



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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MEDICAID COMMUNICATION NO. 14-15

DATE: December 19, 2014

TO: County Welfare Agency (CWA) Directors

SUBJECT: Qualified Income Trusts (QIT)

The State of New Jersey is adopting the use of Qualified Income Trusts (QITs) to qualify for the Medicaid Only program effective December 1, 2014. Beginning December 1, 2014, the Medically Needy program will no longer be accepting new applications to cover nursing facility services. Individuals who were receiving nursing facility benefits through the Medically Needy program prior to December 1, 2014 will be permitted to maintain their coverage as long as they remain otherwise eligible and remain in the nursing facility. Using QITs, all individuals in need of institutional services under Managed Long Term Services and Supports (MLTSS), may now receive nursing facility services or Home and Community Based Services including assisted living.

QITs were established by the Omnibus Budget Reconciliation Act of 1993 and are cited in the Social Security Act at Section 1917 (d)(4)(B). QITs are Trust documents tied to a special bank account. The primary function of a QIT is to disregard an individual's income above 300% of the Federal Benefit Rate (FBR). In order for this income to be disregarded, it MUST be deposited monthly into the QIT bank account. Checks deposited into the QIT bank account must include the entire dollar amount of that income source, (for example, a social security check for \$1,000 cannot be broken into \$500 inside the Trust and \$500 outside the Trust), the entire check must be deposited inside or outside the Trust.

Medicaid eligibility for MLTSS using a QIT may be approved after the following processes are complete:

- Medicaid application is processed including a resource assessment and five-year look back by the CWA;
- QIT is established, funded and approved by the CWA to ensure compliance with federal regulations;
- Pre-admission Screening (PAS), for an institutional level of care, is determined by the Division of Aging Services (DoAS).

QITs may be established for an individual by a lawyer or by using the QIT template posted on the Division of Medical Assistance and Health Services (DMAHS) website. Also on the website, are Frequently Asked Questions (FAQs) and a letter to banks with information to assist individuals, or their representatives, in opening a QIT bank account. All the website documents are attached for your review along with a QIT Checklist that is required to be used by the CWAs to review the QIT documents. After QIT documents are approved, the completed Checklist shall be retained in the case file along with the QIT document. Copies of QIT documents and the completed checklist must also be faxed to the DMAHS, Office of Legal and Regulatory Affairs (OLRA) for monitoring. The OLRA fax number is 609-588-7343.

QIT documents must include the following provisions:

- The QIT must contain only income of the individual;
- The QIT must not contain resources such as money from the sale of real or personal property or money from a savings account;
- The QIT must be irrevocable;
- The QIT must have a trustee to manage administration of the Trust and expenditures from the Trust as set forth in federal and state law;
- New Jersey must be the first beneficiary of all remaining funds up to the amount paid for Medicaid benefits upon the death of the Medicaid recipient;
- Income deposited in the QIT can only be used for the specific Post-eligibility Treatment of Income and to pay for the Medicaid beneficiary's cost share.

All income is counted in the Post-eligibility Treatment of Income. This means income that is disregarded inside the QIT bank account and income outside the QIT bank account. The order of deductions for the Post-eligibility Treatment of Income, as outlined in federal regulations, are as follows:

- Personal Needs Allowance or Maintenance Needs Allowance (based on your living arrangement);
- Spousal and family member maintenance allowances;
- Allowance for uncovered state approved medical expenses;
- Health insurance premiums;
- Cost share.

A trustee fee may be paid if there is money remaining in the QIT bank account after all Post-eligibility expenses and cost share are paid. The trustee fee may be up to 6% of the income deposited into the QIT bank account each month. All post-eligibility expenses and cost share will be paid out by the trustee whether the income is inside or outside the QIT bank account. If there is a balance left after these expenses are paid, it must remain in the QIT bank account and the individual may be subject to transfer penalties at redetermination.

The web-enabled Patient Responsibility (PR) application will be used to calculate the Post-eligibility Treatment of Income and cost share. Currently, CWAs are using the PR-1 for nursing facilities and the PR-2 for assisted living facilities. A new PR-3 form has been developed to be used for individuals receiving MLTSS services in their own home. The new PR-3 form is attached and CWAs will need to process them manually until it is available for use on-line. The trustee must receive a copy of the PR form from the Medicaid beneficiary, or their authorized representative, initially and upon each redetermination or change in circumstance.

