Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

INTERSTATE COMPACT ON ADOPTION AND MEDICAL ASSISTANCE

JUNE GIBBS BROWN
Inspector General

JUNE 1996
OEI-02-95-00040

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EXECUTIVE SUMMARY

PURPOSE

To assess how membership in the Interstate Compact on Adoption and Medical Assistance (ICAMA) affects States' efforts to protect the interests of special needs adopted children who move from one State to another.

BACKGROUND

Adopted Children with Special Needs

The Administration for Children and Families (ACF) has asked the Office of Inspector General (OIG) to look at a number of issues regarding interstate compacts, including the advantages to State membership in the Interstate Compact on Adoption and Medical Assistance and how non-member States are handling cases of special needs adopted children.

The Adoption Assistance and Child Welfare Act established a federally aided adoption assistance program under IV-E of the Social Security Act that provides contributions to State subsidies given to parents who adopt special needs children. These children are entitled to adoption assistance payments and medical assistance (Medicaid), both of which offset some of the extra expense of raising a special needs child. If children are covered by IV-E and move to another State, they must be issued a Medicaid card by the State to which they move.

Interstate Agreements

A State enters into adoption assistance agreements with adoptive parents which must contain "provisions for the protection . . . of the interests of the child in cases where the adoptive parents and child move to another State." A State may enter into an interstate compact or use some other mechanism to fulfill this requirement. The States, however, are not required to join a compact and no guidelines or definitions are offered for the other mechanisms they may employ.

The Interstate Compact on Adoption and Medical Assistance (ICAMA) established a formal mechanism to ensure that Title IV-E children continue to receive medical and other services on an interstate basis, as envisioned under the Adoption Assistance Act. The compact has the force of law within and among member States. Currently, 30 States are members of ICAMA.

We gathered information from the ICAMA administrators in all 29 States that were members of the compact and representatives from 21 non-member States in 1995. We also interviewed selected advocacy groups, ACF staff, American Public Welfare Association representatives, and a few adoptive parents to gain their insights on issues of IV-E children moving.

FINDINGS

ICAMA Membership Provides States with Significant Administrative Advantages in Maintaining Medical Assistance for Adopted Children with Special Needs

Member States benefit from the following administrative advantages: active involvement in assisting IV-E children, an accessible contact person, standard forms and instructions, the ability to issue timely Medicaid cards, good coordination, and an active Secretariat. As a result, virtually all member States are satisfied with the compact. In contrast, most non-member States do not enjoy these benefits.

Despite the Advantages of Compact Membership, More Than Half of the Non-Member States See No Need to Join

Most non-member States are satisfied with their system and think it is easy for IV-E children who move into their State to get a new Medicaid card. Many non-member States are reluctant to join the compact. They feel the compact offers these children no additional medical or financial benefits. Non-member States point to increased staff time and ICAMA dues as disadvantages to joining.

Some non-member States nevertheless feel positively about the compact, noting possible advantages of an improved or quicker process in handling IV-E cases and a contact person. In fact, four non-member States are planning to join the compact and six more say it is possible they will join in the future.

CONCLUSION

Overall, we conclude that compact membership is advantageous to States and families with IV-E children. We recognize that it is each State's prerogative to join the compact. We also recognize that such considerations as a State's size and organizational structure may discourage the State from joining. However, even if a State elects not to join the compact, it may still benefit by adopting some of the compact's procedures, such as designating a contact person to whom other States and family members can turn for information and assistance. States that elect not to join might also consider using mechanisms for further educating parents and local Medicaid workers about IV-E benefits and the obligations that States have to IV-E children moving across State lines.

The ACF may want to inform all States of the administrative benefits of compact membership and the resulting benefits to IV-E families. We suggest that ACF work with the compact's Secretariat and adoption advocacy groups to disseminate this information. We believe that compact membership is worthwhile and encourage the States that are planning to join to do so as expeditiously as possible.

COMMENTS

We received favorable comments from ACF on the draft report. They believe it will be a useful tool for them to encourage State membership and to positively impact on States' efforts to protect the interests of adopted children with special needs. The actual comments received are included in Appendix B.

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INTRODUCTION

PURPOSE

To assess how membership in the Interstate Compact on Adoption and Medical Assistance (ICAMA) affects States' efforts to protect the interests of special needs adopted children who move from one State to another.

BACKGROUND

The Administration for Children and Families (ACF) has asked the Office of Inspector General (OIG) to look at a number of issues regarding interstate compacts, including the advantages to State membership in ICAMA and how non-member States are handling cases of special needs adopted children.

