



State of New Jersey.
Department of Institutions and Agencies.
Division of Medical Assistance and Health Services.

Interim Policies and Procedures for Administration
of
Medical Assistance,

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Interim Policies and Procedures for Administration
of
Medical Assistance

STATE LAW

The New Jersey program of Medical Assistance was established by Chapter 413, P.L. 1968, approved January 15, 1969, with effective date of January 1, 1970. This legislation is cited as the "New Jersey Medical Assistance and Health Services Act."

ADMINISTRATIVE ORGANIZATION

1. Department of Institutions and Agencies

The Department of Institutions and Agencies is the administrative unit of state government which has general cognizance over the administration of MA. In the terminology of Federal law and regulations this Department is the "single state agency." Under the terms of the MA law, this Department is responsible for the general policies governing administration of MA, and for effecting the issuance of rules, regulations and administrative orders implementing the statutory provisions.

2. Division of Medical Assistance and Health Services

The Division of Medical Assistance and Health Services is the administrative unit of the Department of Institutions and Agencies responsible for coordinating the administration of MA with other public welfare and public assistance programs. This Division provides for payment of claims for, and evaluation of, health services rendered under the Program; maintains administration liaison with the other departmental divisions; and provides a professional medical and para-medical staff which is advisory to the Division of Public Welfare in all matters of health care relevant to public welfare and public assistance programs.

3. Direct Service Agencies

Eligibility for MA is restricted to persons receiving, or eligible to receive, categorical assistance or child welfare services, and to persons related as spouse or children to recipients of categorical assistance. Each of these groups fall within, or are related to, programs administered by or through the county welfare boards, the Bureau of Children's Services or the Bureau of Institutional Services.

These agencies have direct service responsibilities for persons found eligible for the several programs which they administer. Such responsibilities include, but are not limited to, the receipt and processing of applications; investigation and determination as to all factors affecting eligibility, with consequent notice to essential parties of the decision reached; reinvestigation and redetermination of continuing eligibility; provision of supportive social services which will enhance cure and rehabilitation; and determination of cessation of eligibility or need. These services shall also be provided for persons within or related to these programs as an element of the administration of MA.

a. County Welfare Boards

County Welfare Boards exercise direct service responsibilities for recipients of the categorical assistance programs; persons related to such recipients as spouse or children under 21 years of age; and persons eligible to receive categorical assistance who apply to establish eligibility and who receive MA only.

b. Bureau of Children's Services

The Bureau of Children's Services exercises direct service responsibilities for children in foster care.

c. Bureau of Institutional Services

The Bureau of Institutional Services, subject to agreements with the hospitals, exercises direct service responsibilities for certain recipients of categorical assistance in or on release from psychiatric and tuberculosis hospitals.

ELIGIBLE PERSONS

1. Recipients of Categorical Assistance

A person is eligible to receive medical assistance for medical care and services received during any month when such person is a "recipient of categorical assistance" (OAA, DA, AB, ADC).

The term "recipient of categorical assistance" refers to a person or persons found eligible for an initial payment of assistance, and this status continues from month to month until there is an official determination of ineligibility by the CWB. This status may or may not involve a money payment to the person(s). In OAA, DA and AB "recipient" is one person. In ADC "recipient" includes the eligible child(ren);

and can include, in the alternative, (1) the natural or adoptive parent(s), (2) the natural or adoptive parent and stepparent, and (3) the needy parent-person, and spouse if applicable.

Receipt of General Assistance through a municipal welfare department does not establish eligibility for MA.

