

Using MI706 Funds for Health Care Needs of Foster Children

Background

The MI706 process (known as the Custody Medical Care Program at the Department of Health) was established to ensure that children in DCFS custody who are not or have not been determined eligible for Medicaid are able to obtain necessary health care services without delay.

The program is designed to process costs through the Medicaid system, when possible, and to pay outside health care providers for services for qualified children when funding cannot come from Medicaid. The funding pays for costs in three categories:

- (a) Medicaid covered services for foster children who are not eligible or who have not been determined eligible for Medicaid,
- (b) Services not covered by Medicaid regardless of the foster child's Medicaid eligibility, and
- (c) Services provided by non-Medicaid providers regardless of the foster child's Medicaid eligibility.

Of course, financially speaking, *it's best when medical services for foster children can be obtained through Medicaid.* (When services are covered through Medicaid, the Federal government pays approximately 71% of the costs of service, with state funds paying the remaining 29%.) In most cases, when Medicaid doesn't cover the care, all of the costs are paid with state funds.

The MI706 fund will only pay after all other sources have been exhausted. A child's private insurance, client trust account monies, and Medicaid must be utilized first.

Getting Authorization for the MI706

Authorization for use of MI706 funds can come at three different points in time:

- First, when a child enters foster care, a DCFS eligibility worker will check PACMIS to determine if the child is currently open for Medicaid. If the child is not currently open for Medicaid, the eligibility worker will issue an MI706, usually for a one-month period of time to enable the child's health care needs to be met during the period prior to Medicaid eligibility being established.

Once eligibility is determined, if the child is Medicaid eligible, any costs that were originally paid through the MI706 will be reprocessed and paid by Medicaid, if allowable. DCFS will be credited for any costs recouped through Medicaid.

If a child cannot qualify for Medicaid (such as an undocumented alien), the eligibility worker will continue to authorize MI706 coverage to pay for the child's medical care while the child is in state custody. These children are usually open for a six-month period of time to allow for research on alien status.

- Second, if a foster child needs services that aren't normally covered by Medicaid, the caseworker needs to request an MI706 from the regional health care coordinator in advance. The health care coordinator will first research to see if there is any way to get coverage through Medicaid or another source. Sometimes these services can be funded through a special Medicaid program called EPSDT. If Medicaid or another source cannot cover the costs, the nurse will prepare an MI706 to authorize payment for the services.

In addition, if a child is on a trial home placement and the foster care Medicaid case was closed, the caseworker needs to request an MI706 from the regional health care coordinator to cover each specific medical need not covered through another Medicaid program, CHIP, or the family's health insurance. *It's very important that caseworkers work with the family to ensure that the child's health care needs can be met at home, including when the child is on a trial home placement. The reunification plan should require the family to apply for Medicaid or CHIP if health insurance is not available.*

The Regional Director will have to approve the MI706 form for any services that will cost over \$500.

- Third, occasionally, a foster child will receive services not covered by Medicaid without a request first going to the regional health care staff. In addition, sometimes a foster child will be taken to a non-Medicaid provider or a provider outside of the child's Medicaid health plan by a foster parent or caseworker. *Both of these situations unnecessarily cost the Division additional state funds.* Because of this, when a child receives non-Medicaid services that were not prior authorized through the regional health care coordinator or when a child is taken to a non-Medicaid provider, the caseworker is responsible to complete the MI706 request form and must get authorization for payment from the regional director.

It's important that **all** foster child medical costs being processed through DCFS be charged to the MI706 funding account, when not paid directly by Medicaid. DOH makes every effort to negotiate with providers for a reduced rate or for Medicaid health plan coverage when out of plan, even for non-covered services. In some offices, it has been the practice to charge these costs to a miscellaneous special-needs code. *This practice should immediately be stopped because it may result in lost funds for the Division.*