



State of New Jersey

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

JOHN R. GUHL
Director

MEDICAID COMMUNICATION NO. 08-11

DATE: September 11, 2008

TO: County Welfare Agency Directors
Statewide Eligibility Determination Agency
Institutional Services Section Area Supervisors

SUBJECT: NJ FamilyCare Expansion for September 1, 2008 and Clarifications

On July 7, 2008, Governor Corzine signed into law P.L. 2008, c. 38, expanding NJ FamilyCare for parents and caretakers. This legislation, effective September 1, 2008, increases the current income level for parents or caretakers from 133% of the Federal Poverty Level (FPL) to 200% FPL. Therefore, effective September 1, 2008, parents or caretakers of dependent children under the age of 19 whose household income is equal to or less than 200% FPL may apply for coverage under NJ FamilyCare. In addition, lawful permanent resident parents or caretakers may qualify for NJ FamilyCare regardless of date of entry in the United States under a state funded only program.

The legislation also mandates that all children 18 and younger shall have health insurance coverage beginning one year after enactment of the bill. Coverage can be provided through an employer-sponsored plan, an individual plan, NJ FamilyCare/Medicaid or the NJ FamilyCare ADVANTAGE buy-in program administered by Horizon NJ Health.

NJ FamilyCare

This legislation allows applicant or recipient parents or caretakers who do not qualify under AFDC-Related Medicaid to be evaluated for eligibility under NJ FamilyCare. NJ FamilyCare income eligibility is based on gross family income standards without disregards. Uninsured parents/caretakers whose household income is more than the AFDC-Related Medicaid income standard but equal to or less than 150% of the FPL are identified using Program Status Code (PSC) 497. Eligibility **cannot** be effective until the month they are enrolled in a participating HMO. As in the past, the County Welfare Agency (CWA) will add those uninsured parents or caretakers eligible for NJ FamilyCare PSC 497 to an existing case so long as other family members are currently enrolled in an HMO. If no active HMO is identified, the parents or caretakers must be referred to the Statewide Eligibility Determination Agency (Vendor) for the parents or caretakers to select an HMO. There is no premium requirement for these PSC 497 parents or caretakers.

New applicant or recipient parents or caretakers whose gross household income is greater than 150% FPL but equal to or less than 200% FPL shall be identified using PSC 498 and a premium payment is required. These parents or caretakers must also be uninsured and eligibility **cannot** be effective prior to the processing of the applicable premium payment and the enrollment in a participating HMO. Eligibility for this group of parents or caretakers must be determined by the vendor.

Please note that the waiting period for voluntarily dropping health insurance is 3 months for parents or caretakers with PSC of 497 or 498. These parents or caretakers will receive a Plan D service package which is effective upon their enrollment into an HMO and payment, if required. There is no retroactive eligibility for either of these program status codes.

Lawful Permanent Residents (LPR)

Parents or caretakers who are Lawful Permanent Residents (LPR) who would qualify for NJ FamilyCare but have not been in this country for 5 years and whose household income is between the AFDC standard and 200% FPL may be eligible for medical assistance through the state funded only program. They must be identified using PSC 497 and 498 depending on their gross household income, with a SPC 40. These parents or caretakers will receive a Plan D service package effective with their HMO enrollment and premium payment if applicable.

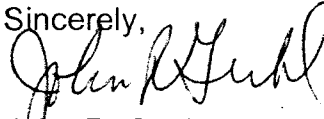
Operations

This expansion to 200% FPL does not change existing AFDC-Related Medicaid rules including Medicaid Special. Instead it allows parents and caretakers who no longer qualify for AFDC-Related Medicaid Transitional Medicaid to be evaluated for NJ FamilyCare with income up to 200% FPL. (See attached chart.) Please remember to evaluate those families who apply or qualify for the Food Stamp Program for NJ FamilyCare/Medicaid. Utilize ex-parte documentation as much as possible by obtaining the verifications from other sources within your agency records and from data available to your agency such as LOOPS, DABS and Wages. Do not terminate cases for missing documents prior to checking existing records in your agency that may have the information needed. Be certain to include copies of such documentation in the NJ FamilyCare/Medicaid case file.