2. Persons Ineligible for Categorical Assistance Due to Special Conditions

If a person would be eligible for a categorical assistance program except for certain special conditions required by state law, such person is eligible for MA.

a. OAA, DA

A person is eligible for MA when he would be eligible for OAA or DA except for failure to execute a reimbursement agreement or to assign insurance in accordance with current Categorical Assistance Budget Manual provisions.

b. ADC

A person between 18 and 21 years of age is eligible for MA when he would be eligible for ADC except for lack of school attendance or pursuit of formalized vocational or technical training.

c. Relative Responsibility

(See page 9)

3. Spouse of a Recipient of Categorical Assistance

The spouse of a recipient of OAA, DA or AB, who is living with the recipient, who is essential to the well being of such recipient, and whose needs are taken into consideration in determining the grant to the recipient, is eligible for MA whether or not he or she is also eligible to receive categorical assistance. When a husband and wife have been customarily living together, each is considered essential to the well being of the other in the absence of evidence to the contrary; and this remains true although the parties are separated because of institutionalization for health care.

If a person applies for a categorical assistance program only to establish eligibility for MA, and refuses to undertake those requirements necessary to be eligible for a money payment, the spouse is not eligible for MA.

4. Child in Foster Care

A child in foster care under the supervision of the Bureau of Children's Services is eligible for MA so long as such child's maintenance is being paid in whole or in part from public funds.

5. Eligible Non-Recipient of Categorical Assistance

A person is eligible for MA if he could meet all conditions of eligibility, including financial eligibility, for a program of categorical assistance but does not want to receive categorical assistance. This includes a person who is a patient in a skilled nursing home or an institution for mental diseases or tuberculosis, but failure to undertake those requirements necessary to be eligible for categorical assistance means that such person cannot receive a money payment for personal incidental expenses.

APPLICATION PROCESS

1. Basic Concept of the Application

When a person applies for MA the application process shall establish his eligibility for a program appropriate to his circumstances in order to determine eligibility for MA. A person is eligible for MA if found eligible for categorical assistance; and can be eligible for MA although he refuses to accept a money payment, or to undertake those requirements (i.e., execution of an agreement to reimburse and assignment of insurance) necessary to qualify for a money payment.

2. Form of Application

The currently effective Form PA-1, Application for Public Assistance and Form PA-1E, Affidavit for Public Assistance will be used for all applications. When the applicant does not want to receive a money payment, enter on the form the name of the program appropriate to his circumstances, followed by "(MA only)".

3. Formal Application Not Required

The following classes of persons are eligible for MA by virtue of their status in relation to another program, and no formal application, or processing of an application, is required to establish eligibility for MA:

- a. recipients of categorical assistance;
- b. spouses of recipients of categorical assistance;

- c. children between 18 and 21 years of age who are members of, and living with, families receiving assistance for dependent children, but who are not attending school; and
- d. children in foster care.

4. Formal Application Required

The following classes of persons may be found eligible for MA only upon the filing and processing of an application for the categorical assistance program appropriate to the circumstances of the particular applicant:

- a. adult persons who would be eligible to receive categorical assistance except for certain conditions required by State law; and
- b. persons who desire to receive MA only and do not want to receive categorical assistance.

The filing and processing of applications for these classes of persons shall be governed by the policies and procedures applicable to such appropriate categorical assistance program, except as such policies and procedures may be modified by these instructions.

AUTHORIZED AGENT

A legally appointed guardian shall always be recognized as an authorized agent to initiate an application to establish eligibility for medical assistance.

In MA an individual who wishes to apply for assistance may be confined at home or at an institution, or may be subject to a critical illness or injury, which impedes action on his own behalf. Consequently, the CWB shall accept any one of the following, in the order of priority as listed, as an authorized agent for the purpose of initiating an application to establish eligibility for medical assistance:

- a. A relative by blood or marriage;
- b. A staff member of a public or private welfare agency, of which the person is a client, who has been designated by the agency to so act;
- c. A physician or attorney of whom the person is respectively a patient or a client;
- d. A staff member of an institution or facility in which the person is receiving care who has been designated by the institution or facility to so act.

OPPORTUNITY TO RECEIVE CATEGORICAL ASSISTANCE

Since eligibility for MA is dependent upon eligibility for a categorical assistance program, each applicant for MA shall be given an opportunity to establish eligibility to receive a money payment. Failure to do so may result in additional health problems arising from inadequate subsistence; and in the case of a person in an institution, the lack of funds for personal incidentals.