The Adoption Assistance and Child Welfare Act

In 1980 Congress amended Title IV of the Social Security Act with the Adoption Assistance and Child Welfare Act (P.L. 96-272). The Adoption Assistance Act established a federally aided adoption assistance program under Title IV-E of the Social Security Act. It provides Federal contributions to State subsidies given to parents who adopt special needs children. Special needs children (hereafter referred to as "Title IV-E children") are children who are eligible for Aid to Families with Dependent Children or Supplemental Security Income and who are defined by the State as having special needs. "Special needs" refers to factors that make a child difficult to place for adoption, such as having emotional or behavioral problems, being part of a large sibling group, being a member of a minority, having developmental problems or having serious medical conditions. Title IV-E children are entitled to adoption assistance payments and medical assistance (Medicaid), both of which offset some of the extra expense of raising a special needs child.

In order for a State to receive Federal contributions it must enter into adoption assistance agreements with the adoptive parents. A State that does so is called the adoption assistance State. These written agreements must meet certain Federal requirements, such as specifying the nature and amount of any adoption assistance payments and services to be provided. The agreement must also contain "provisions for the protection . . . of the interests of the child in cases where the adoptive parents and child move to another State while the agreement is effective." A State may enter into an interstate compact or use some other mechanism to fulfill this requirement. The Adoption Assistance Act directs the Secretary of Health and Human Services to encourage and assist States to enter into interstate compacts so that the interests of Title IV-E children are adequately protected if the child moves to another State. The States, however, are not required to join a compact and no guidelines or definitions are offered for the other mechanisms they may employ.

It is important that a child continue to receive adoption assistance payments and medical assistance (Medicaid) when they move to a new State just as they would if they moved from

one place to another within the same State. Continuation of the adoption assistance payments is not a problem since the adoption assistance State (the State the child moves from) can easily mail the payments to the child's address in the new State (hereafter referred to as "residence State"). Continuing medical assistance, however, is more complicated. It is almost impossible to find health care providers who will accept another State's Medicaid card. Therefore, the child needs a new card issued in the new residence State as soon as possible. Ideally, there should be no delay.

Interstate Compact on Adoption and Medical Assistance

In the absence of Federal guidelines, nine States, with ACF's help, adopted the Interstate Compact on Adoption and Medical Assistance (ICAMA) in 1986. The compact established a formal mechanism to ensure that Title IV-E children continue to receive medical and other services on an interstate basis, as envisioned under the Adoption and Assistance Act. The compact has the force of law within and among member States. It provides uniform procedures and forms to conduct interstate transactions. Each member State must designate a compact administrator who is responsible for the operation of the compact. The administrator processes ICAMA forms and serves as an information resource. Currently, 30 States are members of ICAMA. Appendix A contains population data of member and non-member States.

The compact is administered by the Association of Administrators of the Interstate Compact on Adoption and Medical Assistance (AAICAMA) under a cooperative agreement with ACF. The American Public Welfare Association (APWA) acts as the compact's Secretariat under a subcontract with the AAICAMA. The Secretariat provides technical assistance to compact members and helps handle interstate problems involving the provision of services and benefits for interjurisdictional adoption cases falling under the compact.

Consolidated Omnibus Reconciliation Act

The Consolidated Omnibus Reconciliation Act (COBRA) of 1986 mandated that residence States confer Medicaid eligibility to children who have Title IV-E adoption assistance agreements with another State. This means that children covered by an adoption assistance agreement in one State must be issued a Medicaid card by the State to which they move. COBRA did not, however, provide interstate administrative guidance for this transfer process. COBRA also gives States the option of providing Medicaid to children who are not IV-E eligible but who are adopted pursuant to State-funded adoption subsidy programs and meet certain criteria.

METHODOLOGY

We conducted telephone interviews in 1995 with the ICAMA administrators in all 29 States that were then members. Texas has just recently joined the compact, bringing the total membership up to 30 States. At the time of data collection, however, Texas was not a member and therefore is treated as a non-member State in this report. We asked each administrator about the process that takes place when Title IV-E children move into and out

of his or her State. We also discussed the administrator's experiences with ICAMA, the advantages and disadvantages of being a compact member, and how the compact could be improved.

In this inspection, States belonging to the compact are referred to as member States while States not in the compact are called non-member States.

