



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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MEDICAID COMMUNICATION NO. 16-04 DATE: May 6, 2016*

TO: CWA Directors and Medicaid Eligibility Determining Agencies

SUBJECT: Dental Insurance Policy Guidance –
REPLACES MEDICAID COMMUNICATION 16-02
*Updated September 9, 2016

Several insurance companies in the State of New Jersey are selling supplemental dental insurance policies to individuals receiving Medicaid Long Term Services and Supports in nursing homes and assisted living facilities. The New Jersey Department of Banking and Insurance (DOBI) has granted the authority for these limited benefit dental policies.

When the supplemental dental insurance policy information is submitted to the eligibility determining agency (EDA) directly from the insurance company, the EDA must verify with the Medicaid recipient, or their authorized representative, that this policy has been purchased. The purchase of these policies, post-eligibility, is considered a "change in circumstances" and must be followed by a complete Medicaid redetermination before the change can occur to the individual's cost share, as per federal regulations at 42 CFR 435.916 and 42 CFR 435.952.

When an EDA is completing a redetermination, they may realize that there may not be enough income to cover the cost of this new insurance premium. If there is not enough income to cover the cost of the supplemental policy then, the EDA will notify the Medicaid recipient, or their authorized representative, that they may not be able purchase the policy due to insufficient income. Under federal regulations cited at 42 CFR 435.725 and 435.726, an individual's income must first cover all personal, maintenance needs and community spouse maintenance needs allowances before any additional health insurance premiums can be paid.

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

MD:km

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