

**CHAPTER 69**

**AFDC-RELATED MEDICAID**

**Authority**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193; the Balanced Budget Act of 1997, Public Law 105-33; Section 1902(a)8, 1902(a)10, 1902(e) and Section 1931(a) of the Social Security Act (42 U.S.C. § 1396a(a)8, 1396a(a)10, 1396a(e) and 1396u-1(a) respectively); 42 C.F.R. 435.2 through 435.170 and 436.100 through 436.128; N.J.S.A. 30:4D-1 et seq.; N.J.S.A. 44:10 -3, P.L. 1997 c.13, 14, 37, 38 and 352.

**Source and Effective Date**

R.1999 d.233, effective July 19, 1999.  
See: 31 N.J.R. 1009(a), 31 N.J.R. 1960(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 69, AFDC-Related Medicaid, expires on July 19, 2004.

**Chapter Historical Note**

Chapter 69, Reimbursement to Pharmaceutical Consultants in Long-Term Care Facilities, was adopted as R.1976 d.6, effective January 9, 1976. See: 7 N.J.R. 504(a), 8 N.J.R. 70(c).

Chapter 69, Reimbursement to Pharmaceutical Consultants in Long-Term Care Facilities, was repealed by Emergency Repeal R.1976 d.216, effective July 12, 1976. See: 8 N.J.R. 385(c).

Chapter 69, Hearing Aid Assistance to the Aged and Disabled, was adopted as new rules by R.1988 d.250, effective June 6, 1988. See: 20 N.J.R. 519(a), 20 N.J.R. 1220(a).

Pursuant to Executive Order No. 66(1978), Chapter 69, Hearing Aid Assistance to the Aged and Disabled, was readopted as R.1993 d.281, effective May 14, 1993. See: 25 N.J.R. 228(a), 25 N.J.R. 2589(a).

Pursuant to Reorganization Plan No. 001-1996, Chapter 69, Hearing Aid Assistance to the Aged and Disabled, was recodified as N.J.A.C. 8:83B, effective October 15, 1997. See: 29 N.J.R. 4679(a).

Chapter 69, AFDC-related Medicaid, was adopted as new rules by R.1999 d.233, effective July 19, 1999. See: Source and Effective Date.

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. AFDC-RELATED MEDICAID IN NEW JERSEY**

- 10:69-1.1 Background
- 10:69-1.2 Purpose and scope
- 10:69-1.3 Administrative organization
- 10:69-1.4 AFDC-related Medicaid
- 10:69-1.5 Definitions

**SUBCHAPTER 2. THE APPLICATION PROCESS**

- 10:69-2.1 General provisions
- 10:69-2.2 Provisions governing the initial contact
- 10:69-2.3 Purpose and scope of first contact
- 10:69-2.4 Completion of forms
- 10:69-2.5 Registration of applications
- 10:69-2.6 Eligibility for Aid to Families with Dependent Children (AFDC)-related Medicaid
- 10:69-2.7 Financial need
- 10:69-2.8 Eligibility factors other than need

- 10:69-2.9 Deprivation of parental support in AFDC-C related Medicaid
- 10:69-2.10 Ineligible family members
- 10:69-2.11 Residence requirement
- 10:69-2.12 Support from relatives
- 10:69-2.13 Repayment (all segments)
- 10:69-2.14 Administrative action on application
- 10:69-2.15 Notice of approval, disapproval and pending status and other information to client
- 10:69-2.16 Withdrawal
- 10:69-2.17 Dismissal of application when client cannot be located
- 10:69-2.18 Verification
- 10:69-2.19 Use of PA-1C as an application request