We also conducted telephone interviews with an adoption specialist, or other representative from the State's office responsible for youth and family services, from 21 of the 22 non-member States, including Washington, D.C. One State refused to be interviewed. We discussed what the States are doing to protect the interstate interests of Title IV-E children and how those processes are working. We also asked the 21 non-member States why they had not joined the compact and what they see as the compact's advantages and disadvantages.

We asked each State to provide us with any written policies and procedures they use in processing interstate cases. We developed a review sheet to evaluate the States' written policies and procedures to determine their clarity, thoroughness, and degree of detail. We also asked for other supporting documentation. This included any cost-benefit analysis they may have done regarding membership in the compact (no State had done any), any data they may have on how many days it takes the State to issue a Medicaid card to incoming Title IV-E children, and the numbers of IV-E children they have moving into or out of their State. The APWA provided additional data on the numbers of IV-E children who have moved across State lines. (See Appendix A).

We constructed an index of State involvement in IV-E cases using data from the telephone interviews and written policies and procedures. This index was based on four key variables: whether the State, at the State level, is generally aware that a IV-E child has moved into the State; whether the State, at the State level, knows when a child moves out; whether the State in some way notifies the family that they are IV-E and are entitled to medical assistance in their new State; and whether the State or local level sends paperwork to the new State for families moving out. A State earned one point for a positive action on each variable. For instance, if a State usually sends the family's adoption assistance agreement to the State the family is moving to, the State would earn one point for that variable. Since there were four variables, scores could range from 0 to 4 points.

Finally, we interviewed selected advocacy groups, ACF staff, an APWA representative, and three parents who have adopted a total of ten IV-E children to gain their insights on issues of IV-E children moving. The experiences of the parents interviewed include the four possible moving scenarios: member State to member State; member State to non-member State; non-member to member; and non-member to non-member.

This inspection was conducted in accordance with the **Quality Standards for Inspections** issued by the President's Council on Integrity and Efficiency.

FINDINGS

ICAMA MEMBERSHIP PROVIDES STATES WITH SIGNIFICANT ADMINISTRATIVE ADVANTAGES IN MAINTAINING MEDICAL ASSISTANCE FOR ADOPTED CHILDREN WITH SPECIAL NEEDS

Member States benefit from the following administrative advantages in their efforts to maintain IV-E children's medical assistance: active involvement, a contact person, standard forms and instructions, the ability to issue timely medical cards, good coordination, and an active Secretariat. As a result, virtually all member States are satisfied with the compact.

Member States are More Actively Involved than Non-member States in Assisting IV-E Children

Interviews with States and a review of member State procedures show that member States are actively involved in ensuring that IV-E children maintain their medical assistance when they move across State lines. The State's compact administrator takes an active role whether the IV-E child is moving out of or into his or her State. Most compact administrators report spending less than two hours a week on compact duties. When a IV-E child moves out of a member State, the administrator verifies the child's IV-E status and sends the appropriate paperwork to the new State of residence. When a IV-E child moves into a member State, the administrator is usually notified and facilitates the issuing of new Medicaid cards. If a IV-E child moves from one member State to another the transition can be completed by mail, and the family does not have to go to any Medicaid offices in either State.

Non-member States, on the other hand, often do not know when a IV-E child leaves their State. When they are aware a child is moving out, over half of the non-member States (11 of 21) advise the family to go to the Medicaid office in the new residence State to apply for a Medicaid card, thus placing the responsibility for maintaining assistance on the family. In five non-member States, when a IV-E child moves out, the local offices will notify their State office, and one of the two offices will send some paperwork, such as a letter regarding IV-E status, to the new residence State.

Two-thirds of the non-member States say they are usually unaware on a State level when a IV-E child moves into their State, especially from other non-member States, because it is handled at a local level. In many cases, the State may only become aware of the case if the family or adoption assistance State calls with a complaint. Often the State office, when aware a IV-E child is moving in, will refer the case to the local office. In many instances, however, the family has to find their own way to the local office. Only three non-member States say they will issue the Medicaid card and take care of the case at the State level.

The index of State involvement we have developed, as described in the Methodology, is based on two indicators of active notification and two indicators of awareness at the State level. State scores on the index show the contrast between active member States and much less active non-member States. Based on one point for each indicator in which the State is

actively involved, possible scores range from zero to four. We consider scores of three or more to indicate relatively high involvement and scores of two or less to show relatively low involvement. As Table 1 below shows, 93 percent of the member States score three or more compared to only 29 percent of the non-member States. Conversely, 71 percent of the non-member States score relatively low on the index while only four percent of member States do. A major reason the non-member States score lower is that while most member States (79 percent) usually handle IV-E cases at the State level, fewer non-member States do (33 percent).

