State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
PO Box 712
TRENTON, NJ 08625-0712
TELEPHONE 1-800-356-1561

JAMES E. MCGREEVEY
Governor

GWENDOLYN L. HARRIS
Commissioner

KATHRYN A. PLANT
Director

MEDICAID COMMUNICATION NO: 02-21 **DATE: October** 22, 2002

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Post Eligibility Treatment of Income - Adjusted Utility Allowances

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, standard utility allowances are to be used when the community spouse directly incurs utility charges.

These utility allowances are the same as those applicable in determining eligibility for the Food Stamp program. The Division of Family Development has announced the new allowances that are effective October 1, 2002. Therefore, effective on that date, the new figures are to be used in the determination of the community spouse's excess shelter costs.

- If the community spouse pays for heating fuel charges, a utility allowance of **$238.00** shall be included as a shelter expense. (This is a **decrease** from last year's allowance.)

- If the community spouse does not pay for heating fuel but does directly incur a utility expense other than telephone, water, sewerage, or garbage collection, the utility allowance is **$149.00**. (This is a **decrease** from last year's allowance.)

- If the only separate utility charge is the telephone, the utility allowance is **$29.00**. (This is an **increase** from last year's allowance.) The telephone allowance cannot be used in conjunction with either of the utility allowances above.

Effective October 1, 2002, please apply the new appropriate standard utility allowance for all new cases and cases subject to redetermination. Note that the new standard utility allowance has **decreased** since last year. All other cases in which there is a community spouse shall be reviewed for the potential of **decreased** maintenance deductions no later than February 1, 2003. For any such case, you must assure that any change in the maintenance deduction be applied effective the first day of the month **after** the case is reviewed. Attached is a notice to community spouses that explains why their community spouse maintenance allowance was reduced. Your agency should reproduce this notice and include it with the spouse's copy of form PR-1 (formerly PA-3L) if the community spouse deduction is reduced as a result of the decreased standard utility allowance.

In order to assist you in this review, we will be forwarding, under separate cover, a system-generated "change" PR-1 form for each individual who is active in the current billing system (including those discharged to a hospital) and who currently has a community spouse deduction indicated in the record. For ease of identification, the form will contain an asterisk in the LTCF block on the first line, in the column adjacent to "effective date."

Questions concerning this communication should be referred to the Bureau of Eligibility Policy, at (609) 588-2556.

Sincerely,

Kathryn A. Plant
Director

KAP:Hh
Attachment
c: Clifton R. Lacy, M.D., Commissioner
William Conroy, Deputy Commissioner
Department of Health and Senior Services

David Heins, Director
Division of Family Development

Doris Jones, Acting Director
Division of Youth and Family Services

Important Notice to Community Spouses

Effective October 1, 2002, the standard utility allowance was adjusted. This year the standard utility allowance **decreased** slightly. This standard utility allowance is used in calculating your community spouse maintenance allowance. As a result of this decrease, your community spouse maintenance allowance has **decreased** slightly, effective with the date on the attached form PR-1(formerly PA-3L).