**SUBCHAPTER 3. ESTABLISHING PROGRAM ELIGIBILITY IN AFDC-RELATED MEDICAID**

- 10:69-3.1 Establishing eligibility for AFDC-related Medicaid
- 10:69-3.2 Documentation and recording of program eligibility requirements
- 10:69-3.3 Sources of evidence regarding eligibility
- 10:69-3.4 Verification of income
- 10:69-3.5 Recording of documentation
- 10:69-3.6 Issuance of summons or subpoena
- 10:69-3.7 Eligible unit
- 10:69-3.8 Applicant and eligible unit AFDC-C, -F and -N
- 10:69-3.9 AFDC-related Medicaid citizenship/eligibility requirements
- 10:69-3.10 Parent in AFDC-C, -F and -N related Medicaid segments
- 10:69-3.11 Parent-minor in AFDC-related Medicaid
- 10:69-3.12 Circumstances requiring special handling
- 10:69-3.13 Age requirements
- 10:69-3.14 Noneligible persons in the household
- 10:69-3.15 Deprivation of parental support or care (AFDC-C)
- 10:69-3.16 Continued absence of parent from the home
- 10:69-3.17 Work criteria; determination of principal earner
- 10:69-3.18 Residence requirements
- 10:69-3.19 Temporary absence from State
- 10:69-3.20 Management of out-of-State case records
- 10:69-3.21 Abandonment of State residence
- 10:69-3.22 Notice of termination
- 10:69-3.23 County residence for identification
- 10:69-3.24 Change of county residence
- 10:69-3.25 Verification of residence
- 10:69-3.26 Procedures governing release from State institutions
- 10:69-3.27 Release from a State institution
- 10:69-3.28 Temporary absence of a family member
- 10:69-3.29 Child or parent in an institution
- 10:69-3.30 Absence for reasons other than institutional
- 10:69-3.31 Legally responsible relatives (LRRs)
- 10:69-3.32 Support orders for legally responsible relatives
- 10:69-3.33 (Reserved)
- 10:69-3.34 Liquidation of all debts, claims, interests, settlements, and trust funds
- 10:69-3.35 Repayment
- 10:69-3.36 Action by CBOSS upon voluntary liquidation
- 10:69-3.37 (Reserved)
- 10:69-3.38 Strikers

**SUBCHAPTER 4. MEDICAID SPECIAL**

- 10:69-4.1 General provisions
- 10:69-4.2 Determination of eligibility; Medicaid Special
- 10:69-4.3 College students and Medicaid Special

**SUBCHAPTER 5. CONTINUING ELIGIBILITY IN AFDC-RELATED MEDICAID**

- 10:69-5.1 Continuing eligibility defined
- 10:69-5.2 Requirements for periodic redetermination
- 10:69-5.3 Process of redetermination
- 10:69-5.4 Competency status in AFDC-related Medicaid

- 10:69-5.5 Institutional status in AFDC-related Medicaid
- 10:69-5.6 Requirements with respect to deprivation of parental support or care in AFDC-C
- 10:69-5.7 Marriage or remarriage
- 10:69-5.8 Special conditions relating to parent(s) in AFDC-F and -N
- 10:69-5.9 Legally responsible relatives capacity to support
- 10:69-5.10 Recording and recommendation for changes in AFDC-related Medicaid eligibility
- 10:69-5.11 Notice of agency decision
- 10:69-5.12 Periodic notice to client
- 10:69-5.13 Extension of Medicaid benefits
- 10:69-5.14 Change in eligible unit

#### SUBCHAPTER 6. COMPLAINTS, HEARINGS AND ADMINISTRATIVE REVIEWS

- 10:69-6.1 Definitions
- 10:69-6.2 Right to fair hearing and administrative review
- 10:69-6.3 Responsibilities of the CBOSS in processing hearing requests
- 10:69-6.4 Responsibilities of the Division of Medical Assistance and Health Services
- 10:69-6.5 Responsibilities of the Office of Administrative Law upon transmittal of a contested case from the DMAHS (45 CFR 205.10 and N.J.A.C. 1:1-1 et seq.)
- 10:69-6.6 Administrative hearings and administrative reviews
- 10:69-6.7 Complaints and adjustment procedures
- 10:69-6.8 Time limitations on entitlement to fair hearings
- 10:69-6.9 Eligibility for continued Medicaid coverage
- 10:69-6.10 Access to discovery of information in contested cases
- 10:69-6.11 Representation at hearings
- 10:69-6.12 Disposition of hearing request through withdrawal, abandonment or settlement
- 10:69-6.13 Adjournments
- 10:69-6.14 Hearings involving medical issues
- 10:69-6.15 Decision by Director, Division of Medical Assistance and Health Services

#### SUBCHAPTER 7. CASE RECORDS AND FILES

- 10:69-7.1 Purpose of case records
- 10:69-7.2 Contents of the case record
- 10:69-7.3 Documentation of verification of factors of eligibility
- 10:69-7.4 Maintenance and custody of case records
- 10:69-7.5 Movement of case records
- 10:69-7.6 Transfer of case records
- 10:69-7.7 Retention and destruction of case records
- 10:69-7.8 Agency controls for other operational procedures
- 10:69-7.9 Disclosure of records or information for formal proceedings
- 10:69-7.10 Release of information for statistical purpose