Table 1
Scores on Index of Active State Involvement with IV-E Cases

SCORE	MEMBER STATES	NON-MEMBER STATES	TOTAL
4	26 (90%)	1 (5%)	27
3	1 (3%)	5 (24%)	6
2	1 (3%)	10 (48%)	11
1	0	4 (19%)	4
0	0	1 (5%)	1
n/a	1* (3%)	0	1
TOTAL	29 (100%)#	21 (100%)#	50

*One member State could not be scored due to lack of information
Percentages do not add up to 100 due to rounding

Handling IV-E cases at the local level creates more opportunity for problems and inconsistency. One problem non-member States identify is that families have difficulty finding the appropriate office to go to in their State, thereby delaying the process of getting a new card. A few non-member States point out that in non-member States the office that handles IV-E is not always located in the adoptions unit and, therefore, is more difficult to track down.

Some member States say it is not uncommon for non-member States to advise a IV-E family to go to a local Medicaid office in their residence State but not tell them the child has IV-E status. One adoptive mother tells the story of going to the local office in her new residence State, which is a non-member, and having to fill out a Medicaid application. She was told that eligibility depended on income. The mother was sophisticated enough in IV-E matters to know the case worker was mistaken. Once the supervisor was brought in, the case was handled properly. Unfortunately, if a IV-E family is not familiar with the law, or is not aware their child is IV-E, the child may not receive a new Medicaid card. One State tells a story of a family that moved from a non-member State and lived in the new State for 2 years before learning they could get Medicaid in the residence State. Another State recalls a case of a IV-E child being in her State for 8 or 9 months before the family happened to visit a local office and learned the child was eligible for Medicaid.

Non-member States are more likely than member States to feel handling cases of IV-E children moving is burden. Seven (33 percent) of the 21 non-member States say it is a burden compared with 3 (10 percent) of the 29 member States. All but one of the non-member States feeling burdened handle the IV-E cases on the local level.

In Contrast to Non-member States, Member States Have an Accessible Contact Person

The process for continuation of medical assistance is made easier, both for States and IV-E children, by the existence of an ICAMA contact person in each member State. Along with other compact duties, the compact administrator serves as the contact person whom States and IV-E families can contact for information and assistance. A majority of member States (18 of 29) say that having a contact person available to answer questions and provide assistance makes the move easier for IV-E families and lessens the stress of the move. Some non-member States (4 of 21) agree, saying IV-E children in their State would benefit from having a contact person if the State joined ICAMA.

Most member States (24) believe that having a contact person is one of the biggest advantages to compact membership in that it helps facilitate communication between States. Many member States say that having a contact is also one of the reasons why they prefer to work with member States over non-member States when dealing with IV-E children.

Many member States (12) consider not having a contact in non-member States a major problem, one that could make a move more difficult for a IV-E family. Several member States complain of spending many hours on the phone trying to track down the right person to talk with about a IV-E case, especially in States that handle IV-E at the local level. This was confirmed during this study when we often experienced problems finding the person responsible for IV-E cases in non-member States. Reaching these people in member States, in comparison, was much easier.

Member States Have Standard Forms, Instructions and Procedures, While Those Used by Non-member States are Inconsistent

Standard forms and instructions facilitate a smooth administrative process when IV-E children move between member States. All member States follow standard procedures and use the same four ICAMA forms to process incoming or outgoing IV-E children. These forms serve the following functions: to report on the IV-E child's status; to take the place of a Medicaid application in the residence State; to notify States and adoptive families that the necessary information has been sent to the new residence State so Medicaid cards can be issued; and to give notice to the adoption assistance State that a Medicaid case has been opened in the new residence State. The ICAMA forms have clear guidelines for their completion and distribution, and instructions for sending the appropriate supporting documentation, such as the current adoption assistance agreement. The Association of Compact Administrators and the Secretariat are currently working on further streamlining the forms.

While all member States use ICAMA forms, about half (14 of 29) have additional policies and procedures to clarify the process in their State. Most of these policies and procedures clearly detail the steps to be taken when a IV-E child moves into or out of the State. Policies from 6 of the 14 member States are comprehensive with precise instructions.