The NJ FamilyCare program has **not** reopened eligibility for single adults and childless couples (PSC 763). New applicants continue to be eligible for limited medical services through Work First New Jersey/General Assistance (WFNJ/GA). Those uninsured recipients found eligible for PSC 763 prior to September 1, 2001 may continue on the program as long as they continue to be eligible. It is crucial for recipients of this program to comply with annual redeterminations. If eligibility is terminated for NJ FamilyCare (PSC 763), the individual would only be eligible as a new applicant for WFNJ/GA or another more appropriate program such as New Jersey Care...Special Medicaid Programs for those individuals who are aged or disabled.

We are pleased with this further expansion of the NJ FamilyCare program and your agency's continued dedication to the enrollment of additional New Jersey families. Should you have further policy questions, please contact the Office of Policy Development at 609-588-2556 or your NJ FamilyCare field representative at 609-588-2835.

Sincerely,



John R. Guhl
Director

JRG:E

Attachment

c: Jennifer Velez, Commissioner
Department of Human Services

William Ditto, Executive Director
Division of Disability Services

Kevin Martone, Assistant Commissioner
Division of Mental Health Services

Jeanette Page-Hawkins, Director
Division of Family Development

Kenneth W. Ritchey, Assistant Commissioner
Division of Developmental Disabilities

Christine Moses, Director
Division of Youth and Family Services
Department of Children and Families

Heather Howard, J.D., Commissioner
Kathleen M. Mason, Assistant Commissioner
Department of Health and Senior Services

AFDC "Expansion"-Earned Income Disregard PSC 380	NJ FamilyCare PSC 497	NJ FamilyCare PSC 498
Parents/Caretaker relatives only	Parents/Caretakers	Parents/Caretakers
Earned and unearned income (to be eligible as a 380, the HH unearned income must be below the 7/96 income program standard)	The total gross HH income (unearned and earned) must be less or equal to 150% FPL.	The total gross HH income (unearned and earned) must be less or equal to 200% FPL.
After all AFDC program disregards are applied subtract the AFDC earned income disregard (133% FPL minus 7/96 AFDC standard) and compare the remaining income to the AFDC payment standard	Eligibility is based on monthly gross income. No income disregards are given.	Eligibility is based on monthly gross income. No income disregards are given.
LPRs who would qualify but have not been in this country for 5 years may be eligible using Special Program Code 40	SPC 40s may be eligible	SPC 40s may be eligible
Effective date: Month of application/eligibility, except for those with SPC 40.	Effective date: date of HMO enrollment	Eff. date: date of HMO enrollment (after premium payment)
May have other health insurance (TPL), except parents/caretakers/children with SPC 40.	Must be uninsured.	Must be uninsured.
Retroactive coverage up to 3 months IF eligible	No retroactive eligibility.	No retroactive eligibility.
After being determined eligible, the parents/caretaker relatives (recipients) may retain eligibility as a 380 if their earned income does not exceed 133% FPL. The parents/caretaker relative recipients are eligible for 24 months of Medicaid extension if their earned income exceeds 133% FPL, or they receive Unemployment Insurance Benefits or Temporary disability. The parents/caretaker relatives are eligible for 4 months of Medicaid extension if they lose eligibility due to the receipt of child support. If the HH unearned income is more than the AFDC income program standard but the total gross household income is equal to or less than 200% FPL, they should be evaluated for NJ FamilyCare as a 497 or 498. →	If the gross income for the HH exceeds 150% FPL, the parents/caretakers are no longer PSC497 eligible. They can be evaluated for NJFC PSC498. →	If the gross income for the HH exceeds 200% FPL, the parents/caretakers are no longer eligible.
Health insurance packages: I- Fee-for-Services D- HMO enrollment	Health insurance package D- HMO enrollment	Health insurance package D- HMO enrollment
Children under the age of 21 may be eligible for Medicaid Special using 133% FPL disregard. For children having eligibility using 133% FPL, they remain a PSC 380. If the HH earned incomes exceeds 133%, the child is eligible for up to 1 year of Medicaid extension.		