

**CHAPTER 81**

**MEDICAID ADMINISTRATION**

**Authority**

N.J.S.A. 30:4D-1 et seq.

**Source and Effective Date**

R.1997 d.354, effective September 2, 1997.  
See: 29 N.J.R. 2512(a), 29 N.J.R. 3856(a).

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

Chapter 81, Medicaid Administration, expires on August 8, 2002.

**Chapter Historical Note**

Chapter 81, Medicaid Administration, was adopted as R.1997 d.354, effective September 2, 1997, with Subchapter 1, Administration. See: Source and Effective Date. As a part of R.1997 d.354, Subchapter 2, Home Care Expansion Program; Subchapter 3, Pharmaceutical Assistance to the Aged and Disabled; Subchapter 4, Lifeline Programs; and Subchapter 5, Hearing Aid Assistance to the Aged and Disabled, were recodified from N.J.A.C. 10:49-18, and 21 through 23, respectively.

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**SUBCHAPTER 1. ADMINISTRATION**

**8:81-1.1 Purpose and scope**

(a) In accordance with the Reorganization Plan No. 001-1996, this chapter sets forth the requirements for certain functions of the New Jersey Medicaid Program administered by the Department of Health and Senior Services.

(b) The administrative requirements for the Medicaid Program are set forth in N.J.A.C. 10:49, jointly adopted by both the Commissioners of the Department of Human Services and the Department of Health and Senior Services as applicable to those programs.

**SUBCHAPTER 2. HOME CARE EXPANSION PROGRAM**

**8:81-2.1 Introduction**

(a) The Home Care Expansion Program (HCEP) (P.L. 1988, c.92), as set forth in N.J.S.A. 30:4E-6, is a Casino Revenue funded program. The intent of the legislation is to offer home care services to elderly and disabled persons in New Jersey who are at risk of institutionalization and whose income and resources exceed the financial requirements for Medicaid or the Community Care Program for the Elderly and Disabled (CCPED). It is anticipated that the provision of home care service will delay or prevent institutionalization. HCEP is available Statewide. Program slots are allocated to each county.

(b) The Division of Senior Services has the responsibility for overall administration of the program and for monitoring the case management sites. The determination of eligibility and cost-share billing and collection is the responsibility of the Division's Bureau of Pharmaceutical Assistance to the Aged and Disabled (PAAD).

Amended by R.1997 d.357, effective September 2, 1997.  
See: 29 N.J.R. 2789(b), 29 N.J.R. 3856(a).  
In (b), amended Division name.

**8:81-2.2 Services**

(a) HCEP can provide payment for a limited package of services including:

1. Case management services;
  - i. Case management is provided by a nurse or social worker. Case managers are responsible for assessing need for care, planning, locating, coordinating and monitoring the services designed to meet individual needs of persons being served. Case management services, provided by a variety of agencies, also include

responsibility for the development of a service plan with input from the client/family, attending physician and provider agencies, and for monitoring the cost of the service package, and calculating cost-share liability;

2. Home health care over and above what Medicare allows;
3. Homemaker services;
4. Medical day care;
5. Non-emergency medical transportation;
6. Respite care to relieve caregiver for short periods of time; and
7. Social day care.

(b) Cost limitations/requirements for HCEP are as follows:

1. Total costs for HCEP are restricted by the amount of money appropriated to the Division of Medical Assistance and Health Services from the Casino Revenue Fund. The number of HCEP slots and the per person costs are limited in order to stay within these appropriated monies. The cost for care for each individual is limited to a percentage of the cost of nursing home care which will be determined periodically. There is no payment for services provided before enrollment in the program.
2. Clients may be required to share in the cost of their care. The amount of this cost-share is determined by the individual's income, the cost of the services, and the additional medical or remedial care received. Non-payment of this cost-share will result in termination from the program.