#### SUBCHAPTER 8. OTHER GOVERNMENTAL PROGRAMS

- 10:69-8.1 Retirement, Survivors and Disability Insurance
- 10:69-8.2 Procedures for securing information from the Social Security Administration
- 10:69-8.3 Release of information by county board of social services to SSA
- 10:69-8.4 Entitlement of child born of unmarried parents
- 10:69-8.5 Division of Employment Services
- 10:69-8.6 Functions of the Department of Veterans Affairs
- 10:69-8.7 Availability of Work First New Jersey

#### SUBCHAPTER 9. OTHER AGENCY RESPONSIBILITIES

- 10:69-9.1 Adherence to law and regulations
- 10:69-9.2 Issuance of manual
- 10:69-9.3 CBOSS reporting requirements
- 10:69-9.4 Issuance of Medicaid cards (validation of eligibility)
- 10:69-9.5 Separation of income maintenance and social services
- 10:69-9.6 Payment of funeral and burial expenses; all segments
- 10:69-9.7 Reporting of child abuse and neglect
- 10:69-9.8 Confidentiality of information

- 10:69-9.9 Disclosure of records or information for formal proceedings
- 10:69-9.10 Release of information for statistical purpose
- 10:69-9.11 Material sent to applicants or beneficiaries of AFDC-related Medicaid program
- 10:69-9.12 Nondiscrimination
- 10:69-9.13 Extent of prohibited discriminatory practices
- 10:69-9.14 Procedures regarding payments to vendor
- 10:69-9.15 Eligibility fraud by applicants and beneficiaries
- 10:69-9.16 Criteria for identifying cases of possible fraud
- 10:69-9.17 County board of social services responsibility; administrative plan
- 10:69-9.18 Referral by the CBOSS in cases of suspected fraud
- 10:69-9.19 Reports on cases involving fraudulent receipt of Medicaid coverage
- 10:69-9.20 Recovery of incorrectly paid Medicaid benefits
- 10:69-9.21 Reporting criminal offenses to law enforcement authorities
- 10:69-9.22 Rights of individual under investigation
- 10:69-9.23 Basis for recovery of incorrectly paid benefits for purposes other than for fraud, or third party liability

#### SUBCHAPTER 10. INCOME

- 10:69-10.1 Income; financial eligibility standards
- 10:69-10.2 Standard of need (Effective 7/1/92)
- 10:69-10.3 Total gross income limits
- 10:69-10.4 Eligible unit; all related Medicaid programs
- 10:69-10.5 Eligible unit; AFDC-C and -F related Medicaid program
- 10:69-10.6 Eligible unit; AFDC-N related Medicaid program
- 10:69-10.7 Eligible person temporarily in an institution
- 10:69-10.8 Eligible AFDC child or parent regularly attending school or in vocational training at a Residential Job Corps Center
- 10:69-10.9 School attendance defined
- 10:69-10.10 General provisions—income
- 10:69-10.11 Definition of earned income
- 10:69-10.12 Earned income from self-employment including provisions of personal care services
- 10:69-10.13 Earned income disregards for AFDC-related Medicaid
- 10:69-10.14 Disregard of certain allowances and payments in AFDC-related Medicaid program (all segments) for participation in JTPA
- 10:69-10.15 Earned income disregards of a child who is a full or part-time student
- 10:69-10.16 Income from family day care
- 10:69-10.17 Division of Youth and Family Services payments for foster care
- 10:69-10.18 Income which is not earned
- 10:69-10.19 Income from roomer-boarders and table boarders
- 10:69-10.20 Income from apartments, rooms or housekeeping units in the eligible unit's home
- 10:69-10.21 Contributions of support
- 10:69-10.22 Exempt income
- 10:69-10.23 Nonrecurring earned or unearned lump sum income
- 10:69-10.24 Child support received by the eligible unit
- 10:69-10.25 Prospective budgeting
- 10:69-10.26 Initial eligibility
- 10:69-10.26 Eligibility
- 10:69-10.27 Income from eligible and noneligible individuals in the household
- 10:69-10.28 Penalty of ineligibility for CSP sanction
- 10:69-10.29 Needs of certain children temporarily in the home
- 10:69-10.30 Initial eligibility and application of disregards
- 10:69-10.31 Procedures for determining initial eligibility for AFDC-C, -F and -N related Medicaid
- 10:69-10.32 (Reserved)
- 10:69-10.33 AFDC-C procedures for stepparents
- 10:69-10.34 (Reserved)
- 10:69-10.35 Procedures for AFDC-C and -F related Medicaid eligibility
- 10:69-10.36 Companion cases
- 10:69-10.37 Calculation of contract earning income
- 10:69-10.38 Calculation of earnings as lump sum payment
- 10:69-10.39 Calculation of contributions of legally responsible relatives

