



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN
Governor

WILLIAM WALDMAN
Commissioner

VELVET G. MILLER
Director

MEDICAID COMMUNICATION NO. 95-3

DATE: February 10, 1995

TO: County Welfare Agency Directors

SUBJECT: Possible Expansion of Medically Needy to Include Long-Term Care

This communication serves to confirm that which you may have seen in recent news accounts. Governor Whitman's FY 1996 budget contains language that provides that the medically needy component of New Jersey Care...Special Medicaid Programs be expanded to include long-term care services. At the same time, budget language also provides that, except for persons who are unable to qualify for medically needy coverage, nursing home coverage under the General Assistance program be eliminated.

While the budget is still subject to legislative approval, there is a reasonable expectation that this Medicaid expansion will proceed. I believe this information is important to you as you develop your future plans, particularly those relating to the possible shift of other General Assistance responsibilities to your agencies. I will be asking for county welfare agency involvement in planning to assure a smooth transition of nursing home cases from General Assistance to Medicaid.

I know a number of you have expressed support of this possible expansion in the past. With the advent of "Miller trusts," which effectively establish medically needy coverage for long-term care for those who can afford the associated attorney's fees, the proposed expansion will provide for a more rational approach to the provision of long-term care assistance. You may wish to reiterate your support of medically needy expansion to your legislative representatives.

The budget also contains language which would limit some of the practices which might be considered abusive in "spending-down" resources for Medicaid coverage for long-term care services. Specifically, the budget language provides that, subject to federal approval, after the amount of resources to be protected for the use of the community spouse, any unprotected resources must be used to purchase long-term care services. This should assist in ending the reported practice of individuals using the unprotected resources to purchase excluded resources for the use of the community spouse in lieu of using the funds for paying for care privately. Again, this change requires federal approval before it can be implemented.

As events unfold, I will keep you informed. Should you have any questions, please call me or Richard Hruby of my staff. He may be reached at (609) 588-2556.

Sincerely,



Velvet G. Miller
Director

VGM:RHh

cc: Karen Highsmith, Acting Director
Division of Family Development

Patricia Balasco-Barr, Director
Division of Youth and Family Services

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