EFFECTIVE DATE OF APPLICATION

1. Policy

In order to carry out the purposes of the statute, it is necessary to fix an effective date of the application which is not subject to delay in affording opportunity for an interpretive interview. Consequently, the following rules shall apply in establishing the effective date of an application to establish eligibility for medical assistance:

- a. When the individual is applying for a categorical assistance program, the effective date of the application as to MA eligibility shall be the date of the application for categorical assistance.
- b. When the individual is applying to establish eligibility for MA only, the effective date of the application shall be determined by the date when the earliest of the following alternatives occurs:
 - 1) the individual or his authorized agent applies to establish eligibility for medical assistance following an interpretive interview; or
 - 2) the CWB receives an inquiry* from an individual acting on his own behalf; or
 - 3) the CWB receives an inquiry* on behalf of a specific individual made by a legally appointed guardian or by a relative by blood or marriage.

2. Utilization

The effective date of an application to establish eligibility for MA, as determined in accordance with the rules stated above, shall be used as the date of active status in the "Medicaid Status File", and shall be used in determining the period for which authorized payments of medical assistance shall be made.

*A referral from a hospital shall be deemed an inquiry only when made on Form PA-1C

DISPOSITION OF APPLICATIONS

1. Approved Applications

When an application to establish eligibility for MA is approved, the CWB shall take immediate action to complete and process a Medicaid Status File Transaction, Form MAP 1.

2. Denied Application

When an application to establish eligibility for MA is denied, the CWB shall notify the applicant giving the reason therefor.

RESIDENCE

The rules applicable to Medical Assistance for the Aged will be followed.

INSTITUTIONAL STATUS

When a person otherwise eligible for MA requires institutional care, medical assistance can be provided only when such person is receiving care and services in an eligible medical institution.

Eligible Medical Institutions

1. Institutions in New Jersey

For purposes of MA, "eligible medical institution" in New Jersey is a total facility, or a designated part thereof, which is:

- a. a hospital, whether general or special, public or private, licensed as such by the Department of Institutions and Agencies;
- b. a skilled nursing home, whether public or private, licensed or approved as such by the Department of Institutions and Agencies; and
- c. psychiatric hospital or tuberculosis hospital certified as meeting the requirements for such as established by and pursuant to Title XVIII of the Federal Social Security Act. (See 3 below for age requirements.)

2. Institutions Outside New Jersey

An "eligible medical institution" outside New Jersey is a public or voluntary medical institution which is licensed, certified or approved by the proper authority of the jurisdiction

in which the institution is located, so that the costs of care and services provided therein may be paid for through a program of medical assistance conforming to the requirements of Title XIX of the Federal Social Security Act. Evidence of such license, certification or approval shall be obtained from the Department of Welfare or similar authority of that jurisdiction.

3. Age Requirements for Care in Institutions for Tuberculosis or Mental Disease

Medical assistance may be granted for the costs of care and services in institutions for tuberculosis or mental disease only for or on behalf of eligible persons 65 years of age or older. This age limitation does not apply to a person receiving care and services because of a diagnosis of tuberculosis or mental disease when such care and services are being provided in a hospital or other eligible medical institution licensed, certified or approved to provide general services.

FINANCIAL ELIGIBILITY

1. Persons Receiving Money Payment or Maintenance

- a. A person determined to be eligible for OAA, DA, AB or ADC has financial eligibility for MA.
- b. A child between 18 and 21 years of age who, except for lack of school attendance would be eligible for ADC, has financial eligibility for MA.
- c. A spouse of a recipient of OAA, DA or AB, if living with such recipient, has financial eligibility for MA. When a husband and wife have been customarily living together, this relationship is deemed to continue although they become separated because of institutionalization for health care.
- d. A child in foster care has financial eligibility when:
 - (1) if placed with a family which, including the child, could qualify by relationship for ADC, the income and resources of the family are within the limits of eligibility for ADC;
 - (2) if otherwise placed, the child's personal income does not exceed \$160 per month.

