



State of New Jersey  
Department of Human Services  
Division of Medical Assistance and Health Services

# NEWSLETTER

Volume 5 No. 57

November 1995

**TO:** Nursing Facilities  
**SUBJECT:** Expansion of the Medically Needy Program  
**EFFECTIVE:** July 1, 1995

**BACKGROUND:** The New Jersey Medicaid program is expanding medically needy coverage to include long-term care and related pharmacy services for eligible individuals residing in Medicaid participating nursing facilities. As a result, individuals who require institutional level care, but who are income ineligible for the Medicaid program, may now qualify for Medicaid through the Medically Needy program.

With the implementation of the Medically Needy program expansion, the nursing facility benefits previously provided through the General Assistance (GA) program will only be available to GA recipients who resided in non Medicaid participating facilities as of June 30, 1995. For all GA cases in Medicaid facilities and any new medically needy applicants, the county welfare agency in the county where the facility is located, or the county in which the applicant resides will be responsible for initial and ongoing Medicaid eligibility processes. For applicants not yet in a facility, the responsible county will be the county in which the individual resides.

- ACTION:**
1. Individuals with income between \$1,374 and the monthly private care rate and those with medical expenses that are not covered by medical insurance may be eligible for coverage and should be referred to the county welfare agency. Those individuals who were previously receiving benefits under the General Assistance program have already been referred for processing.
  2. The county welfare agency will accrete each eligible case to the Medicaid eligibility file with a medically needy identification number, i.e., Program Code 15, 25, 35, or 55 in the third and fourth positions.
  3. The eligibility file will identify the Medicaid effective and termination dates.

For individuals who must use incurred medical expenses to meet spend-down, including private nursing facility charges, the effective date will be the day after spend-down liability is met. In these cases, eligibility will terminate at the end of the covered month and the process will be repeated for each future month, so long as eligibility continues.

For individuals who do not have to use incurred medical expenses to meet spend-down, the effective date will be the first day of the month and eligibility will continue through the end of the six-month budget period unless there is a change in circumstances which results in ineligibility.

4. Claims for institutional services, including pharmacy, may be submitted on behalf of medically needy eligible individuals for dates of service on and after July 1, 1995. Medically needy aged, blind, or disabled individuals who do not reside in a nursing facility are not eligible for pharmacy services.

5. To receive payment for services provided on the day that spend-down is met (one day prior to the effective date) but which were not used to satisfy spend-down, a claim transmittal form (sample attached) will be provided by the county welfare agency and must be submitted with the Turn-Around Document (TAD).

6. In accordance with program requirements, all medically needy eligibles must have a Pre-Admission Screening and available income must be applied to the cost of care. As with traditional cases, the CWA will complete the PA-3L and forward a copy to the beneficiary and to the facility. Because the computation of available income is complex and to minimize the potential for billing adjustments, it is recommended that the initial and ongoing claims for medically needy services be submitted only after the PA-3L is received.

7. The Medically Needy program does not provide inpatient hospital coverage, except to pregnant women. Nor does the program provide chiropractic coverage to individuals who are aged, blind, or disabled. However, the costs of these services may be used to: (1) satisfy the spend-down liability, where necessary, or (2) reduce the income that must be contributed to the cost of care, as reflected on the PA-3L. In either instance the county welfare agency will make those determinations and indicate on the PA-3L where the costs were allocated. Since these costs are considered in determining the income available to offset the Medicaid payment, they are ostensibly available to pay for the cost of the services.

8. For services not covered by the Medically Needy program, including private nursing facility charges that were used to satisfy spend-down, the individual is responsible for payment. To assist in the accounting process, the PA-3L will separately identify expenses utilized to satisfy spend-down and costs related to uncovered medical expenses. The total spend-down amount will be entered in the category, "Workshop/Other", with the specific private per diem costs identified in the Remarks column. Uncovered medical costs will be entered in the category, "Health Premium" with the phrase "Uncovered Services" entered in the Remarks column.

Where the facility is the individual's payee or has control of individual's financial accounts, it is the facility's responsibility to ensure that appropriate action is taken with regard to access and/or disbursement of funds.

