

Katie Beckett Programs in Select States

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Issue

This report describes Katie Beckett programs in Minnesota, Rhode Island, and Wisconsin. It includes information on enrollment, services, and cost for each state.

Summary

Katie Beckett programs allow states to provide Medicaid services to children and young people with disabilities who would otherwise be ineligible for Medicaid due to their household's income.

Minnesota, Rhode Island, and Wisconsin implement their Katie Beckett programs through an option made available under the federal Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA, P.L. 97-248, § 134). This law allows states to provide Medicaid benefits to anyone who meets the following criteria:

1. under 19 years of age and qualifies as a person with a disability under federal Social Security laws;
2. requires a level of care comparable to the care provided in a hospital, skilled nursing facility, or intermediate care facility for people with developmental disabilities; and
3. for whom the cost for care in the home would not be more than Medicaid would pay for the child's care in a medical institution (42 U.S.C. § 1396a(e)(3)).

For states that use this option, Katie Beckett benefits are an entitlement for all who qualify, and states may not use a waitlist for enrollment.

For FY 24, Minnesota's Katie Beckett program served 2,240 enrollees per month on average, at a cost of \$58,431,530 (including state and federal funds), or approximately \$2,174 per month, per

child. When compared to similar information published in a 2020 report, enrollment has decreased and per-child costs have increased. Children enrolled in this option receive the same benefits as children enrolled in standard Medicaid in Minnesota. Recently, the legislature eliminated a cost-sharing requirement for families (“parental fees”), effective July 1, 2023.

In Rhode Island, 760 people were enrolled in the Katie Beckett program as of September 2024. Of these, 679 receive limited case management services, for which the state pays \$126 per month in premiums, and “wrap-around” fee-for-service benefits that are not covered by the enrollee’s parents’ or guardians’ insurance, for which the state paid on average approximately \$1,820 per month, per child, or \$14,826,648 total in FY 24. The remaining 81 enrollees are enrolled in Rltc Care full benefits, for which the state pays \$4,442 per child, per month in premiums.

In Wisconsin, approximately 13,500 children are currently enrolled in the state’s Katie Beckett program. Benefits under the program are the same as those in the Medicaid state plan. Cost information was not immediately available. Katie Beckett enrollees may also be eligible for services under two additional programs. Children who qualify can enroll in either or both programs in addition to Katie Beckett at the same time, but different rules may apply on which services are covered through each program when using the programs together or with other health benefits.

States may deliver these benefits through a managed care entity or on a fee-for-service basis. Generally, under a managed care delivery system, states contract with managed care plans to cover all or most Medicaid-covered services for Medicaid enrollees. States pay the entity administering the plan (typically a managed care organization (MCO)) a per-member, per month amount to cover a defined set of services. Under a fee-for-service model, the state pays providers directly for each covered service delivered to a Medicaid enrollee.

Minnesota

Children enrolled in Minnesota’s Katie Beckett program receive the same benefits as children enrolled in standard Medicaid in Minnesota and almost all receive these services through a fee-for-service basis. Minnesota provides this coverage under its Medicaid state plan with no limit on the number of children who can participate ([Minn. Stat. § 256B.055\(12\)](#)).

According to state Department of Human Services (DHS) staff, approximately 2,240 people received Katie Beckett services in FY 24, at a total cost of \$58,431,530 (including state and federal funds), or approximately \$26,086 per child.

This appears to show a decrease in enrollment and an increase in per-child costs since 2020. According to [a December 2020 DHS report](#), in FY 20, 3,381 children in Minnesota were enrolled in the TEFRA Option, at a cost of \$55,690,644, or approximately \$16,472 per child.

According to the report, Minnesota also provides coverage to certain children with disabilities through Medicaid home- and community-based services (HCBS, or 1915(c)) waivers. The waiver programs offer services beyond standard Medicaid benefits provided under the TEFRA Option.

The report states:

“The TEFRA Option is a separate program and has different eligibility requirements than the [HCBS] waiver programs, which enable people with disabilities to receive care in the community rather than an institution. Children with disabilities who qualify for the TEFRA Option may also qualify for a waiver program, but they may not be enrolled in both at the same time.”

In 2023, the legislature eliminated a cost-sharing requirement for families (“parental fees”) ([Minn. Stat. § 252.27](#); see also [DHS Bulletin #23-21-21](#)). Before July 1, 2023, the law required parents to pay a fee on a sliding scale based on parents’ adjusted gross income. This change applied to children receiving services under the TEFRA Option or HCBS waivers.

