



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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MEDICAID COMMUNICATION NO. 01-20 DATE: October 10, 2001

TO: County Welfare Agency Directors
State Eligibility Determination Agency

SUBJECT: Simplification of Eligibility Verification Requirements

RE: 10:69 AFDC Medicaid
10:70 Medically Needy (AFDC Segment)
10:72 New Jersey Care...Special Medicaid Programs
(AFDC Segments)
10:78 NJ FamilyCare
10:79 NJ KidCare

The purpose of this Communication is to update and clarify the verification procedures used to determine eligibility for the AFDC Medicaid, NJ FamilyCare and NJ KidCare programs, as follows.

Proof of Age

Birthdates of applicant caregivers, parents, dependent children, and adults without dependent children do not have to be verified by birth certificates, baptismal certificates or other documents. Verbal statements and responses on applications will be considered as acceptable in the determination of a date of birth. Additionally, the birthdate indicated on a prior Medicaid eligibility record is acceptable. However, if there is a discrepancy between the age reported by the applicant and the age appearing on the Medicaid record and the discrepancy affects eligibility or categorical requirement, then documentation should be requested.

Citizenship

When an applicant responds negatively to the question regarding United States citizenship, or, when there are questionable circumstances surrounding the applicant's statements concerning citizenship of any household members, documentation of birth, citizenship or immigration status is necessary. The applicant must present the required documentation before an eligibility determination can be made for those individuals.

The date of entry appearing on the individual's INS identification card is of critical importance. Legal permanent residents and other qualified immigrants entering the country after August 22, 1996 are subject to a Medicaid five-year bar. However, certain legal-restricted or other qualified immigrants may be eligible for coverage under the non-Medicaid segments of the NJ FamilyCare program.

Income Verification

While income verification is still required, it is only necessary to use one month of recent income to determine prospective financial eligibility. The existing practice of using three months of earnings to determine eligibility is no longer a requirement. However, in the case of irregular payments, more than one month of income may be necessary to determine eligibility.

All applicants should be screened against the State wage/disability/unemployment databases. Documentation of income may be pursued if a crossmatch of any of these databases produces significant undisclosed income.

Self Employment Income

The following summarizes our policy on determining self-employment income for the above-referenced programs if Internal Revenue Service (IRS) applicable documents are used:

Schedule C: The gross annual income is the total from line 7 (Gross Income), minus the total from Line 28 (Total Expenses) after adding back to Line 28 the amounts on Lines 13 (Depreciation), 24a (Travel) and 24d ((Meals and Entertainment). If the resulting amount is a negative number, it is considered neutral (it is "0" and cannot be used to reduce other income).

Schedule E: Income is Line 26 (Total Rental and Royalty Income) minus Line 19 (Expenses), plus Line 20 (Depreciation). As with Schedule C, if the amount is a negative number, it is neutral.

Form 1040: Income would consist of the total of Lines 7, 8a, 8b, 9.10.11.15a. 16a, 19, 20a and 21. Lines 12, 13, 14, 17 and 18 are added only if they are positive numbers. If they are negative numbers, they are not considered.

In lieu of Internal Revenue Service reporting documentation described above, a self-employed person shall be required to submit evidence of business receipts and expenditures as the basis for a sound estimate of earned income. In the case of a self-employed individual, it may be clearly evident that the expense of producing income exceeds the income produced. In these situations, additional verification regarding the possibility of other means of support may be pursued so that eligibility may be determined accordingly.

Social Security Numbers

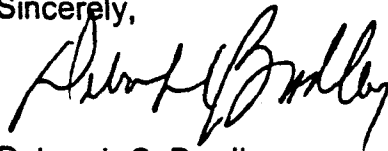
There is no longer a requirement for applicants to validate their Social Security Numbers. Verbal reporting and written application information will be acceptable. Verification will be required when subsequent information indicates a problem with the number.

Please bear in mind that the above verification policies apply to the referenced Medicaid and NJ FamilyCare programs. They are not applicable to the verification policies established for Work First New Jersey/TANF/GA programs, which are governed by the rules found in N.J.A.C. 10:90.

It is our hope that by simplifying the eligibility verification process, we have facilitated the eligibility determination process and enhanced access to medical coverage for our mutual beneficiaries.

Please bring this information to the attention of appropriate staff. Any questions concerning this Communication should be brought to the attention of Bureau of Eligibility Policy field staff assigned to your agency at (609) 588-2556.

Sincerely,



Deborah C. Bradley
Acting Director

DCB:G

c: George DiFerdinando, M.D., Acting Commissioner
William Conroy, Deputy Commissioner
Department of Health and Senior Services

David C. Heins, Director
Division of Family Development

Charles Venti, Director
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