The cost share amounts will be paid out monthly by the trustee either to the nursing facility, the assisted living facility or for individuals receiving services in their own homes, to the OLRA at:

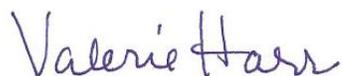
Treasurer, State of NJ,
Division of Revenue
Attn: Processing Bureau
Lockbox 656
200 Woolverton Avenue, Building 20
Trenton, NJ 08646.

The CWAs will continue to send a copy of the PR forms to the appropriate facility and now also will fax the PR-3 form to the OLRA for individuals living in their own homes. The PR-3 form should be faxed along with the QIT documents to OLRA at 609-588-7343.

Redeterminations must continue to be completed by the CWA at least once every 12 months. At that time, the trustee shall be required to provide two copies of the monthly bank statements for the previous year. Trustees also must provide a full accounting of the QIT bank account when they are no longer able to continue their trustee duties, when the beneficiary has passed away or when the QIT is no longer valid.

Please look for additional Medicaid Communications for further policy clarifications. 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,



Valerie Harr
Director

VH:km

c: Jennifer Velez, Commissioner
Department of Human Services

Dawn Apgar, Deputy Commissioner
Division of Developmental Disabilities

Lowell Arye, Deputy Commissioner
Aging and Community Services

Lynn Kovich, Assistant Commissioner
Division of Mental Health and Addiction Services

Joseph Amoroso, Director
Division of Disability Services

Jeanette Page-Hawkins, Director
Division of Family Development

Allison Blake, Commissioner
Department of Children and Families

Mary E. O'Dowd, Commissioner
Department of Health

QUALIFIED INCOME TRUSTS

A Qualified Income Trust can only be used for applications filed on or after _____ [INSERT DATE]_____.

The Division of Medical Assistance and Health Services (DMAHS) provides this information to assist prospective Medicaid applicants and their attorneys by describing basic information about the use of a qualified income trust (QIT) (sometimes referred to as a "Miller" Trust) to establish income eligibility for Managed Long-Term Services and Supports (MLTSS). A model instrument is included at the end of this document to provide an example of a QIT that meets DMAHS requirements when properly completed. This form meets the basic DMAHS requirements for a QIT; however, it is not the only acceptable QIT form, and it may have consequences beyond eligibility for Medicaid that an applicant would want to consider.

DMAHS attorneys are prohibited from giving legal advice to the public. DMAHS, county and State vendor eligibility workers, supervisors and other DMAHS employees are prohibited from advising anyone by recommending specific actions to become eligible for Medicaid as doing so may constitute the unauthorized practice of law.

This information is not intended as legal or tax advice, and persons seeking information on the legal or tax consequences of these documents are encouraged to consult a lawyer or other professional of their choosing. DMAHS and eligibility determination agencies will only review trust documents in connection with the processing of a Medicaid application. The review by DMAHS or an eligibility determination agency is limited to whether the trust meets the requirements for a Medicaid QIT. Other actions by the applicant and/or trustee may impact Medicaid eligibility and have consequences, including but not limited to termination, imposition of a transfer penalty and/or recovery of incorrectly paid benefits.

Persons with low or limited income may be able to obtain legal counsel through their local Legal Aid office or local bar association.

Caution

A QIT should not be confused with other types of trusts that are commonly used in connection with the receipt of Medicaid or other public benefits. The information here does not address these other types of trusts, such as a "Special Needs" trust that may be created for a person with a disability under age 65 who wishes to shelter resources in order to become or remain eligible for Medicaid or other public benefits.

Income that is properly diverted through a QIT is not counted in determining the eligibility for Medicaid for Managed Long Term Services and Supports (MLTSS), but this income is not disregarded in the post-eligibility treatment of income or in determining eligibility for other Medicaid benefits. Such income also may not be disregarded in determining eligibility for non-Medicaid public benefits programs.

Although the use of a QIT can help when income that is above the special income limit for Medicaid eligibility, a QIT does not address other eligibility requirements for institutional and home and community-based waiver services, such as citizenship, residency, medical necessity and the applicant's countable resources. A person with more than \$2,000 in countable resources is not eligible for benefits, and this resource eligibility requirement is not affected by the use of a QIT.

This information is based in part on informal guidance by the federal Centers for Medicare & Medicaid Services (CMS). CMS has not adopted any federal regulations relating to QITs, and CMS' guidance and interpretations could therefore change without advance public notice or any opportunity for advance public comment.

