



Tax Equity and Fiscal Responsibility Act (TEFRA)

TEFRA is a program that can help pay for the cost of Medicaid services for eligible children with disabilities.



TEFRA is a “cost-sharing” Medicaid program, meaning that families pay a monthly premium based on their income. In some instances, TEFRA will pay for the full cost of service.

What Services are Provided through the TEFRA Program?

TEFRA provides financial assistance to families for all services covered under the Medicaid State Plan to ensure beneficiaries have access to needed medical care. These services may include:

- Personal Care
- Primary care physician
- Durable medical equipment
- Physical, occupational, and speech therapy
- Physician specialists
- Pharmacy
- Nursing services
- Family planning
- Inpatient psychiatric
- Outpatient behavioral health counseling

What are the Eligibility Requirements for TEFRA Services?

To be eligible to receive services, applicants must meet **all** of the following requirements:

- **Age:** Be age 18 or younger.
- **Medical Necessity:** The program covers children with substantial disabilities. The child’s disability must meet the Supplemental Security Administration’s definition of disabled or be established by Arkansas’ Medical Review Team.
- **Appropriateness of Care:** The child must have a condition that would require care in a hospital or facility or be at risk of facility placement, but their needed medical services must be appropriate to provide outside an institution.
- **Financial:** The child’s income must fall within established financial limits. Parental income and resources are not considered to determine eligibility but are considered for cost-sharing

Who is Responsible for Administering the TEFRA Program?

The TEFRA program is administered by multiple divisions within the Department of Human Services (DHS), including the Division of Medical Services (DMS) and the Division of County Operations (DCO).