



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

NEWSLETTER

Volume 8 No. 7

January 1998

TO: All Providers

SUBJECT: NJ KidCare Program

EFFECTIVE: Services provided on or after February 1, 1998

PURPOSE: To notify Medicaid providers of the implementation of Plan A of the NJ KidCare program.

BACKGROUND: The Balanced Budget Act of 1997 expanded Title XIX of the Social Security Act (Medicaid) and created a new title, Title XXI of the Act. Title XXI, also referred to as the "Children's Health Insurance Program Initiative," was created to provide insurance coverage to targeted low-income children residing in the State of New Jersey. In this Newsletter, the Medicaid expansion is referred to as Plan A, and Title XXI is referred to as Plans B and C."

The State estimates that 100,000 low-income, uninsured children residing in New Jersey, without access to health care benefits, will meet the requirements for this program. These children are below 19 years of age with income at or below 200 percent of the federal poverty level. Their parents may have been employed for at least part of the year, but either do not have access to or cannot afford employer health coverage. In addition, these children do not qualify for current Medicaid coverage. The NJ KidCare program is intended to provide these children with comprehensive and affordable insurance coverage.

The NJ KidCare program will consist of essentially three (3) distinct plans. The first plan, referred to as Plan A, will expand financial eligibility requirements for the current Medicaid program to families whose income does not exceed 133 percent of the federal poverty level. **Plan A will be implemented first by the New Jersey Division of Medical Assistance and Health Services (DMAHS) and is the primary subject of this Newsletter.**

Financial eligibility for Plan B will be based on family income that does not exceed 150 percent of the federal poverty level. For Plan C, 151 to 200 percent of the federal poverty level will be used to determine financial eligibility. Plans B and C will offer eligible beneficiaries a modified, managed care benefit package. Plan C will require a premium contribution per family and beneficiary copayment. In addition to complying with financial eligibility requirements, children applying for any of the three (3) Plans

must be uninsured for a minimum period of twelve (12) calendar months prior to application, with certain exceptions, such as a parent's involuntary termination from employment.

In-plan health care benefits covered by each of the three Plans in the NJ KidCare program will be provided by the same Health Maintenance Organizations (HMOs) which participate in the State's New Jersey Care 2000 managed health care program. This program currently provides health care benefits for eligible Aid to Families with Dependent Children (AFDC), New Jersey Care pregnant women and children, Division of Youth and Family Services (DYFS) clients, and those receiving Supplemental Security Income (SSI). Certain out-of-plan healthcare benefits, such as mental health services, will continue to be provided under the State's current Fee-For-Service (FFS) arrangement.

Plan A applicants are encouraged to apply at their local County Welfare Agency in those situations in which one or more family members are already enrolled in a Medicaid program. Other applicants may request a NJ KidCare application by contacting the State's Health Benefits Coordinator at 1-800-701-0710 (TTY: 1-800-701-0720).

ACTION: Plan A of the NJ KidCare program will be implemented on February 1, 1998. Plan B and Plan C of the NJ KidCare program will be implemented on March 1, 1998 and will be the subject of a subsequent Newsletter.

Eligible NJ KidCare beneficiaries will present both a State Eligibility Identification Card and HMO identification card for the HMO in which the beneficiary has been enrolled when accessing healthcare services under the NJ KidCare program.

Plan A beneficiaries are eligible to receive the same benefits as a Medicaid beneficiary enrolled in the New Jersey Care 2000 managed health care program. Further information concerning these services is available in N.J.A.C. 10:49-5.2 and within the individual Medicaid medical services manuals. The services under HMO benefits package include:

- chiropractic services
- clinic services
- dental services
- Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services, including preventive health care, counseling and health promotion
- emergency medical care

- family planning services
- hearing aid services
- home health agency services
- hospice room and board services
- inpatient hospital services
- outpatient hospital services
- laboratory services
- medical supplies and durable medical equipment
- optometric services
- optical appliances
- organ transplants (inpatient hospital costs excluded)
- prescription drugs - legend and certain non-legend drugs
- physician services
- podiatric services
- prosthetic and orthotic services
- radiological services
- rehabilitative services, including physical, occupational, speech-language, and auditory services (60 days per therapy per year)
- transportation services, including ambulance, MICUs, and invalid coach

Plan A beneficiaries are also eligible to receive the following additional benefits under a FFS arrangement:

- certain elective/induced abortion-related services

- Christian Science Sanatoria care and services

- family planning services, if the beneficiary chooses to receive these services out-of-plan;
- Intermediate Care Facility (ICF)/Mental Retardation (MR) services
- medical day care services
- all mental health and substance abuse services, inpatient and outpatient
- nursing facility care
- organ transplantation inpatient hospital costs
- personal care assistant services
- rehabilitation services - in excess of 60 days per therapy per year
- residential treatment centers
- transportation - lower mode

Health care claims for FFS services are to be submitted to UNISYS, the State's fiscal agent, for claims processing purposes. Fee-For Service benefits are also available to newborns awaiting enrollment in a participating HMO. In these situations, the State Eligibility Identification Card will serve as proof of NJ KidCare eligibility for FFS services.

Plan A beneficiaries will be enrolled in one of the HMOs available in the beneficiary's county of residence listed on the attachment to this Newsletter. Eligible Plan A enrollees have no copayment obligations under the NJ KidCare program. All covered benefits are the responsibility of the participating HMOs and are to be provided in accordance with policies and procedures established by each HMO.

If you have questions regarding this Newsletter, please contact: 1-800-356-1561.

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