The _____ Irrevocable Qualified Income Trust
[full legal name of primary beneficiary]

Grantor, _____ [name of the person establishing the Trust], residing in _____ County, _____ [state], hereby creates a Trust, to be known as the _____ [name of primary beneficiary] Qualified Income Trust, (hereafter referred to as "the Trust"), created consistent with the requirements in 42 U.S.C. §1396p(d)(4)(B) and to be governed by the terms set out below:

Trust Purpose

The primary beneficiary of the Trust is _____, born on _____, residing in _____ County, New Jersey. The purpose of this Trust is to achieve income eligibility for the primary beneficiary for medical assistance under Title XIX of the federal Social Security Act (hereafter referred to as "Medicaid"). The primary beneficiary must meet the eligibility criteria under New Jersey Medicaid standards, including the standards applicable to Qualified Income Trusts. The Trustee must perform all acts necessary to maintain the primary beneficiary's eligibility for Medicaid and comply with New Jersey's standards for Qualified Income Trusts. This Trust must be presented to the Medicaid eligibility determining agency at time of application for benefits.

Trust Funding

The income to be placed in the Trust is the income received by _____ [primary beneficiary] from the following sources:

1. _____
2. _____
3. _____

No property may be placed in the Trust other than income from the primary beneficiary's pensions, Social Security, or other income sources. The Trust may receive any or all of the primary beneficiary's income. The entire amount of the income allocated to the Trust shall be deposited directly in the trust account or deposited in the trust account in the same month the income is received by the primary beneficiary.

Trust Disbursements

No expenditures shall be made from the Trust except in accordance with this paragraph. The Trustee shall make distributions from the trust in amounts and for the purposes necessary to maintain the income eligibility of the primary beneficiary for Medicaid. Consistent with the requirements of the Medicaid program that require all income including any income that is not placed in the Trust be used for post eligibility expenses, the Trustee shall make payments from the Trust in the following priority, no later than the last day of the calendar month in which the income is received by the Trust:

1. A monthly personal or maintenance needs allowance for the primary beneficiary;
2. A sum to the spouse of the primary beneficiary, sufficient to provide but not exceed the minimum monthly maintenance needs allowance for the spouse as determined by the eligibility determination agency, and, if applicable, the maintenance needs deduction for family dependents;
3. Incurred medical expenses of the primary beneficiary as determined by the New Jersey Medicaid program;
4. The cost of medical assistance provided to the primary beneficiary;

The Trustee may expend not more than \$20 a month for banking costs to administer the trust. After payment of all of the above expenses, the Trustee may claim a fee of up to 6% of the income paid to the trust that month as compensation. Fees not taken during the month cannot be taken in a subsequent month.

Any other payments from the Trust shall invalidate the Trust under 42 U.S.C. §1396p(d)(4)(B) and the income of the primary beneficiary placed in this Trust will be counted towards the Medicaid eligibility limit.

Trustee Appointment, Resignation or Removal

_____ [full legal name of initial trustee] shall serve as Trustee of the Trust. Trustee's contact information is:

Address _____

Phone number(s): _____

In the event the Trustee resigns, becomes legally incapacitated or dies while serving, _____ [name of successor trustee], whose current address is _____, shall serve as successor trustee. If there is no named Trustee eligible or willing to serve as Trustee, any interested person may apply to the primary beneficiary of the Trust in order to be appointed Trustee. The primary beneficiary may not serve as Trustee. If the primary beneficiary is incompetent and has no guardian or attorney-in-fact, then any interested person may petition the court for the appointment of a successor trustee. No bond shall be required for any Trustee. The Trustee shall have all powers given to a Trustee by New Jersey law.

No resignation by the Trustee shall be effective until he or she provides an informal accounting and a successor Trustee shall have accepted appointment and qualified to serve as Trustee. The eligibility determination agency must be notified by the resigning trustee of his resignation, and must immediately be provided with a final accounting and the contact information for the new trustee. The resigning trustee shall also provide this documentation and information to the remainder beneficiary, the Division of Medical Assistance and Health Services, Recovery Unit, Mail Code #6, PO 712, Trenton, NJ 08625-0712.

