State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN
Governor

MICHELE K. GUHL
Commissioner

MARGARET A. MURRAY
Director

MEDICAID COMMUNICATION NO. 99-3 **DATE:** February 3, 1999

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

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), had concurrently received both RSDI and Supplemental Security Income (SSI) in any month since April 1977 and who lose or have lost eligibility for SSI for any reason. The Court ruled that, in the determination of eligibility for Medicaid Only, such persons are entitled 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 eligibility 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 must be outreached in each of the subsequent two years.

This policy applies equally to income which is deemed to an individual. Should the individual have parents or a spouse whose income is deemed available, and the parents or spouse receive RSDI, those cost-of-living increases received by the parents or spouse since the time the individual lost eligibility for SSI are disregarded in determining the income to be deemed to the individual.

The Division of Medical Assistance and Health Services has identified all former SSI recipients who are potentially eligible for the disregard of RSDI cost-of-living increases as a result of the Court's ruling. The Division will mail a letter (copy attached) to all such persons five working days after release of this communication 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, will be outreached, and who may be eligible for this additional income disregard. The printout, which is sorted by Social Security number, includes each individual's current RSDI amount, amount of RSDI received in 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.

Persons who contact the CWA expressing interest in obtaining Medicaid benefits and who 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 applicant. 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. However, this special disregard is only applicable to the Medicaid Only program. Income determinations for other Medicaid programs, i.e., New Jersey Care...Special Medicaid Programs, does not include the disregard. The following are the dates and corresponding percentage increases for each adjustment since April 1977:

June 1977	5.9%	December 1988	4.0%
June 1978	6.5	December 1989	4.7
June 1979	9.9	December 1990	5.4
June 1980	14.3	December 1991	3.7
June 1981	11.2	December 1992	3.0
June 1982	7.4	December 1993	2.6
December 1983	3.5	December 1994	2.8
December 1984	3.4	December 1995	2.6
December 1985	3.1	December 1996	2.9
December 1986	1.3	December 1997	2.1
December 1987	4.2	December 1998	1.3

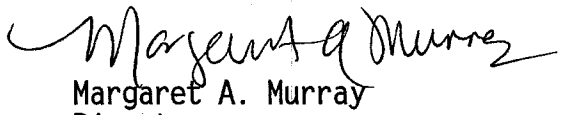
The CWA shall apply each percentage increase since SSI eligibility was lost to the amount indicated on the printout as the RSDI benefit that was being paid at the time the individual lost eligibility for SSI. If the resulting figure equals (plus or minus $1 for each cost-of-living increase) the difference 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 cost-of-living increases. If the individual is not ineligible for other reasons, such as excess resources or non-RSDI income, the CWA shall attempt to ascertain and verify the circumstances of the change in RSDI payment status in order to establish the proper amount of RSDI cost-of-living increases to be disregarded. This can be done through State Verification & Exchange System, (SVES), which may be used to verify RSDI status changes occurring in the last 12 months, or through award letters, when available.

For cases determined eligible as a result of Lynch v. Rank, the CWA shall ask the applicant if he or she has 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 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 Eligibility File with an effective date of the first of the month in which continuous eligibility was first attained. Such a person should be advised to ask his medical provider to send bills directly to Unisys.

This information is to be brought to the attention of appropriate staff. Questions regarding program policies may be directed to the Medicaid field staff or Douglas Eide, Office of Information Services, at (609) 588-2897.

Sincerely,



Margaret A. Murray
Director

MAM:E
Attachment
c Len Fishman, Commissioner
Susan C. Reinhard, Ph.D., Deputy Commissioner
Department of Health and Senior Services

David C. Heins, Director
Division of Family Development

Charles Venti, Director
Division of Youth & Family Services

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

IMPORTANT MEDICAID NOTICE
KEEP THIS IMPORTANT LETTER

IF YOU ONCE RECEIVED SSI (SUPPLEMENTAL SECURITY INCOME) BENEFITS, YOU SHOULD READ THIS IMPORTANT NOTICE ABOUT YOUR ELIGIBILITY FOR MEDICAID BENEFITS. You do not need to read this notice if you never received SSI, or if you now receive SSI or Aid to Families with Dependent Children (AFDC). If you live in a nursing facility, this notice will not apply to you.

A federal law called the "Pickle Amendment", regarding possible Medicaid eligibility, applies to people who meet the following three tests: (1) they now receive Social Security benefits; and (2) they used to receive SSI benefits but do not receive them now; and (3) they received both a Social Security check and an SSI check in the same month, in at least one month since April 1977.

IF YOU MEET THESE THREE TESTS, YOU MAY BE ELIGIBLE TO RECEIVE MEDICAID BENEFITS. To find out if you are eligible, you (or someone on your behalf) should contact your County Welfare Agency. For your convenience, the location and telephone number of your County Welfare Agency is included in the listing on the reverse side.

PLEASE NOTE THAT TO APPLY FOR MEDICAID UNDER THE PICKLE AMENDMENT, YOU OR YOUR REPRESENTATIVE MUST GO TO YOUR COUNTY WELFARE AGENCY. TAKE THIS LETTER WITH YOU WHEN YOU GO.