#### 8:81-2.3 Eligibility requirements

(a) To qualify for HCEP services, an individual 65 or over must:

1. Need long-term home care services which are medically necessary to avoid or delay institutionalization;
2. Be eligible for Medicare or have other health care insurance which includes hospital and physician coverage; and
3. Have an annual income of less than \$18,000 if single, or if married, less than \$21,000 in combination with that of his/her spouse. Liquid resources must be less than \$15,000 for single or married persons.

(b) To qualify for HCEP services, an individual under 65 must also:

1. Be receiving Social Security disability benefits; or

2. Be determined disabled by the Social Security Administration, or the New Jersey Division of Medical Assistance and Health Services, Disability Review Section; and also

3. Be eligible for Medicare or have other health care insurance which includes hospital and physician coverage.

#### 8:81-2.4 Application

Application for HCEP can be made to PAAD, by calling the toll-free number, 1-800-792-9745. Inquiries about the program should be directed to the Division's Office of Home Care Programs at (609) 588-2620.

### SUBCHAPTER 3. PHARMACEUTICAL ASSISTANCE TO THE AGED AND DISABLED (PAAD)

#### 8:81-3.1 Introduction

(a) Pharmaceutical Assistance to the Aged and Disabled (PAAD) is a unique State-funded program to help certain New Jersey residents pay for prescription medicines and certain pharmacy items. A person who applies and is approved will receive a PAAD Eligibility Card (see Appendix, N.J.A.C. 10:49). A PAAD eligible person must pay a \$2.00 copayment for each prescribed drug to the pharmacy. PAAD pays the rest.

1. Legend drugs, insulin, insulin syringes and needles and certain diabetic testing materials are covered. Drugs that the Food and Drug Administration determines to be proven not effective are not covered.

#### 8:81-3.2 Eligibility requirements

(a) To qualify for PAAD, a person:

1. Must have been a New Jersey resident at a permanent address for at least 30 days before applying. Residence must not be seasonal or temporary but a legally established residence; and
2. Must meet the annual income criteria established by the New Jersey State Legislature for a single individual and/or married couples; and
3. Must be 65 years of age or older; or
4. Must be receiving Federal Social Security Disability benefits and be at least 18 years of age and under 65; and
5. Must not have any other health insurance or retirement benefits which provide prescription coverage, equal to, or better than, PAAD benefits, or may not be receiving Medicaid prescription benefits.

(b) A person under age 65 receiving Federal Social Security Disability benefits on behalf of someone else is not eligible for PAAD.

(c) A person in a nursing facility is eligible if he or she meets all the other standards. A person, whether married or single, who has been in a nursing facility for more than 30 days, can receive benefits if his or her own individual income is within the established income limit for single persons and if this income goes directly to the nursing facility. The single income limit similarly applies to the husband or wife of the patient who is not in a nursing facility but who would otherwise be eligible. For a stay of less than 30 days, the established limit for married couples applies.

**8:81-3.3 Eligibility renewal**

(a) The PAAD beneficiary must renew his or her eligibility every year unless his or her income is below the established biennial income eligibility limit. In that case, he or she would receive an updated eligibility card automatically for the second year, and would complete a renewal application every two years.

(b) Approximately four months prior to his or her expiration date, PAAD will notify the beneficiary if he or she is eligible for biennial eligibility or if he or she must complete a renewal form. Renewal applications must be returned to the PAAD Bureau by the beneficiary at least 45 days prior to the expiration date to ensure continuous coverage.

(c) Under the PAAD Quality Control Program, a person's name may be chosen at random for a review of eligibility. Selection of a person's name does not mean that a problem exists with that person's eligibility.

**8:81-3.4 Loss of eligibility**

(a) A person will be considered ineligible and PAAD will no longer pay for prescription drugs if:

1. Eligibility is not renewed;
2. The participant moves outside the State of New Jersey;
3. The participant's income increases above the established income limits;
4. A change occurs in a participant's marital status (for example, through divorce, death, remarriage) that increases his or her income above the allowable income limits; or if a spouse is discharged from a nursing home to the community altering a person's income eligibility;
5. The participant loses his or her Federal Social Security Disability benefits;
6. False information is submitted on or with the application; or

7. The participant obtains other health insurance or retirement benefits which provide prescription coverage equal to, or better than, PAAD benefits.