Accounting

The Trustee shall provide two copies of the accounting of the trust annually to the eligibility determination agency in conjunction with the redetermination of primary beneficiary's Medicaid eligibility. The informal accounting shall include a detailed listing (date, check number, amount, payee or payor) and explanation (as needed) of all trust receipts and trust disbursements, the balance remaining in the trust, and a copy of the bank statements for the trust.

The Trustee shall account in the same manner as described above whenever the primary beneficiary's Medicaid eligibility is reviewed due to a change in income, resources or other circumstances.

Irrevocability

This Trust is irrevocable. The Trust's assets, income and distributions shall not be subject to anticipation, assignment, pledge, sale or transfer in any manner. The primary beneficiary shall not have the power to anticipate or encumber the Trust's assets, income or distributions. The Trust's assets, income and distributions shall not, while in the possession of the Trust, be liable for, or subject to the debts, contracts, obligations, liabilities or torts of the primary beneficiary.

Termination

The Trust shall terminate when the primary beneficiary ceases to receive Medicaid benefits provided by the State of New Jersey. Upon termination of the Trust, the Trustee shall notify the New Jersey Department of Human Services, Division of Medical Assistance and Health Services and shall distribute to the Division or its successor agency any remaining trust property up to an amount equal to the total Medicaid expenditures paid on behalf of the primary beneficiary by the Division, reduced by any previous recoveries made by the Division of such Medicaid expenditures. The Division shall not be required to take any action for this payment to be due and owing. Payment shall be made payable within 30 days of notification by the Division of the amount due, to "Treasurer, State of NJ" and mailed to:

Division of Revenue (NJDMAHS)
Lockbox 656
200 Woolverton Ave., Bldg 20
Trenton, NJ 08646
Attn: Processing Bureau.

No provisions in the trust shall permit the trustee to first repay other persons or creditors at the death of the beneficiary. The trust shall not pay for burial expenses after the death of the primary beneficiary. Only what remains in the trust after the distribution to the Division has been made shall be considered available for other trust expenses or beneficiaries of the estate. After any payment to the Division as specified in this section, the Trustee shall distribute any remaining trust property to _____ [name(s) of distributee(s)]. Note, if primary beneficiary is not competent at the time this trust is established, no contingent distributee can be named.

Signed the _____ day of _____ 20____.

Grantor

Trustee

STATE OF NEW JERSEY
COUNTY OF

I CERTIFY that on this _____ day of _____, 20____,

_____ [Grantor],
personally came before me and
acknowledged under oath, to my
satisfaction, that the person:

- (a) is named in and personally
signed the attached document; and
- (b) signed, sealed and delivered
this document as his act and deed.

Notary

STATE OF NEW JERSEY
COUNTY OF

I CERTIFY that on this _____ day of _____, 20____,

_____ [Trustee],
personally came before me and
acknowledged under oath, to my
satisfaction, that the person:

- (a) is named in and personally
signed the attached document; and
- (b) signed, sealed and delivered
this document as his act and deed.

Notary

SCHEDULE A

Funds being deposited into Qualified Income Trust:

<u>Source</u>	<u>Amount</u>
---------------	---------------

Social Security	
-----------------	--

Pension	
---------	--

Other	
-------	--

Total:

Location of Trust Bank Account:

Bank: _____

Bank Routing Number: _____

Account No. _____

Account Title: _____

Initial Deposit Amount: \$ _____

Initial Deposit Dated: _____



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Director

Memo to New Jersey Banks Regarding Qualified Income Trusts

New Jersey's Medicaid program, administered by the Division of Medical Assistance and Health Services, NJ Department of Human Services, is implementing a financial eligibility policy that will allow higher income persons seeking long-term care services and supports, who cannot afford the private cost of such care, to place income that is above the allowable Medicaid income limit into a Qualified Income Trust. See 42 U.S.C. 1396p(d)(4)(B) (also known as a "Miller Trust" from the case Miller v. Ibarra, 746 F. Supp. 19 (D. Colo. 1990)). The income that is placed in the Trust will not be considered for the financial eligibility determination. The income deposited each month into the Qualified Income Trust must then be paid out each month for the Medicaid beneficiary's specified post-eligibility expenses.

Additional information on Qualified Income Trusts can be found on the Medicaid agency's website at: <http://www.state.nj.us/humanservices/dmahs/clients/mtrusts.html>.

Due to the nature of a Qualified Income Trust, generally almost all income deposited into the Trust monthly will be depleted at the end of each month. An initial amount up to \$20 can be deposited to open a Qualified Income Trust bank account if needed. After that, only income belonging to the Trust beneficiary can be deposited into the Qualified Income Trust.

