F.R. 431.615, Medicaid programs are to coordinate activities between the Medicaid agency and the State Health Department. In States in which Title II of the CARE Act, including the AIDS Drug Assistance Program (ADAP), is administered by the Health Department, State Medicaid agencies should enter into agreements with the Health Department to ensure cooperation between programs in all appropriate areas including eligibility determinations, program data exchange, and provision of services. The model agreement sent to State Health Officers and State Medicaid Directors from the Administrator of the Health Care Financing Administration (HCFA), the Administrator of the Health Resources and Services Administration (HRSA) and the Director of the Centers for Disease Control and Prevention on October 22 may be used for this purpose.

There are considerable opportunities for the Medicaid and CARE Act programs to work together to effectively coordinate the services each program provides. For example, through a collaborative effort, these programs could develop a comprehensive continuum of care for persons with HIV disease that includes outreach, primary care services, prescription drugs, laboratory services, home-and community-based health care and related support services, and inpatient services when necessary.

Coordination between the Medicaid and CARE Act programs and their providers of service can eliminate duplication of services, save the States' and the Ryan White Program's limited funds, and ultimately serve individuals with HIV disease more effectively and efficiently.

The Ryan White CARE Act Amendments of 1996 recognized the significant need for coordination between the two programs by requiring that the HIV Health Services Planning Council for Ryan White Title I Eligible Metropolitan Areas (EMA) have a representative from the State's Medicaid agency.

In cooperation with HRSA, we have identified several opportunities for Medicaid/Ryan White cooperation which are listed below:

- Develop procedures under a cooperative agreement with the State Health Department consistent with Medicaid regulations at 42 C.F.R. 431.300-307 to enable Ryan White programs to identify Medicaid eligibles to ensure coordination of benefits. This may include online access to Medicaid eligibility files.

- Develop mechanisms for reimbursing Ryan White programs for expenditures on individuals who are found to be retroactively eligible for Medicaid.
- Provide information and training to Ryan White grantees on the requirements for Medicaid eligibility.
- Work with Ryan White grantees to develop joint Ryan White/Medicaid applications, to screen Ryan White applicants and refer them for a Medicaid eligibility determination when appropriate, and develop a method for providing feedback on the determination to the Ryan White program.
- Outstation Medicaid eligibility workers at Ryan White grantee sites.
- Work with Ryan White grantees and managed care organizations to ensure a continuum of care for persons with HIV disease that avoids duplication of services and provides optimal service by qualified providers to beneficiaries.
- Develop managed care contract language that ensures that traditional providers such as Ryan White grantees will be considered for inclusion in managed care organizations, and/or that services provided to beneficiaries be coordinated with Ryan White grantees.

In 1995, under a HCFA-funded contract, the National Governors' Association surveyed States to identify a number of areas where there is an opportunity for Medicaid and CARE Act programs to collaborate. Although the nature of the epidemic and the treatment regimens have changed vastly, many of the practices identified in the survey remain relevant. A copy of that April 1995 report is enclosed for your information.

We are also enclosing for your information a report being released by HRSA concurrently with this letter that offers additional suggestions for Ryan White/Medicaid cooperation, and provides extremely useful background information on the subject.

We are requesting that you designate a contact person from your agency to coordinate these activities with Ryan White grantees and the ADAP program, and to coordinate the input provided to Ryan White Planning Committees from the Medicaid agency in States which have more than one Title I EMA. Please provide the name, title, address, telephone number, and e-mail address of your designee to both appropriate State Health Department staff and me by December 31.

One of HCFA's objectives is to ensure that Medicaid-eligible individuals living with HIV disease are provided quality health care. In partnership with you, the State Health Departments, Ryan White Grantees, and HRSA, I feel assured that this objective can be met.

Sincerely,

/s/

Sally K. Richardson

Director

2 Enclosures

cc:

Director White House Office of AIDS Policy

All HCFA Regional Administrators

All HCFA Associate Regional Administrators for Medicaid and State Operations

Director, HIV/AIDS Bureau, Health Resources and Services Administration

Lee Partridge American, Public Human Services Association

Joy Wilson, National Conference of State Legislatures

Nolan Jones, National Governors' Association

Joseph Kelly, Deputy Executive Director National Alliance of State and Territorial AIDS Directors

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