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State of New Jersey
DEPARTMENT OF HUMAN SERVICES
Division of Medical Assistance and Health Services
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SARAH ADELMAN
Commissioner

GREGORY WOODS
Assistant Commissioner

MEDICAID COMMUNICATION NO. 25-07

DATE: October 8, 2025

TO: NJ FamilyCare Eligibility Determining Agencies

SUBJECT: Post-Eligibility Treatment of Income – 2025 Adjusted Utility Allowance
N.J.A.C. 10:71-5.7

In determining the amount that may be deducted from the income of an institutionalized Medicaid-eligible individual for the maintenance of a community spouse, consideration is given to the excess shelter expenses of the community spouse. When calculating the amount of the shelter expenses, the standard utility allowance is utilized when the community spouse directly incurs utility charges.

As you are aware, these utility allowances are the same as those applicable in determining eligibility under the authority of the Division of Family Development's (DFD) Supplemental Nutrition Assistance Program (SNAP). DFD has announced that the standard utility allowance will increase from \$878.00 to **\$977.00 per month, effective October 1, 2025.**

County Social Service Agencies (CSSA) and Institutional Services Section (ISS) offices shall continue to apply these standards in the post-eligibility treatment of income beginning with the month of October 2025 for all new cases and cases subject to redetermination.

If you have any questions regarding this Medicaid Communication, please refer them to the Division's Office of Eligibility field service staff member for your agency at 609-588-2556.

GW:bp

c:

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