A Qualified Income Trust is established with the Trust beneficiary's Social Security Number. An EIN, which is required for some other trust types, is not required for a Qualified Income Trust. Banks can verify this information at: http://www.irs.gov/irm/part21/irm_21-007-013r-cont02.html where the below content is provided:

If	Then
The trust is a Miller type trust	<p data-bbox="565 327 1279 354">Do not assign an EIN. Instead, inform the trustee that he/she <i>must</i>:</p> <ul data-bbox="532 373 1430 514" style="list-style-type: none"> <li data-bbox="571 373 1386 401">• Use the SSN of the beneficiary or trustee to report trust activities, and <li data-bbox="532 432 1430 514">• Provide information such as the SSN, BOD, closing month of accounting year, principal activity, and the market to which they sell their product or services, if not already provided on Form SS-4 under Treasury Regulation 301.6109-1(d)(2). <p data-bbox="886 541 956 569" style="text-align: center;">Note:</p> <p data-bbox="610 583 1232 611" style="text-align: center;">Miller Trusts are treated as grantor trusts under IRC § 671.</p>

The individual, their Power of Attorney, legal guardian or conservator can act on behalf of the individual, consistent with New Jersey law, to establish a Qualified Income Trust. If a Power of Attorney document grants general authority to handle the financial or health care affairs of an individual, this should be sufficient to allow the Power of Attorney to establish a Qualified Income Trust for that individual.

If the Trust beneficiary is residing in a nursing home or assisted living facility, it may be convenient for the trustee to be able to have certain monthly expenses paid electronically to that facility each month. The trustee can make these arrangements with the bank, depending on the circumstances.

Questions on Qualified Income Trusts can be sent to: MAHS.QIT@dhs.state.nj.us and responses will be added to a list of Frequently Asked Questions (FAQs) located on the Medicaid agency's website. In addition to the FAQs, a Qualified Income Trust template can also be found on the Medicaid agency's website listed above.

NJ FamilyCare
Qualified Income Trust (QIT)
Frequently Asked Questions (FAQs)
Updated November 25, 2014

1. When will New Jersey begin using Qualified Income Trusts (QITs)?

New Jersey has received authority from the federal government to begin using QITs on December 1, 2014.

2. What is a Qualified Income Trust (QIT)?

A Qualified Income Trust (QIT), also known as a Miller Trust, allows an individual to become eligible for Medicaid Managed Long Term Services and Supports (MLTSS) by placing income into a separate bank account each month. The QIT involves a written trust agreement, setting up the special bank account and depositing income into the account. QITs also have special conditions that must be met and are subject to the approval of, and monitoring by, the appropriate Medicaid eligibility determining agency.

3. What does a QIT do?

When an individual's monthly income above 300% of the SSI Federal Benefit Rate (FBR) is placed in a QIT, that income is not counted when determining financial eligibility for Medicaid. In 2014, 300% of the FBR is \$2,163 a month. These individuals must meet all other aspects of Medicaid eligibility such as meeting an institutional level of care. A QIT may be used by individuals living in a nursing facility, an assisted living facility or in their home.

4. What changes have been made to the Medicaid eligibility process due to the use of QITs?

After December 1, 2014, a QIT will be required for individuals if their income exceeds \$2,163 per month. Resources cannot exceed \$2,000 for an individual. As of December 1, 2014, the Medically Needy program will no longer cover nursing facility services. The QIT gives Medicaid the ability to disregard income that is deposited into the QIT to meet income eligibility. All other eligibility requirements including, but not limited to, transfer of assets, level of care, citizenship and residency will remain the same.

5. What if I am currently living in a nursing home and receiving nursing facility benefits under the Medically Needy program?

Individuals who were receiving benefits through the Medically Needy program prior to December 1, 2014, the QIT effective date, will be permitted to maintain their coverage under the Medically Needy rules and will not have to set up a QIT. However, if they have a change in living arrangements (moving from a nursing facility to an assisted living or into the community) or fail to qualify through the Medically Needy program rules, they can no longer use the Medically Needy rules to retain eligibility. In order to obtain Medicaid Only coverage to ensure continued benefits, they must establish and fund a QIT and spend down their resources to \$2,000. Please contact your county eligibility determining agency for more details to begin this process.

