



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN
Governor

WILLIAM WALDMAN
Commissioner

MEDICAID COMMUNICATION NO. 97-11

DATE: May 15, 1997

TO: County Welfare Agency Directors

SUBJECT: The Impact of the New Welfare Law on the New Jersey Medicaid Program

In response to numerous inquiries concerning the impact of welfare reform on Medicaid, the Division of Medical Assistance and Health Services (DMAHS) is providing updates on the approved program modifications and implementation status. This initiative relates specifically to the Work First NJ (WFNJ) program and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

The attached Fact Sheet and Desk Reference outlines the Division's position on the program changes and eligibility issues. It can be used as a quick reference to answer questions.

Presently, regulations are being developed by the Division to support the changes relating to the de-linking of Medicaid eligibility from cash assistance, i.e., WFNJ, resulting from the implementation of PRWORA. Since Medicaid eligibility is now based on AFDC rules that were in place on July 16, 1996, this separation may result in persons receiving cash assistance through WFNJ, but losing Medicaid coverage. Similarly, persons may be sanctioned under WFNJ, but continue to receive Medicaid.

Also, statutes and regulations are in process for the immigration provisions of the PRWORA which limit the criteria by which legal aliens can qualify for medical assistance. The New Jersey Medicaid program will provide coverage for:

1. aliens who entered the United States before August 22, 1996, if they are qualified lawful permanent residents, refugees, asylees and persons whose deportation has been withheld.

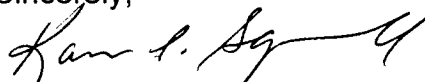
2. aliens entering the United States on or after August 22, 1996, only after a five years from date of entry eligibility ban, except for refugees, asylees, veterans (child /spouse), persons on active duty and persons whose deportation has been withheld. All groups must otherwise qualify for Medicaid. Qualified aliens who are banned for five years and illegal aliens are covered for emergency services only.

It is important to note that PRUCOL (Permanently Residing Under the Color of Law) which includes persons "continuously residing," i.e., since June 30, 1948, and January 1, 1972, will not be considered as an eligibility criteria for Medicaid. The term "legal alien" is therefore not synonymous with "eligible alien."

Until you are advised otherwise, the current Medicaid regulations contained in N.J.A.C. 10:70, 10:71 and 10:72 concerning immigration should be used to determine Medicaid eligibility. The Division will advise you when the new regulations are promulgated.

Questions concerning this communication should be referred to your field services representative.

Sincerely,

A handwritten signature in dark ink, appearing to read "Karen I. Squarrell", with a stylized flourish at the end.

Karen I. Squarrell
Acting Director

KIS:m

Attachment

c Michele K. Guhl, Deputy Commissioner
Division of Youth and Family Services

Karen Highsmith, Director
Division of Family Development

**FACT SHEET ON
THE IMPACT OF THE NEW WELFARE LAW ON MEDICAID**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 repeals the Aid to Families with Dependent Children (AFDC) cash welfare program and replaces it with block grants to the states known as Temporary Assistance for Needy Families (TANF). New Jersey's reform initiative in response to this act is known as "Work First New Jersey."

- Medicaid eligibility is de-linked from cash assistance under the Work First NJ program. Eligibility determinations are now based on different criteria.
- De-linking may result in persons receiving cash assistance through TANF, but not receiving Medicaid coverage. Similarly, individuals sanctioned for failure to comply with WFNJ regulations, including work requirements, may continue to receive Medicaid.
- Families who have been on TANF for five cumulative years will become ineligible for additional cash assistance, but their Medicaid benefits may continue if they meet the eligibility criteria in place for AFDC as of July 16, 1996.
- New Jersey guarantees twenty-four months of transitional Medicaid benefits for those who lose eligibility, as reflected in the AFDC regulations of July 16, 1996, because of increased earnings.
- New Jersey will provide Medicaid coverage to eligible qualified aliens, who were current residents prior to August 22, 1996.
- For legal qualified aliens who entered the United States after August 21, 1996, there is a five-year ban on receipt of full Medicaid services. With some exceptions, such as refugees and asylees, New Jersey will only provide Medicaid coverage to those aliens who entered the United States after August 21, 1996, after their five-year ban is expired.
- An immigrant who is not an eligible/qualified alien but is a resident of New Jersey, is only entitled to emergency medical care. This includes labor and delivery services for pregnant women.
- Many legal aliens will be terminated from the SSI program and their Medicaid eligibility will be redetermined.

The Social Security Administration's definition of childhood disability has been changed and eliminates the Individualized Functional Assessment. They will identify and notify SSI children and aliens to be terminated; most children terminated from SSI will remain Medicaid eligible.

DESK REFERENCE

The provisions of Medicaid benefits for immigrants/aliens are summarized in the table below and reflect the Division's current position on this issue.

GROUPS		NEW JERSEY MEDICAID COVERAGE
QUALIFIED ALIENS	CONTINUOUSLY RESIDING	NEW ARRIVALS AFTER 8/21/96
LAPR *	Covered	Veterans, aliens on active duty, their children/spouse covered upon entry and after 5 yrs, others after 5 yrs.
Asylees	Covered	Mandated for 5 yrs, then voluntarily covered after 5 yrs.
Refugees	Covered	Mandated for 5 yrs, then voluntarily covered after 5 yrs.
Parolees	Covered	Banned for 5 yrs, then voluntarily covered thereafter.
Deportation Withheld	Covered	Mandated for 5 yrs, then voluntarily covered after 5 yrs.
Conditional Entrant	Covered	Banned for 5 yrs, then voluntarily covered thereafter
Non-Qualified Aliens	Emergency Services only	Emergency Services only

* LAPR Lawfully Admitted for Permanent Residence