- 10:69-10.40 Evaluating LRR's capacity to support
- 10:69-10.41 Determining amount of LRR support
- 10:69-10.42 Acceptable forms of LRR support
- 10:69-10.43 Eligibility of sponsored aliens and deeming of sponsor's income to a sponsored alien
- 10:69-10.44 Deeming income of parents of adolescent parents

## SUBCHAPTER 11. RESOURCES

- 10:69-11.1 Resources and eligibility

## SUBCHAPTER 12. PRESUMPTIVE ELIGIBILITY FOR AFDC-RELATED MEDICAID CHILDREN

- 10:69-12.1 Scope
- 10:69-12.2 Period of presumptive eligibility
- 10:69-12.3 Requirements for presumptive eligibility determination entities
- 10:69-12.4 Presumptive eligibility processing performed by the presumptive eligibility determination entity
- 10:69-12.5 Presumptive eligibility processing performed by the Division of Medical Assistance and Health Services
- 10:69-12.6 Presumptive eligibility processing performed by the county board of social services
- 10:69-12.7 Responsibility of the applicant
- 10:69-12.8 Notification and fair hearing rights
- 10:69-12.9 Scope of services during the presumptive eligibility period
- 10:69-12.10 Limitation on number of presumptive eligibility periods

## SUBCHAPTER 1. AFDC-RELATED MEDICAID IN NEW JERSEY

### 10:69-1.1 Background

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, enacted August 22, 1996, implemented Federal welfare reform. The new Federal law eliminated the Aid to Families with Dependent Children (AFDC) program and created a Temporary Assistance for Needy Families (TANF) block grant for states to provide time-limited cash assistance. New Jersey's block grant program is established as Work First New Jersey (WFNJ) in accordance with the Work First New Jersey Act, P.L. 1997, c.13, c.14, c.37 and c.38. P.L. 104-193 also required that the regulations governing a state's eligibility for AFDC-related Medicaid in effect in the State as of July 16, 1996, must continue to determine eligibility for AFDC-related Medicaid. This chapter is the continuation of the appropriate AFDC-related Medicaid rules.

### 10:69-1.2 Purpose and scope

The purpose of this chapter is to set forth the policies and procedures necessary for the orderly and equitable provision of AFDC-related Medicaid on a Statewide basis. It is binding on the county boards of social services (CBOSSs) and enforceable by the Division of Medical Assistance and Health Services (DMAHS). Questions of interpretation shall be resolved by the Division of Medical Assistance and Health Services.

### 10:69-1.3 Administrative organization

(a) The Department of Human Services is the administrative unit of State government which has the responsibility for the Medicaid program and is designated under Federal law as the "single State agency."

(b) The Division of Medical Assistance and Health Services is the administrative unit of the Department responsible for the general policies governing the administration of medical assistance, and for effecting the issuance of rules and administrative bulletins to implement statutory provisions and to coordinate the administration of medical assistance with the Division of Family Development. The Division of Medical Assistance and Health Services provides for the payment of claims, evaluates health services rendered under the program, maintains administrative liaison with the other Departmental divisions, and establishes incapacity under the AFDC-related Medicaid program.

(c) The Division of Medical Assistance and Health Services has local Medicaid District Offices (MDOs) throughout the State. The role of these offices is to act as a liaison with providers of health services; provide information about Medicaid to beneficiaries and members of the community; and provide information about Medicaid to, and cooperate with, appropriate agencies in order to ensure maximum utilization of the services available through the Medicaid program.

### 10:69-1.4 AFDC-related Medicaid

(a) The AFDC-related Medicaid program is a State program with Federal participation. It is designed to make payments to providers for medical care and services on behalf of certain individuals whose income is determined to be inadequate to enable them to secure quality medical care at their own expense.