(b) By law, any changes that will affect a person's eligibility must be promptly reported to PAAD. If for any reason a person becomes ineligible, the PAAD card must be returned to PAAD immediately.

**8:81-3.5 Applications**

Applications for PAAD may be obtained from local pharmacies, senior citizens centers, Medicaid District Offices, County Offices on Aging or directly from PAAD. All documents of proof required must be submitted with the application. If married, and both husband and wife wish to apply, each must file separate applications, even though the joint income appears on both applications.

**8:81-3.6 Inquiries**

(a) Questions regarding PAAD may be directed to:

PAAD  
 PO Box 715  
 Trenton, NJ 08625-0715

1. A toll-free number is also available: 1-800-792-9745.
2. A special teletypewriter telephone (TTY) is available for the hearing impaired by calling: (609) 588-7180. This is not a toll-free number.

**SUBCHAPTER 4. LIFELINE PROGRAMS**

**8:81-4.1 Purpose and scope**

Lifeline Programs provide an annual benefit to eligible persons toward the cost of electricity and natural gas. The Lifeline Credit Program (LCP) provides the benefit as a credit on recipients' gas and/or electric bills. The Tenants Lifeline Assistance Program (TLAP) provides the benefit check to tenants whose utility costs are included in their rent. Supplemental Security Income (SSI) beneficiaries receive the benefit as a Special Utility Supplement (SUS) in their monthly SSI checks. For additional information, refer to N.J.A.C. 10:69B.

Amended by R.1997 d.357, effective September 2, 1997.  
 See: 29 N.J.R. 2789(b), 29 N.J.R. 3856(a).  
 Changed section name.

**8:81-4.2 Eligibility requirements**

- (a) To qualify for Lifeline, a person must:
1. Be a New Jersey resident; and
  2. Have annual income within the requirements established by the New Jersey Legislature; and

3. Be at least 65 years old; or receive Federal Social Security disability benefits from the month of July of one year through the month of January of the next year; and

4. Receive electric and/or gas bills in his or her name; or be a tenant who does not receive utility bills but has the cost of utilities included in the rent; or

5. Be eligible for or receiving benefits under the Federal Supplemental Security Income (SSI) program.

#### 8:81-4.3 Lifeline Credit Program

(a) The credit is granted to utility customers as follows:

1. If the customer pays utility bills directly to a single utility company, a \$225.00 credit will appear on the customer's utility bill. If the customer receives utility service from two different companies, (gas and electric), the credit will be divided and \$112.50 applied to each company's bill. (A Special Utility Supplement (SUS) payment will be made to SSI beneficiaries instead of a Lifeline credit. See N.J.A.C. 8:81-4.5.)

(b) When a customer is billed directly:

1. The customer's application must apply to his or her primary place of residence, meaning the home where the customer lives most of the time during the year. Seasonal or temporary residence in New Jersey is not considered the primary residence.

2. When two or more related or unrelated persons live in a single household, Lifeline will accept only one application from that household. The application must be in the name of the person (or his or her spouse) whose name appears on the utility bills.

3. If the customer pays utility bills to two different companies and one bill is in the customer's name and the other in the spouse's name, the customer should report this at the time the application is made. In this instance, the credit would be divided with \$112.50 applied to each of the two accounts.

#### 8:81-4.4 Tenants Lifeline Assistance Program (TLAP)

(a) The benefit is granted to tenants as follows:

1. Tenants who do not pay utility bills directly receive a check for \$225.00 toward the cost of utilities. Only one tenant in a household is entitled to the payment. (A Special Utility Supplement (SUS) payment is made to SSI beneficiaries instead of a TLAP payment. See N.J.A.C. 8:81-4.5.)

(b) When utilities are included in the rent:

1. The tenant's rental must be for his or her primary residence and not for seasonal or temporary rental.

2. A "residential tenant" means a person renting or leasing real property, including a mobile home park site as a personal residence, a net lease residential tenant, as well as a person who is a resident shareholder in a non-profit residential cooperative or mutual housing corporation, or an owner of a condominium, as defined by law.