6. What if I am living in a Nursing Facility and eligible for Medicaid through the Medically Needy program because my income is above \$2,163 per month and I am interested in moving to an assisted living facility, will my Medicaid coverage continue after I move?

The Medically Needy program has never been available to individuals who live in an assisted living facility or who are receiving home-based services. Therefore, your eligibility under Medically Needy rules would not continue. However, if you establish and fund a QIT and spend down your resources to \$2,000 before you move to the new facility, you may be eligible for Medicaid Only. Please contact your county eligibility determining agency before you move to ensure your continuity of benefits.

7. What are the special conditions that a QIT must meet?

- A QIT must contain only income of the individual deposited in the month it is received;
- A QIT cannot contain resources such as the proceeds from the sale of real or personal property, or money from a savings account;
- A QIT must be irrevocable;
- A QIT must have a trustee to manage the administration and expenditures of the Trust as set forth in federal and state law;
- New Jersey must be the first beneficiary of all remaining funds up to the amount paid for Medicaid benefits upon the death of the Medicaid recipient; and
- Income deposited in the QIT can only be used as defined by the Post-eligibility Treatment of Income rules and used to pay for the cost share.

8. What types of income are allowed to be deposited in a QIT?

Income such as, but not limited to, an individual's own Social Security income or pension income can be deposited into the QIT in the month that it is received. You can direct all or some of your income to the QIT but all of the income from any one source must be redirected. For example, an individual with a monthly Social Security income of \$874 and a monthly pension of \$1,500 would be over the income limit (total income of \$2,374 is greater than \$2,163). Either the Social Security income or the monthly pension, or both, can be deposited into a QIT and the individual would be under the income cap. The applicant cannot direct half of the pension into the trust.

9. My spouse and I always share a bank account to pay our monthly bills. Can we put both of our incomes in the QIT in order to pay our bills?

The spouse's funds cannot be placed in the QIT. The money given to the spouse, through the post-eligibility treatment of income, by the trustee can be deposited into the spouse's own account in order to be used to pay monthly bills.

10. What types of deposits are not allowed in a QIT?

QITs are solely for income received by the Medicaid beneficiary. Resources cannot be put in a QIT. Resources include things like cash, funds from the sale of real or personal property or a savings, or investment account. Deposits from a spouse or any other person's income or resources are not allowed.

11. Who can establish a QIT on behalf of the beneficiary (serve as the settlor)?

- The beneficiary
- The beneficiary's legal guardian, or
- The beneficiary's Power of Attorney agent.

12. Do I need a lawyer to establish a QIT?

The Division of Medical Assistance and Health Services (DMAHS) has posted a QIT template and Frequently Asked Questions (FAQs) on its' website at <http://www.state.nj.us/humanservices/dmahs/clients/mrusts.html> that may be used by individuals. QITs may be established for an individual by a lawyer.

13. Who can be a trustee?

New Jersey law governs who can be a trustee. See N.J.S.A. 3B:11-4 et seq.

14. Can legal fees and administrative fees be used as post-eligibility deductions for QITs?

No. Legal and administrative fees are not allowable post-eligibility deductions.

15. Where do I pay the cost share?

Cost share, also known as Patient Pay Liability (PPL), will be paid to the facilities where individuals reside (Nursing Facility or Assisted Living) or to the Division of Medical Assistance and Health Services (DMAHS), if they reside in their own homes.

16. What is the Personal Responsibility (PR) form?

The Personal Responsibility (PR) form is created through a web-based program used by the eligibility determining agencies. The PR form calculates what an individual's post-eligibility payment responsibilities will be and their Patient Pay Liability (PPL). The Personal Responsibility (PR) form has three different categories which represent an individual's living arrangement; a PR-1 is for a Nursing Facility; a PR-2 is for an Assisted Living Facility and a PR-3 is for Home-based living. A new form must be created whenever an individual has a change in circumstances such as an increase or decrease in income, or if they change their living arrangement. All changes in circumstances must be reported to the appropriate eligibility determining agency when they occur, as required on the Medicaid application.

17. Will the Patient Pay Liability (PPL) and approved deductions on the Personal Responsibility (PR) form be calculated after eligibility is effective, and, when will those expenses begin to be required payments?

