



HIV/AIDS Bureau

August 10, 2000

Dear Colleague:

We have strongly encouraged Ryan White Comprehensive AIDS Resources Emergency Act (CARE) grantees to make effective use of strategies to coordinate between our program and Medicaid. The purpose of this letter is to clarify several aspects of that collaboration.

Generally, State Medicaid agencies are required to pay for covered health care services for individuals with HIV disease when such individuals become eligible for the Supplemental Security Income (SSI) program or the Supplemental Security Disability Income program (SSDI), e.g. meets the Social Security Administration's definition of disability. Two thirds of the States also permit certain individuals to "spend down" to Medicaid eligibility by deducting their out of pocket medical expenses from their income. This is called the Optional Medical Needy Program. Alternatively, HIV-positive individuals who are not yet so ill as to be rendered disabled, 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.

CARE Act funds may be used to pay for services to Medicaid beneficiaries if the State's Medicaid program does not cover a particular service benefit. However, since the CARE Act is the **payor of last resort**, CARE Act funded services may not be used to pay for Medicaid covered services for Medicaid beneficiaries.

Grantees and their contractors who provide Medicaid covered services must be Medicaid certified. Additionally, Grantees and their contractors are expected to vigorously pursue Medicaid enrollment for individuals who are likely eligible for Medicaid coverage. Furthermore, Grantees and their contractors must seek payment from Medicaid when they provide a Medicaid covered service for Medicaid beneficiaries, and Grantees and their contractors must also backbill Medicaid for CARE Act funded services provided to Medicaid eligible clients when Medicaid eligibility is determined.

Please refer to the Health Care Financing Administration's Web page ([www.hcfa.gov/medicaid/HIV/HIVhome.htm](http://www.hcfa.gov/medicaid/HIV/HIVhome.htm)) that provides detailed information about the relationship between Medicaid and the Ryan White CARE Act, and other HIV-related Medicaid issues. If you have further questions about collaboration with Medicaid programs, please contact your project officer.

Sincerely,

/Joseph F. O'Neill, M.D., M.P.H./

Joseph O'Neill, M.D., M.P.H.  
Associate Administrator