About half of the non-member States (10 of 21) also have written policies and procedures. Although most of the 10 outline the steps to follow when a IV-E child moves into or out of the State, only half specify the documentation to expect from an adoption assistance State. Three of the 10 States have comprehensive policies and procedures with precise instructions. All the written policies and procedures we received from States verify the information we were told in the telephone interviews.

Membership Helps States Issue Timely Medicaid Cards

Since member States recognize ICAMA forms as eligibility for Medicaid, the card can be issued without delay when both States are members of the compact. When States do not use standard forms and procedures it is more probable that the documentation the child brings to the new residence State will be incomplete and the family will experience delays in getting a new card in the new State, whether member or non-member. Fourteen member States say it takes longer to issue cards to children from non-member States. They say the children coming from these States often do not have proper documentation of IV-E status and getting the documentation can be time-consuming, especially if there is no contact person in the adoption assistance State. One member State reports that when a child comes without a copy of the adoption assistance agreement it can take more than 6 months to get the necessary documentation to issue a new card.

Five non-member States agree that not getting the proper documentation poses problems for their State in issuing new cards. They also feel getting the documentation is burdensome. Non-member States do not agree, however, that it generally takes longer to issue cards to children coming from other non-member States. Almost all of them (19) say it takes the same amount of time to issue cards to children coming from non-member States as it does for children coming from member States. Five of these non-member States say that their local offices issue cards, thereby making it difficult to say how long it takes. Only two non-member States say it takes longer when they are dealing with a child from a non-member State.

Most States have guidelines or requirements that they must issue Medicaid cards to those eligible within a given timeframe, such as 1 month or 45 days. States do not keep data on how long it takes to issue individual cards. Many States issue cards only at certain times of the month. For instance, one State may issue cards on the 15th of every month so if someone applies on the 8th and is deemed eligible, he or she may get the card in a week. If that same person had applied on the 20th, he or she would have to wait until the 15th of the following month to receive the card. All States report some way of accommodating an emergency if the applicant cannot wait to get the card.

Comparison of issuance time before and after membership in the compact is limited due to the way cards are issued and the lack of systematic data. Of the 17 member States that could compare, just over half (9) say it took longer for their State to issue a Medicaid card before their State joined the compact than it does now. Eight member States think it takes the same amount of time. The remaining 12 member States could not say how long it took to issue a card before the compact.

Most member States (23) feel that, since they joined the compact, it has been easier for IV-E children who move into their State to get a Medicaid card. The main reasons for this, according to the States, is the improved administrative process and contact person. Three notice no change and the remaining States could not offer an opinion. All member States agree, however, that IV-E children benefit from the compact. They think it offers better service to families, which is why most member States joined.

The majority of member States (18) say there are no problems issuing a new card to IV-E children who move into their State. The problems they do see mostly involve insufficient documentation from other States, usually non-members.

Coordination is Easier with Member States

Membership in ICAMA facilitates coordination among States. In contrast to non-member States, when a IV-E child moves out of a member State, that member State will notify the residence State the child is coming. Almost all (27) member States and 17 non-member States report that when a IV-E child moves from a member State into theirs, they find out from the other State's compact administrator. Member States point out that they can begin the necessary paperwork right away if they know a child is coming. This helps ensure no lapse in assistance for the child. On the other hand, most member States say they usually find out about children moving from a non-member State only when the family visits the local office in the new State. Non-member States also say that they are usually unaware when a IV-E child moves into their State from another non-member State. When they do find out, it is through their local office or the other non-member State might call them.

Twenty-one member States believe the compact usually helps resolve problems between States. The compact has the force of law in and among member States so these States can turn to the compact and its standards when questions arise, which might happen when an inexperienced compact administrator is learning the process.

Coordination is more difficult when a non-member State is involved in a move. Problems between States are more likely to occur if one of those States is a non-member. While only a few (4) non-member States complain of problems with member States, almost three times as many (11) non-member States complain of problems with non-member States. The contrast is even greater with member States: 4 member States report major problems with other member States while 21 report major problems with non-member States. Problems often involve the lack of a contact person and incomplete IV-E documentation.

A majority of both member (24) and non-member States (12) prefer to work with member States over non-member States. They give the following reasons: the ICAMA members are easy to work with and are very helpful; member States have a contact person; member States send the correct paperwork; and member States are more knowledgeable about IV-E. No State, member or non-member, prefers to work with non-member States over member States.