The Patient Pay Liability (PPL) is determined after eligibility is established through the Personal Responsibility (PR) form. A copy is provided to the individual or their authorized representative by the eligibility determining agency. The individual will need to make sure the trustee gets a copy of the Personal Responsibility (PR) form if the trustee is not their authorized representative. The expenses will begin to be required payments in the month that eligibility is established.

18. Will there be a process for authorizing uncovered state approved medical expenses?

Yes. In order to seek authorization for uncovered state approved medical expenses the individual must submit a valid physician's prescription and receipts for all items purchased. An example of these expenses may include, but are not limited to, over-the-counter medications. These expenses may then be deducted from the post-eligibility treatment of income on the Personal Responsibility (PR) form and the authorized expenses will reduce an individual's Patient Pay Liability (PPL).

19. If a QIT is established and the Medicaid application takes a while to approve, should the Trust be funded during the period after the application is made?

For an individual with income above the 300% FBR (currently, \$2,163), in order to be financially eligible in any month, the individual must fund a QIT.

20. If a QIT is established and there is a transfer penalty, should the Trust be funded during the penalty period?

When an individual has a transfer penalty, they must be otherwise eligible in order for the penalty period to start. Therefore, in order to be otherwise eligible, the individual needs to have a QIT established and funded in the month that he or she has a Pre-Admission Screening (PAS) approved for an institutional level of care.

21. Will the trustee commission be a priority disbursement on the Personal Responsibility Form (PR-1, PR-2 or PR-3)?

The trustee commission is paid after all post-eligibility expenses are paid out including cost share, as per federal regulations.

22. What happens upon death of the QIT beneficiary if there are outstanding fees due and owed to the facility, or others? Do these obligations take priority over payment to the state?

A QIT must provide that the state is the first remainder beneficiary at death, up to the total amount of Medicaid benefits paid for the beneficiary.

23. What will happen if an individual applying for MLTSS incurs a transfer penalty?

When an individual applies for MLTSS and a transfer of assets for less than fair market value is discovered within 60 months before the date of application or afterwards, he or she will receive a penalty period before he or she will be eligible for MLTSS waiver services. The calculation used to determine a penalty period is the total amount that has been transferred divided by the average daily cost of a nursing facility (\$313.50 in 2014). The penalty clock begins on the date that the individual is found to be otherwise eligible.

Individuals who are otherwise eligible and who are in a penalty period will NOT be eligible for waiver services which include, but are not limited to, the following:

- MLTSS Personal Care Assistance
- Private Duty Nursing for Adults
- Nursing Facility and Special Care Nursing Facility Services
- Adult Family Care
- Assisted Living Services (ALR, CPCH)

- Assisted Living Program (ALP)
- Traumatic Brain Injury Behavioral Management
- Caregiver/Participant Training
- Chore Services
- Cognitive Therapy
- Community Residential Services
- Community Transition Services
- Home Based Supportive Care
- Home delivered meals
- Medication dispensing device and monitoring
- Non-Medical Transportation
- Occupational Therapy
- Personal Emergency Response System- set up and monitoring
- Physical Therapy
- Residential Modifications
- Respite services
- Social Adult Day Care
- Speech, Language and Hearing Therapy
- Supported Day Services
- Vehicle Modifications

State of New Jersey
Personal Responsibility Form for Home-Based Living

Case Number	Last	First	Elig Eff. Date (MM/YY)	PLEASE SEE REQUIRED QIT INFORMATION BELOW
SSN	Redetermination Date			County Code
Recipient's Phone #:				Spouse's ssn:
Recipient's Address				

	PR-3 #1	PR-3 #2	PR-3 #3	Remarks
Effective Date				Trustee Name: Trustee Address: Trustee Phone #: QIT Bank Name: QIT Bank Routing #: QIT Bank Account #: Private Insurance Info:
Net Social Security Income				
Buy-In Amount				
Gross Social Security Benefit				
Railroad				
Veteran				
Veteran A&A				
Sheltered Workshop				
Pension				
Pension 2				
Pension 3				
Earned Income				
Miscellaneous Income				
Total Gross Income				
Maintenance Needs (MNA)				
Maint./ Spouse Dependent				
Health Premium (Total \$)				
State Approved Medical Expenses				
Maint./Home				
Court Ordered Child Support				
Month of Adm./Discharge Exempt.				
Total Exempt Income				
Maximum PPL				
Available Income				
Cost Share				
Name and address Representative Payee				

Signature: Staff		Date	
Signature: Supervisor		Date	