Rhode Island

Since 2009, Rhode Island has operated its entire Medicaid program under [a Section 1115 demonstration waiver](#). This type of Medicaid waiver allows the Centers for Medicare & Medicaid Services to waive federal requirements for states seeking to test new approaches while maintaining federal funding. Rhode Island provides most of its Medicaid services through managed care, but still provides some services to certain populations using a fee-for-service model. Rhode Island’s Medicaid managed care plan for families with children, pregnant women, and children under age 19 is known as [Rlte Care](#) and it is administered by three MCOs ([Tufts Health Plan](#), [Neighborhood Health Plan of Rhode Island](#), and [United Healthcare Community Plan](#)).

Within that context, the state operates [its Katie Beckett program](#) as a TEFRA state plan option, administered by the state’s [Executive Office of Health and Human Services](#) (EOHHS). As described in state regulations for this program, children with alternative forms of coverage are provided services on an fee-for-service basis. Children without this coverage are enrolled in a Rlte Care Plan ([R.I. Code R. § 210-50-10:3.6](#)).

As of September 2024, 760 people were enrolled in the program. According to EOHHS staff, of these, 679 have “access to alternative health insurance coverage, such as a parent’s employer

sponsored family coverage. These children receive their acute care services (e.g., hospital, primary care services, pharmaceuticals, etc.) from their commercial plan with Medicaid wrapping around this coverage with certain long-term home and community-based care not traditionally covered with commercial insurance.” According to staff, the number of wrap-around services can vary significantly based on the child’s acuity and the parent’s need for respite services. In FY 24, the state paid on average approximately \$1,820 per month, per child, or \$14,826,648 total for these wrap-around services.

These enrollees also receive case management services for which the state pays \$126 per member, per month. (Additionally, [a 2022 settlement agreement](#) required a separate organization ([Cedar Family Center](#)) to provide care coordination, person-centered planning, and other services to all Katie Beckett enrollees. The settlement arose from a complaint from parents that triggered a U.S. Department of Justice investigation under the federal Americans with Disabilities Act. Among other things, the agreement required the state to reasonably modify, review, and amend its Katie Beckett policies and related materials to ensure that enrollees who are eligible for certain services receive adequate and appropriate services and supports in the most integrated setting appropriate for their needs.)

The remaining 81 enrollees receive full Rltc Care benefits, for which the state pays \$4,442 per child, per month in premiums to MCOs.

Once a child is determined eligible for Medicaid through the Katie Beckett program, state regulations authorize necessary home-based services ([R.I. Code R. § 210-50-10:3.6](#)). Services available to Katie Beckett enrollees and other children with special health care needs include [home based therapeutic services, personal assistance services and supports, and respite](#), among other things.

Wisconsin

Wisconsin’s Katie Beckett program (“Katie Beckett Medicaid”) provides access to full benefit fee-for-service Medicaid, including primary and acute care services, home health services, medical supplies and equipment, and personal care services. The state’s [Department of Health Services](#) (DHS) administers the program. According to DHS staff, services are those provided under the Medicaid state plan.

According to DHS staff, approximately 13,500 children are currently enrolled in Katie Beckett Medicaid in Wisconsin. Cost information was not immediately available.

The state also offers two other programs for children with disabilities that may serve children enrolled in Katie Beckett Medicaid:

1. [Children's Long-Term Support \(CLTS\) Program](#), [a Medicaid 1915\(c\) waiver program](#) that provides home- and community-based services, including coordination, community supports, and respite; and
2. [Children's Community Options Program \(CCOP\)](#), a non-Medicaid program that provides supplementary services, including community and family supports and equipment.

[According to DHS](#), children who qualify can enroll in [either or both programs in addition to Katie Beckett Medicaid](#) at the same time, but different rules may apply on which services are covered through each program when using the programs together or with other health benefits.

Resources

Minnesota Department of Human Services, "[Stakeholder Recommendations for Improving Medical Assistance under the TEFRA Option](#)," December 2020.

Washington State Health Care Authority, "[Tax Equity and Fiscal Responsibility Act \(TEFRA\) and Katie Beckett Waivers: Options to Provide Medicaid to children in need of Medicaid Coverage and Services in the Home](#)," October 15, 2020.

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