(b) The Aid to Families with Dependent Children-related Medicaid program is composed of three segments:

1. AFDC-C related Medicaid, through which medical assistance is provided for children and their natural or adoptive parents or certain designated relatives with whom they were living, when they are financially eligible and deprived of parental support and care by reason of death, continued absence, or incapacity of one or both parents;
2. AFDC-F related Medicaid, through which medical assistance is provided to families with children when both parents are in the home, neither is incapacitated and the principal earner meets the Federal definition of unemployment; and
3. AFDC-N related Medicaid, through which medical assistance is provided to families with children when both parents are in the home and are not incapacitated but have inadequate income for support of the family.

(c) Information, applications and staff agency personnel shall be available to assist non-English speaking applicants for AFDC-related Medicaid income maintenance programs listed in N.J.A.C. 10:69-1.8. Spanish language program material is routinely prepared by the Division and distributed to county agencies. Minority program materials in languages other than Spanish may be prepared based on knowledge of the population served by programs under the auspices of the Division.

Special amendment, R.2000 d.411, effective September 12, 2000 (to expire March 12, 2001).

See: 32 N.J.R. 3598(a).

In (a), substituted "income is" for "resources are" preceding "determined"; and in (b)3, deleted a reference to resources.

Adopted concurrent proposal, R.2001 d.123, effective March 12, 2001.

See: 32 N.J.R. 3598(a), 33 N.J.R. 1123(c).

Readopted provisions of R.2000 d.411 without change.

### 10:69-1.5 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

"Adequate notice" means notice to a client of the county board of social services (CBOSS) decision or action which must state the nature, effective date, factual and legal basis of the decision or action, and the right to a fair hearing.

"Adjusted gross income" means, in self-employment, the net income as determined by subtracting the cost of producing the income from total gross earnings.

"AFDC" means the former Aid to Families with Dependent Children.

"AFDC-related Medicaid" means medical assistance provided to families who would otherwise qualify for AFDC or deemed to qualify for AFDC if the program were still in existence.

"Agency" means the county board of social services.

"Applicant" means parent or parent-person who applies for AFDC-related Medicaid and whose application has not been officially acted upon by the CBOSS.

"Application process" means all activity performed by the eligibility staff until there is an official disposition of the application.

"Approved application" means an applicant has been determined to be eligible for AFDC-related Medicaid.

"Authorized representative" means an individual (or organization) whom a client designates orally or in writing to act on his or her behalf, or, in cases of incompetency, the person designated to act for the client.

"Beneficiary" means the family unit of parent(s) or parent-person(s) and child(ren) of eligible age who have been found eligible for AFDC-related Medicaid including any individual who is an eligible member of such family.

"Boarder, roomer, roomer-boarder" means a person, other than a member of an eligible unit, whose acceptance in the household is a business arrangement based upon payment in cash for board, room, or room and board.

"BQC" means the Bureau of Quality Control in the Division of Medical Assistance and Health Services.

"Calculated earned income" means amount of earned income remaining after applicable disregards and deductions have been subtracted from total gross earnings. This is the accountable amount to be used in determining the eligible unit's total income.

"Capacity of a legally responsible relative (LRR) to support" means the amount of contribution to be anticipated from an LRR.

"Caretaker relative" means the legally responsible adult or adults residing with the children for whom the application for presumptive eligibility is being made. This definition is used for application of presumptive eligibility only (see N.J.A.C. 10:69-12).

"Carnegie unit" means the credit given for the successful completion of one year's study in one subject in a secondary school. Four Carnegie units per year represents full time attendance.

"Case record" means the official file of forms, chronological narrative, correspondence and other documents pertinent to the application and eligibility of client case record. It constitutes a complete record which supports the decisions and actions of the CBOSS on a case.

"Categorical program" means a program established by the Federal Social Security Act for the purpose of enabling a state to furnish assistance to financially eligible individuals or families who meet specific eligibility requirements.

"CBOSS" means the county board of social services.

"CBOSS Director" means the county board of social services Director or staff member to whom he or she has delegated specified responsibility.

"Child born of unmarried parents" means a child born to a mother who is not married to the father of such child.

"Child of eligible age" means a child up to the age of 18 or a child up to the age of 19 if a full-time student in a secondary school, or in the equivalent level of vocational or technical training and reasonably expected to complete the program before reaching age 19.