An Active Secretariat is Another Compact Benefit

The compact's Secretariat helps States to better serve IV-E children. All States that volunteer an opinion, 21 members and 4 non-members, feel positively about the Secretariat. According to these States, the Secretariat helps resolve compact issues, offers technical assistance to member and non-member States, and disseminates information on a variety of adoption matters in the form of issue briefs. States appreciate the Secretariat's annual conference that addresses many adoption issues. Member States, non-member States, child welfare advocates, adoptive parents, and other concerned parties attend the conference and are given the opportunity to learn and network.

Member States are Satisfied with Compact

Almost all member States are satisfied with the compact: 20 are very satisfied, while 8 are somewhat satisfied and 1 State is neither satisfied nor dissatisfied. None are dissatisfied. Member States cite many advantages to compact membership, such as an improved administrative process when IV-E children move, information sharing and networking, and better service for families. Most member States (20) say the compact has no disadvantages. Six member States cite the annual dues as a disadvantage.

Membership does not present an administrative hardship for States. Most member States (26) do not feel managing the compact is burdensome. The three member States that say it is burdensome blame it on lengthy forms, which are currently being revised. Over half of the member States (16) report spending 1 hour or less a week performing ICAMA duties. Another five spend between 1 and 2 hours. The number of IV-E children in their State does not seem to have an effect on the amount of time spent. Of those 23 member States with data, 5 of the 6 with the largest IV-E population say they spend 1 hour or less on ICAMA.

Almost all member States (27) feel all States should be ICAMA members. When asked for suggestions for improving the compact, 14 member States call for increased membership. Another suggestion made by many is for all member States to elect the COBRA option and grant Medicaid eligibility to non-IV-E special needs children. These children are deemed "special needs" by their State, but since they are not IV-E, they are not covered by the Adoption Assistance and Child Welfare Act and therefore not guaranteed Medicaid eligibility when they move to another State. In many cases, member States have agreed to offer eligibility to non-IV-E children who come from other States that will reciprocate and offer eligibility to their non-IV-E cases. Some member States cite this reciprocity as another compact advantage.

DESPITE THE ADVANTAGES OF COMPACT MEMBERSHIP, MORE THAN HALF OF THE NON-MEMBER STATES SEE NO NEED TO JOIN

Non-member States tend to be large, such as California, Florida, Illinois, New York, and Ohio. (See Appendix A). Two-thirds of the non-member States handle interstate IV-E cases at the local level. Only one-third handle them at the State level.

Most Non-member States are Satisfied with their System

More than half of the non-member States (12 of 21) say they experience no problems in issuing a new Medicaid card. In general, non-member States (17) are satisfied with how they are handling IV-E cases. Several could not offer any suggestions for improving their system. A few suggest adding staff.

Most (18) non-member States think it is easy for IV-E children who move into their State to get a new Medicaid card. Many of these States (8 of 18) cite a lack of complaints as evidence. Others say it is easy because their State has a good process. Some non-member States (four) concede that it is easy only if the family knows where to go and difficult if they do not.

Many Non-member States are Reluctant to Join the Compact

When asked why they have not joined ICAMA, 12 States (57 percent) say they see no need to become members because they are already handling their IV-E cases and they have no problems issuing a new medical card. They feel the compact would not benefit IV-E children. They say that, by law, IV-E children are eligible for Medicaid in their residence State and the compact offers these children no additional medical or financial benefits. Some of them feel that there are too few children involved to justify the possible increased administrative costs. Others point to difficulty with their State legislature as an obstacle to joining the compact. However, some of these same States do admit that membership might make the IV-E process smoother.

Eight non-member States say a disadvantage to joining the compact is the amount of staff time they feel is needed to administer the compact. A comparison of hours spent in both member and non-member States, however, shows non-member States report they spend roughly the same amount of hours handling IV-E cases as member States. Dues is another concern among non-member States. ICAMA dues are $3000 a year, $1500 of which is reimbursed by the Federal government.

Non-member States give a variety of incentives the compact would need to offer to get their State to join, including staff, money, more services for children, or some other benefit that would convince the decision makers in the State to join.

However, a Few States Plan to Join and Others are Considering It

Some non-member States nevertheless feel positively about the compact. More than half (16) of the non-member States note advantages to ICAMA. The most frequently mentioned advantage is an improved or quicker process in handling IV-E cases. Another frequently mentioned advantage is the contact person the compact requires. Some States say joining the compact might improve information sharing, provide better service to children, and facilitate getting the correct, complete paperwork. In fact, for these same reasons, four non-member States are planning to join the compact and six more say it is possible they will join in the future.

