



State of New Jersey

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**

ADMINISTRATIVE OFFICES
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MEDICAID COMMUNICATION NO. 88-4

DATE: February 8, 1988

TO: COUNTY WELFARE AGENCY DIRECTORS

SUBJECT: Lynch v. Rank Annual Outreach

In accordance with the ongoing requirements established by the Federal Court's decision in the case of Lynch v. Rank, New Jersey is initiating its annual review of potential Medicaid eligibles. Included in the affected population are persons who are currently in receipt of Social Security benefits (RSDI), have concurrently received both RSDI and SSI in any month since April 1977 and who lose or have lost eligibility for SSI for any reason. The Court ruled that such persons are entitled, in the determination of eligibility for Medicaid Only, to the disregard of the amount of all RSDI cost-of-living increases since the time they were last eligible for SSI. In addition, the Court ruling requires an annual review of individuals who in the course of the previous year may have met the requirements necessary to establish categorical eligibility under the Court's interpretation of the law. Such individuals who do not establish eligibility will be outreached in each of the subsequent two years.

The Division of Medical Assistance and Health Services has identified all current RSDI beneficiaries who are potentially eligible for the disregard of RSDI cost-of-living increases as a result of the Court's ruling. The Division has mailed a letter (copy attached) to all such persons informing them of their potential eligibility and advising them to contact their CWA to apply for benefits.

For your reference, attached is a printout of those persons who, according to Social Security Administration records, reside in your county, were outreached, and who may be eligible for this additional disregard of income. The printout, which is sorted by Social Security number, includes each individual's current RSDI amount, amount of RSDI received the last month of eligibility for SSI, and the date that SSI was last received. It should be noted that the address indicated on the printout is the address to which the RSDI check is sent. Therefore, in some cases the address will be that of a representative payee or the financial institution in which the RSDI benefit is directly deposited.

February 8, 1988

Persons who contact the CWA as a result of this outreach or who now or in the future independently contact the CWA expressing interest in obtaining Medicaid benefits and meet the criteria identified in the first paragraph of this instruction shall be provided with an opportunity to apply. With the exception of the additional disregard of the RSDI cost-of-living increases, eligibility is determined as for any other Medicaid Only applicants. With regard to the RSDI cost-of-living increases, the dollar amount of each RSDI cost-of-living increase, since the time the individual lost eligibility for SSI, is to be disregarded in the determination of the individual's eligibility for Medicaid. The following are the dates and corresponding percentage increase for each adjustment since April 1977:

June 1977	5.9%
June 1978	6.5
June 1979	9.9
June 1980	14.3
June 1981	11.2
June 1982	7.4
December 1983	3.5
December 1984	3.4
December 1985	3.1
December 1986	1.3
December 1987	4.2

The CWA shall apply each percentage increase, since SSI eligibility was lost, to the amount indicated on the printout as the RSDI benefit that was being paid at the time the individual lost eligibility for SSI. If the resulting figure equals (plus or minus \$1 for each cost-of-living increase) the difference between the current RSDI amount and the amount of RSDI received when last eligible for SSI, then the difference shall be disregarded in the determination for income eligibility for Medicaid. In certain instances, because of changes in the status of the RSDI payment, the differences in the two RSDI amounts will not be fully accounted for by the cost-of-living increase. If the individual is not ineligible for other reasons such as excess resources or non-RSDI income, the CWA shall attempt to ascertain through discussion with the applicant, the circumstances of the change in RSDI payment status. The CWA shall attempt to verify the circumstances of the status change so as to establish the proper amount of RSDI cost-of-living increases to be disregarded. This can be done through award letters when available. Third party query (TPQY) may be used to verify RSDI status changes occurring in the last 12 months.

February 8, 1988

For cases determined eligible as a result of Lynch v. Rank, the CWA shall inquire of the applicant as to any outstanding medical bills incurred within the three-month period prior to the month of application. If the individual has such outstanding medical bills, the CWA shall determine if eligibility for Medicaid would have existed (with application of the new income disregard) in the months that services were rendered. If it is found that eligibility existed during that period, the individual should be accreted to the Medicaid Status File with an effective date of the first of the month in which continuous eligibility was first attained. Such person should be advised to ask their medical provider to send bills directly to their Medicaid Fiscal Intermediary.

This information is to be brought to the attention of appropriate staff. Questions regarding program policies may be directed to the Medicaid field staff.

Sincerely,


Thomas M. Russo, Director
Division of Medical Assistance
and Health Services

TMR:Pg

Attachment

cc: Odella T. Welch
Deputy Commissioner

Marion E. Reitz, Acting Director
Division of Public Welfare

William Waldman, Acting Director
Division of Youth and Family Services
Management Team