



State of New Jersey

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES  
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WILLIAM WALDMAN  
Commissioner

SAUL M. KILSTEIN  
Director

**MEDICAID COMMUNICATION NO.** 93-12      **DATE:** 4/19/93

**TO:** County Welfare Agency Directors

**SUBJECT:** Prospective Budgeting of Income for New Jersey Care AFDC-Related Cases

To permit Medicaid eligibility determinations to be consistent with the AFDC program, county welfare agencies were previously instructed that eligibility for AFDC-related New Jersey Care...Special Medicaid Program cases could be determined eligible using retrospective budgeting. Specifically, county welfare agencies were advised that income eligibility would exist for any month in which the budget unit's actual income was less than the applicable standard. With this retrospective budgeting, weekly and bi-weekly income was not subject to a multiplier in order to convert the income to a monthly amount.

Because the AFDC program has eliminated retrospective budgeting and has changed to prospective budgeting, budgeting for AFDC-related New Jersey Care cases must also be changed to be aligned with AFDC. Therefore, effective immediately for new cases, reported changes, and redeterminations, county welfare agencies shall prospectively determine income eligibility based on the average income in the full two-month period preceding the date of application or redetermination. In accordance with the New Jersey Care Manual (N.J.A.C. 10:72-4.2(a)1), adjustments shall be made based upon changes in income which have occurred or are reasonably anticipated to occur. Weekly and bi-weekly income shall be multiplied by 4.333 or 2.167 respectively, to calculate the monthly income amount.

Questions concerning this communication should be referred to the field service staff assigned to your county.

Sincerely,

A handwritten signature in black ink, appearing to read "Saul M. Kilstein".

Saul M. Kilstein  
Director

SMK:Ja

cc: Marion E. Reitz, Director  
Division of Family Development

Nicholas R. Scalera, Director  
Division of Youth and Family Services