



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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Revised 8/23/01

MEDICAID COMMUNICATION NO. 01-14

DATE: August 17, 2001

TO: County Welfare Agency Directors
Statewide Eligibility Determination Agency

SUBJECT: Suspension of Application Processing for NJ FamilyCare and Changes in
Services for NJ FamilyCare Applicants

New Jersey FamilyCare has proven to be a remarkably successful program. When the legislation was first introduced, this program was expected to serve a maximum of 125,000 adults over a three-year period. Instead, we will reach that target in less than one year. As a result, today there are almost 125,000 individuals with health insurance in New Jersey who a year ago had none.

Because of the Governor and Legislature's strong commitment to this program, the State Fiscal Year 2002 Appropriations Act included a \$25 million increase to allow enrollment in NJ FamilyCare to exceed the 125,000 enrollment limit. However, the Commissioner was directed through appropriations language to make whatever changes were necessary to ensure that NJ FamilyCare did not exceed appropriated levels.

Based on current projections, it has been determined that certain adjustments should be made at this time in order for the program to remain within the appropriation. **I must stress that these adjustments, which are outlined below, do not affect our emphasis on families and our goal of reaching and insuring all of New Jersey's eligible children. NJ FamilyCare will remain available to all eligible children with incomes up to 350% of the federal poverty level (FPL) and parents/caretakers with incomes up to 200% FPL. None of the approximately 200,000 people currently enrolled in the program will be affected by these changes.**

The following changes are effective September 1, 2001:

- Single adults and couples without dependent children who are **not** eligible for WorkFirst New Jersey/General Assistance (WFNJ/GA) and whose applications are postmarked **on or after** September 1, 2001 will **no** longer be able to enroll in the NJ FamilyCare program (These are individuals identified by a Program Status Code of 762 or 763).
- Single adults and couples without dependent children who do not qualify for WFNJ/GA, but whose incomes are below 50% (PSC 762), and whose applications are pending or postmarked **prior to** September 1, 2001 and **have not** been enrolled in a health maintenance organization (HMO) as of September 1, 2001, will **not** receive services until they select and enroll in an HMO. Currently, these individuals receive services on a fee-for-

service basis, pending enrollment into a managed care plan and retroactive to the date of application.

The eligibility date for all cases processed after the August 20th cut-off date for September 1, 2001 will be affected by the change. Individuals will no longer be auto-assigned and therefore, **must** select an HMO. Eligibility cannot exist prior to October 1, 2001, which is the earliest possible HMO enrollment date. Upon enrollment, such individuals shall be eligible for NJ FamilyCare and will receive a Plan A type service package.

- WFNJ/GA beneficiaries who are eligible in accordance with N.J.A.C. 10:90 will continue to be enrolled in the program. However, effective September 1, 2001, these individuals will no longer receive hospital or hospital-based services, including hospital-based ambulatory clinic services, until enrollment in an HMO. Coverage of non-hospital-based ambulatory services will continue on a fee-for-service basis until enrollment. The hospital charity care program may be available to those individuals who receive hospital services prior to HMO enrollment. There is no change in the auto-assignment process; therefore, WFNJ/GA beneficiaries will continue to be auto-assigned if they do not select an HMO.

PROCESSING

For WFNJ/GA individuals **not enrolled** in an HMO by September 1, 2001, the eligibility letter must indicate that, effective September 1, 2001, hospital coverage will be provided when the individual is enrolled in an HMO. The letter should also advise beneficiaries to contact the NJ FamilyCare Hot Line at 1-800-701-0710 to enroll in an HMO. In addition, Medicaid cards systemically produced daily by the State Office of Information Technology (OIT) will have a card message that reads:

"Effective September 1, 2001, NJ FamilyCare WorkFirst/NewJersey GA beneficiaries are not eligible for any services provided in a hospital, including inpatient and outpatient services, until they are enrolled in an HMO. To enroll in an HMO, please contact 1-800-701-0710."

All manual cards issued by the County Boards of Social Services (CBOSS) and the Medical Assistance Customer Centers (MACC) for this population (PSC 761) **must** include the above message.

For those applicants processed at the CBOSS (PSC 762) who were not enrolled in an HMO as of September 1, 2001, eligibility will be effective with the month of HMO enrollment. The Medicaid eligibility system has been modified to require a card-appropriate eligibility date. Therefore, a case processed on August 25th cannot have an eligibility date earlier than October 1, 2001. If eligibility appears on the system with no managed care, the Medicaid card will be suppressed and no claims will be processed at Unisys. Therefore, coordination between the vendor and the CBOSS is of critical importance. Information will be disseminated as soon as the coordinating process is finalized.

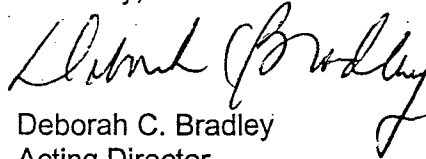
Pending applications for single adults and couples without dependent children whose incomes are more than 50% FPL, but do not exceed 100% FPL (PSC 763) will continue to be processed by the vendor only if the application is pending or postmarked prior to September 1, 2001. Eligibility for this group was always dependent on managed care enrollment. If you have any such applications, please forward them to the vendor as soon as possible. Any applications postmarked after September 1, 2001 should be denied in accordance with N.J.A.C. 10:78-2.1 (f).

It should also be noted that those cases with continuous and current eligibility requiring a change in program status code, e.g., PSC 763 to PSC 762, will be allowed, so long as there is no break in eligibility. In addition, cases pending and cases postmarked prior to September 1, 2001 which are determined to be inappropriate for the receiving agency shall be transferred to the appropriate agency and the original postmark date of that application shall be honored. The procedures outlined above shall be applied as appropriate.

For all cases affected by the September 1, 2001 changes, attached is a copy of the regulations to be published in the August 20, 2001 New Jersey Register.

Please direct any questions concerning this communication to the Bureau of Eligibility Policy field staff assigned to your agency at (609) 588-2556.

Sincerely,



Deborah C. Bradley
Acting Director

DCB:dl

Attachment

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
Division of Youth and Family Services

10:78-2.1 Application

(a) – (e) (No change.)

(f) The New Jersey FamilyCare Health Coverage Program will not process applications postmarked on or after September 1, 2001 for single adults and couples without dependent children who are not eligible for General Assistance.

10:78-7.1 Scope of services

(a) – (c) (No change.)

(d) Except as noted in (c) above, NJ FamilyCare beneficiaries shall receive services through managed care organizations operating under a contract with the Department of Human Services. Certain single adults and couples without dependent children whose gross income is less than or equal to 50 percent of the Federal poverty level **[may] shall not** be eligible to receive NJ FamilyCare services on a fee-for-service basis until such time as they become active enrollees of a managed care organization. Certain single adults and couples without dependent children whose gross income is more than 50 percent, but not more than 100 percent, of the Federal poverty level will be enrolled in a conventional managed care program.

(e) – (f) (No change.)

(g) Effective September 1, 2001, for NJ FamilyCare WorkFirst New Jersey/GA-

eligible individuals, the program will not cover hospital or hospital-based services (including hospital-based ambulatory clinic services) until the individual is enrolled in a managed care organization. Coverage of non-hospital-based ambulatory services will continue.

(h) Effective September 1, 2001, adults who have incomes below 50 percent of the Federal poverty level shall receive all services through a managed care organization, and shall not receive NJ FamilyCare coverage for any services until they are enrolled in a managed care organization. Upon enrollment in a managed care organization, such individuals shall receive the NJ FamilyCare Plan A package.