CONCLUSION

Overall, we conclude that compact membership is advantageous to States and families with IV-E children. We recognize that it is each State's prerogative to join the compact. We also recognize that such considerations as a State's size and organizational structure may discourage the State from joining. However, even if a State elects not to join the compact, it may still benefit by adopting some of the compact's procedures, such as designating a contact person to whom other States and family members can turn for information and assistance. States that elect not to join might also consider using mechanisms for further educating parents and local Medicaid workers about IV-E benefits and the obligations that States have to IV-E children moving across State lines.

The ACF may want to inform all States of the administrative benefits of compact membership and the resulting benefits to IV-E families. We suggest that ACF work with the compact's Secretariat and adoption advocacy groups to disseminate this information. We believe that compact membership is worthwhile and encourage the States that are planning to join to do so as expeditiously as possible.

COMMENTS

We received favorable comments from ACF on the draft report. They believe it will be a useful tool for them to encourage State membership and to positively impact on States' efforts to protect the interests of adopted children with special needs. The actual comments received are included in Appendix B.

APPENDIX A

Population Data of Member and Non-member States+

State (Member States are in ***bold***)	Population 1990	# of IV-E children out of State 1994	# of IV-E children in State 1994	Total IV-E adopted children
Alabama	4,040,587	25	197	222
Alaska	550,043	96	215	311
Arizona	3,665,228	107	721	828
Arkansas	2,350,725	5	249	254
California	29,760,021	*	*	13109
Colorado	3,294,394	177	1127	1304
Connecticut	3,287,116	*	*	*
Delaware	666,168	41	147	188
D.C.	606,900	*	*	*
Florida	12,937,926	*	*	4026
Georgia	6,478,216	116	922	1038
Hawaii	1,108,229	35	84	119
Idaho	1,006,749	57	174	231
Illinois	11,430,602	583	4076	4659
Indiana	5,544,159	*	*	892
Iowa	2,776,755	*	*	*
Kansas	2,477,574	*	*	*
Kentucky	3,685,296	231	845	1076
Louisiana	4,219,973	50	1145	1195
Maine	1,227,928	*	*	*
Maryland	4,781,468	*	*	*
Massachusetts	6,016,425	355	*	*

