



**State of New Jersey**

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES  
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*Commissioner*

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JOHN R. GUHL  
*Director*

**MEDICAID COMMUNICATION NO. 10-06      DATE: July 19, 2010**

**TO:** County Welfare Agency (CWA) Directors  
Institutional Services Section (ISS) Area Supervisors  
CWA Medicaid Supervisors

**SUBJECT:** Clarification of Medicaid Communication 10-02: Return of  
Transferred Assets/Resources

This Medicaid Communication is issued to clarify Medicaid Communication 10-02 regarding the Federal Statute U.S.C. § 1396p(c)(2)(C). Applicants or recipients for Medicaid programs subject to the resource "look back" period and assessment must comply with Federal Statute U.S.C. § 1396p(c)(2)(C). This statute states:

**(2)** An individual shall not be ineligible for medical assistance by reason of paragraph (1) to the extent that...

**(C)** A satisfactory showing is made to the state (in accordance with regulations promulgated by the Secretary) that (i) the individual intended to dispose of the assets either at fair market value, or for other valuable consideration, (ii) the assets were transferred exclusively for a purpose other than to qualify for medical assistance, or **(iii) all assets transferred for less than fair market value have been returned to the individual.**"

The above is applicable to transfers for less than fair market value and adjustments to the penalty period cannot be made absent the return of all assets. A partial return of assets may have resulted in a reduced penalty period for Medicaid applications filed prior to May 26, 2010 where assets were partially returned prior to May 26, 2010.

If you have any questions regarding this Medicaid Communication, please refer them to the Division's Office of Eligibility Policy field service staff for your agency at 609-588-2556.

Sincerely,



John R. Guhl  
Director

JRG:E

c: Jennifer Velez, Commissioner  
Department of Human Services

Kevin Martone, Deputy Commissioner  
Department of Human Services

William Ditto, Executive Director  
Division of Disability Services

Jeanette Page-Hawkins, Director  
Division of Family Development

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Department of Health and Senior Services