3. Only one application may be filed per household. When two or more related or unrelated persons live in the same rented household, the person whose name is on the lease or who is the primary tenant or head of household should complete the form.

#### 8:81-4.5 Lifeline for Supplemental Security Income (SSI) beneficiaries

(a) The benefit is granted to SSI beneficiaries as follows:

1. Recipients of Supplemental Security Income (SSI) receive the benefit as Special Utility Supplement (SUS) which is added to their monthly SSI checks. At the end of the fiscal year, those SUS recipients who did not receive the full benefit are sent a check for the difference.

(b) Eligibility for the Special Utility Supplement (SUS) is as follows:

1. Persons receiving SSI benefits who are not in a nursing facility or hospital may receive the SUS.

2. SSI beneficiaries will not receive an application and should not apply. The Lifeline benefit is automatically included in the SSI check. Persons who do not receive the full annual benefit in a year, receive a 13th payment for the balance not received through their SSI checks.

#### 8:81-4.6 Review of eligibility for Lifeline

(a) Eligibility for participation in the Lifeline Programs will be reviewed.

1. If any person is found ineligible for Lifeline or became eligible by providing false or incorrect information, he or she will be required by law to repay the State of New Jersey the full amount of any payment made to, or credit made on his or her behalf.

2. A Lifeline representative may contact a person about his or her eligibility and application if additional information is required.

3. Under the Lifeline Quality Control Program, a person's name may be chosen at random for a review of eligibility. Selection of a person's name does not mean that a problem exists with that person's eligibility.

4. Refusal to be interviewed could result in recovery of a person's Lifeline benefit by the State of New Jersey.

#### 8:81-4.7 Applications

(a) Applications for the Lifeline Programs are sent automatically to persons benefitting from the following programs:

1. Pharmaceutical Assistance to the Aged and Disabled (PAAD);
2. Medical Assistance to the Aged (MAA);
3. Medical Assistance Only (MAO); and
4. New Jersey Care . . . Special Medicaid Programs

Amended by R.1997 d.357, effective September 2, 1997.  
 See: 29 N.J.R. 2789(b), 29 N.J.R. 3856(a).  
 Changed section name.

**8:81-4.8 Inquiries**

(a) Persons who have not received an application in the mail may call the Lifeline toll-free number: 1-800-792-9745.

1. A special teletypewriter telephone (TTY) is available for the hearing and/or speech impaired (609) 588-7180. This is not a toll-free number.

**8:81-5.2 Eligibility requirements**

(a) To meet the requirements for eligibility an individual must:

1. Have purchased a hearing aid;
2. Have been a New Jersey resident at a permanent address for at least 30 days;
3. Have gross income within the requirements established by the New Jersey Legislature; and
4. Be 65 years of age or older; or
5. Be receiving Social Security disability benefits.

**SUBCHAPTER 5. HEARING AID ASSISTANCE TO THE AGED AND DISABLED**

**8:81-5.3 Administration and application**

**8:81-5.1 Purpose and scope**

The Hearing Aid Assistance to the Aged and Disabled Program (HAAAD) is a New Jersey program which provides a \$100.00 reimbursement to eligible residents who purchase a hearing aid during a calendar year. Purchases made in subsequent calendar years may be reimbursed upon reapplication. Medicaid recipients or persons who have other health insurance coverage or retirement benefits that provide full hearing aid coverage are not eligible. However, individuals who have only limited or partial coverage are eligible for a supplementary payment.

(a) Applications may be obtained by calling the following toll-free number: 1-800-792-9745.

(b) Individuals not currently enrolled in the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program, should complete a PAAD Eligibility Application (AP-2). Those having a current PAAD card should complete a Hearing Aid Assistance to the Aged and Disabled (HA-1) Application (see Appendix, N.J.A.C. 10:49).

(c) A special teletypewriter telephone (TTY) is available for the hearing impaired by calling: 609-588-7180. This is not a toll-free number.