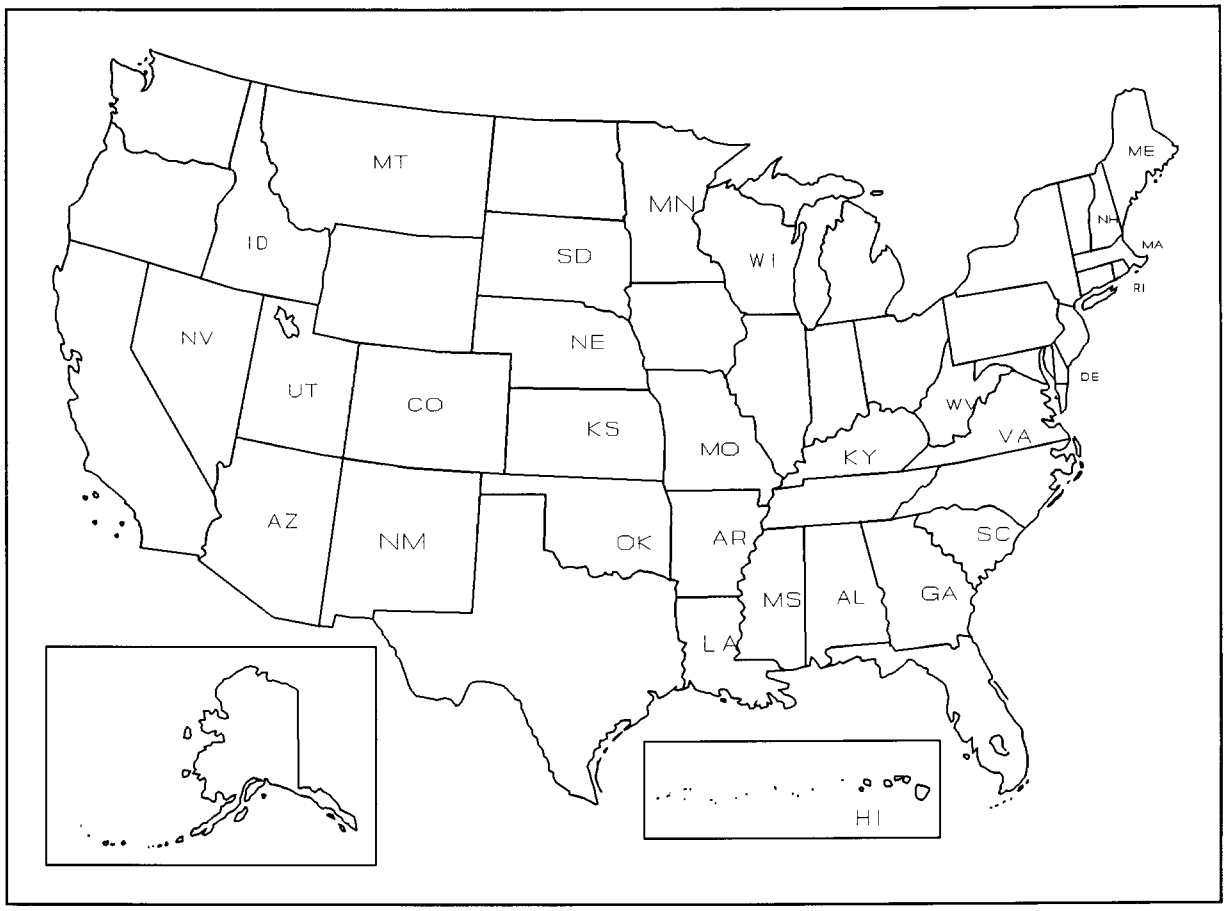
State (Member States are in ***bold***)	**Population 1990**	**# of IV-E children out of State 1994**	**# of IV-E children in State 1994**	**Total IV-E adopted children**
Michigan	9,295,297	*	*	*
Minnesota	4,375,099	217	1053	1270
Mississippi	2,573,216	20	220	240
Missouri	5,117,073	*	*	*
Montana	799,065	*	*	*
Nebraska	1,578,385	97	456	553
Nevada	1,201,833	64	133	197
New Hampshire	1,109,252	*	*	325
New Jersey	7,730,188	346	1891	2237
New Mexico	1,515,069	159	650	809
New York	17,990,455	*	*	*
North Carolina	6,628,637	*	*	*
North Dakota	638,800	27	116	143
Ohio	10,847,115	*	*	*
Oklahoma	3,145,585	69	611	680
Oregon	2,842,321	353	1503	1856
Pennsylvania	11,881,643	*	*	*
Rhode Island	1,003,464	82	506	588
South Carolina	3,486,703	50	716	766
South Dakota	696,004	98	321	419
Tennessee	4,877,185	50	723	773
Texas	16,986,510	502	2921	3423
Utah	1,722,850	11	363	374
Vermont	562,758	40	360	400
Virginia	6,187,358	*	*	*
Washington	4,866,692	*	*	*

State (Member States are in ***bold***)	**Population 1990**	**# of IV-E children out of State 1994**	**# of IV-E children in State 1994**	**Total IV-E adopted children**
West Virginia	1,793,477	32	136	168
Wisconsin	4,891,769	100	1609	1709
Wyoming	453,588	*	*	83

+ Table is based on 1990 census data and State-reported data of IV-E children as of June, 1994

* Data not available

MAP OF MEMBER STATES



APPENDIX B

COMMENTS

DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of the Assistant Secretary, Suite 600
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

May 13, 1996

TO: June Gibbs Brown
Inspector General

FROM: Mary Jo Bane
Assistant Secretary
for Children and Families

SUBJECT: OIG Draft Report: "Interstate Compact on Adoption and Medical Assistance," OEI-02-96-00040

Congratulations on a well done draft report. Your conclusion that "Interstate Compact on Adoption and Medical Assistance membership provides States with significant administrative advantages in maintaining medical assistance for title IV-E adopted children with special needs" supports our work to encourage States to join the Compact.

Over the past three years, Children's Bureau staff have worked very closely with the Compact Secretariat through a cooperative agreement. We have been very pleased with the increase in member States, the excellent materials produced to keep members informed, and the Secretariat's demonstrated ability to resolve problems between States (both member and non-member) that impact on services for title IV-E children and their adoptive families.

We have encouraged States to join the Compact through our Regional Office staff and at meetings with the States. Your published report will give us an excellent tool to use and disseminate among member and non-member States to encourage membership and to positively impact on their State's efforts to protect the interests of children with special needs and their adoptive families when they move from one State to another.

IO	
BAIO	
PDIO	
DIO-AS	✓
DIO-EI	
DIO-OI	
DIO-MP	
AIO-CFAA	
OGC/IO	✓
EXSEC	✓
DATE SENT	5-14