**Note:** For certain individuals who qualify as a result of spend-down, there may be discretionary income (DI) which is not allocated for expenses or for contribution to the cost of care. Where applicable, the amount of this DI is identified in the category, "Resources". This income may be retained by the client to the extent that it does not accumulate to an amount that exceeds the Medically Needy resource limit of \$4,000 for an individual.

If you have any questions concerning this Medicaid Newsletter, please contact the Medicaid District Office which services your area of operations.

Attachments

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB  
(BLUE TAB MARKED "5")**



STATE OF NEW JERSEY  
DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

*Medically Needy*

STATEMENT OF AVAILABLE INCOME FOR MEDICAID PAYMENT

Redetermination Date: \_\_\_\_\_ MMYT \_\_\_\_\_ SSA No.: 142 34 7242 7/5/95 PRINT DATE  
1515012346-01 HSP (Medicaid) CASE NUMBER LAST Smith, John FIRST Ocean COUNTY

Long-Term Care Facility: OCEANVIEW L.C.

Address: Rt 2 Oceanview, NJ

SSI STATUS LAC/PS LTCF Provider No. 4403210 Previous Provider No.: \_\_\_\_\_

	LTCF	PA3L #1	PA3L #2	PA3L #3	Remarks
Effective Date		<u>7/95</u>			Admit, Change, Redetermination
Social Security Income		<u>1,220</u>			Claim #
Buy-In Amount		<u>46.10</u>			HIC #
Gross Social Sec. Benefit		<u>1,266.10</u>			
Railroad / Veteran					Claim #
Pension / Other Benefit		<u>2,586.90</u>			Specify
Other Income					Specify
Indemnity					Specify
Total Other Income	\$				Spouse's S.S.A. #
Total Gross Income		<u>\$ 3,853</u>	\$	\$	M = Married Couple same LTCF G = VA A&A <u>Spent down</u> F = Foreign Pension P = VA Improved Pension
Workshop / Other		<u>458.90</u>			
Maint. / Home					Specify
Maint. / Spouse Dependent					Specify
Health Premium	\$	<u>242.10</u>			Policy # <u>01/88 YHA 142347242</u> <u>MEDICARE 142 34 7242A</u>
Total Exempt Income		<u>\$ 701</u>	\$	\$	
PNA	\$	<u>25</u>			
Available Income		<u>\$ 2,970</u>	\$	\$	R = Representative Payee
Month of Adm. / Disch. Exempt					Specify
Resources	SPECIFY (i.e., address) <u>DI #127</u>				Circle One Yes No

Name and Address of Representative Payee

Signature: IM Worker: \_\_\_\_\_  
Supervisor: \_\_\_\_\_

Date: 7/21/95  
Date: 7/22/95

PA-3L (rev. 7/93)

BUREAU OF CLAIMS & ACCOUNT



State of New Jersey  
 Department of Human Services  
 Division of Medical Assistance and Health Services

MEDICALLY NEEDEY CLAIM TRANSMITTAL

RECIPIENT INFORMATION

HSP (Medicaid) CASE NO. \_\_\_\_\_

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PROVIDER INFORMATION

PROVIDER NO. \_\_\_\_\_

PROVIDER NAME \_\_\_\_\_

PROVIDER ADDRESS \_\_\_\_\_

TYPE OF SERVICE	DATE OF SERVICE	CHARGE	PAYMENT FROM OTHER SOURCE	CLIENT OBLIGATION	TOTAL FROM OTHER SOURCES
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

**Provider Instructions and Information:**

- The services listed above were provided to the identified individual during a covered retroactive period.
- This transmittal does not guarantee payment. Your claim will be processed in accordance with current Medicaid and Medically Needy regulations.
- Each claim form submitted for payment for services listed above must be attached to this document.
- Please enter your provider number in the appropriate space in the upper right corner.
- Any amount listed in the column entitled "Client Obligation" is the responsibility of the client and should be paid by the client directly to you.

NUMBER OF ITEMS \_\_\_\_\_

SIGNATURE \_\_\_\_\_  
 Authorized Representative