2. Evaluation of Income and Resources for Medical Assistance Only

A person who wishes to establish eligibility for MA, but does not want to receive a money payment, must have financial eligibility determined by the requirements of that categorical assistance program appropriate to his circumstances. In determining financial eligibility, the following rules apply:

a. Person Not in Nursing Home or Mental or TB Hospital

For a person not in a nursing home or a mental or TB hospital, income and resources must be identified and evaluated, and financial eligibility determined, in accordance with the currently effective provisions of the Categorical Assistance Budget Manual as promulgated by the Division of Public Welfare.

b. Person in Nursing Home or Mental or TB Hospital

For a person in a nursing home or a mental or TB hospital, income and resources must be identified and evaluated as provided in section 2 a. above. Such person has financial eligibility when his cash resources do not exceed \$500.00, and when his monthly income does not exceed \$160.00 for OAA and DA or \$175.00 for AB.

RELATIVE RESPONSIBILITY

Relative responsibility under the MA program is limited to spouse for spouse, and parent for a child under 21, or blind, or disabled. Under New Jersey Law there is a general exemption from relative responsibility of parents 55 years of age and older for children over 21.

Subject to these limitations, relative responsibility shall be determined and enforced in accordance with the currently effective provisions of the Categorical Assistance Budget Manual promulgated by the Division of Public Welfare.

CERTIFICATION RELATIVE TO ELIGIBILITY

1. Initial Eligibility

When eligibility for MA has been determined the appropriate direct service agency will complete and process a Medicaid Status File Transition, Form MAP1.

2. Continuing Eligibility

a. Monthly Validation

Each month the appropriate direct service agency will issue to each person and family continuing eligible for MA a validation of such eligibility for the current calendar month. The validation shall be issued at the time of mailing the monthly assistance payments, and shall be in a form approved by the Division of Medical Assistance and Health Services.

b. Redeterminations of Eligibility

Eligibility of any person for MA shall be redetermined at such intervals and in such manner as prescribed for the categorical assistance or service program upon which such person's eligibility for MA is based.

A special redetermination of a person's eligibility shall be made when information is received indicating a change in circumstances which may affect continuing eligibility.

3. Termination or Change in Status

When it is determined that eligibility for MA is terminated, or has been subject to a change in status, the appropriate direct service agency shall take proper action as provided in the Medicaid Status File Instruction Manual.

PAYMENT OF MEDICAL ASSISTANCE

1. Authorized Services

Payments of medical assistance are authorized by statute for the following health services as more particularly described in the appropriate manuals for providers:

- a. Inpatient hospital services, except that such services in an institution for tuberculosis or mental illness are limited to persons 65 years of age and older;
- b. Outpatient hospital services;
- c. Clinic services, i.e., medical care services provided by an outpatient facility not administered or operated by a hospital;
- d. Laboratory and x-ray services;
- e. Skilled nursing home services;

- f. Physicians' services, whether furnished in the office, patient's home, hospital, skilled nursing home or elsewhere;
- g. Other practitioners' services, limited by State law to podiatrists and optometrists;
- h. Home health care services;
- i. Dental services, including dentures;
- j. Pharmaceutical services (prescribed drugs);
- k. Prosthetic devices and appliances; medical supplies and equipment; eyeglasses and hearing aids;
- l. Whole blood when not available from other sources;
- m. Preventive and rehabilitative services; and
- n. Transportation, i.e., ambulance service to and from a medical facility when the patient's condition precludes the use of other means of transportation.

2. Manner of Payment

Payments of authorized health services will be made by the Division of Medical Assistance and Health Services or as provided in existing contracts with the Hospital Service Plan of New Jersey and the Prudential Insurance Company of America.