



## 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. 96-26 DATE: November 12, 1996**

**TO:** County Welfare Agency Directors  
ISS Area Supervisors

**SUBJECT:** Medicaid Referrals of Individuals Discharged from State/County Psychiatric Hospitals and State Developmental Centers for Placement in Nursing Facilities

This Communication provides instructions regarding the responsibilities and procedures for processing Medicaid referrals that are generated from placement staff of the Division of Mental Health Services (DMHS) and the Division of Developmental Disabilities (DDD). Additionally, it establishes a mechanism for the orderly transfer of Medicaid Only case material from the Institutional Services Section (ISS) to the county welfare agencies and vice versa, in order to facilitate expedient recertification of existing eligibility under the common institutional parameters. This Communication supersedes Procedural Bulletin No. 86-32, issued by the then Division of Public Welfare (now the Division of Family Development) on December 28, 1986.

### **I. DMHS and DDD Procedures**

- A. **All Referrals** - For all individuals awaiting transfer from a psychiatric hospital or a developmental center (hereinafter referred to as a "governmental facility"), the DMHS or DDD placement staff will be responsible for contacting the appropriate Division of Medical Assistance and Health Services ISS area office (hereinafter referred to as "ISS area office") in order to ascertain the status of Medicaid eligibility.

DMHS or DDD placement staff shall utilize the attached Referral Form to be submitted to the ISS area office in order to verify whether the referred individual is eligible for Medicaid while residing in a governmental facility. Upon determining the status of Medicaid eligibility, the ISS area office shall:

1. Complete the Referral Form and return it to the placement staff indicating the appropriate disposition:
  - (a) the individual is not Medicaid eligible while residing in the governmental facility;

- (b) the individual is SSI eligible while residing in the governmental facility;  
or
    - (c) the individual is eligible for another Medicaid program (i.e., New Jersey Care . . . . Special Medicaid Programs, Medicaid Only, etc.) while residing in the governmental facility.
  - 2. If the individual is Medicaid eligible, the ISS area office shall also utilize a copy of the Referral Form to transmit the case record material to the county welfare agency (hereafter "county agency") (see Section II for ISS area office responsibilities).
  - 3. The placement staff of the governmental facility shall proceed to categorize each case as either a placement referral for Medicaid eligibility from the ISS area office to the county agency or an initial referral for Medicaid eligibility. Refer to Section I-B for placement referrals, and Section I-C for initial referrals.
  - 4. The placement staff of the governmental facility shall initiate a referral to the Department of Health and Senior Services field office (hereafter "field office") serving the county where the governmental facility is located requesting a Pre-Admission Screening (PAS) assessment. Such referral should include a cover letter and PA-4, together with a physician's statement that "no active treatment is required." The field office will notify the governmental facility of the assessment determination. The resulting PAS-7 approval letter will be used to refer eligible patients to nursing facilities.
- B. Placement Referrals - Upon identification and verification of a Medicaid beneficiary residing in a governmental facility awaiting placement in a nursing facility (NF), DMHS or DDD placement staff shall refer him or her to the appropriate county agency for a continued certification of Medicaid eligibility and the establishment of a county-related Medicaid identification number. The appropriate county agency will be the agency where the individual resided prior to placement in the governmental facility.

The referral packet to the county agency shall include:

- 1. Form PAS-7, PreAdmission Screening Approval Letter for Long Term Care issued by the local field office;
- 2. Form PA-4, Certification of Need for Patient Care in Facility Other than Public or Private General Hospital;
- 3. Form PA-12, Referral by State Mental Institution to Public Assistance Agency; and

4. Form PA-14, Referral for Services.

C. Initial Referrals - Upon identification of an individual residing in a governmental facility who is not Medicaid or SSI eligible, DMHS or DDD placement staff shall take the following actions:

1. For individuals aged 65 or over, or those receiving Disability Insurance Benefits (DIB) under Title II of the Social Security Act, the county agency shall be provided with:

(a) A signed Form PA-1G - Application and Affidavit for Medical Assistance Only/Emergency Assistance for SSI Recipients;

(b) Form PA-12;

(c) Form PA-14;

(d) A financial statement and documented evidence of all income and resource information available to the governmental facility.

2. For individuals under age 65 who are not recipients of DIB, but who have an income of \$60 or more per month (e.g., retirement pensions, veteran's benefits, etc.), the county agency shall be provided with:

(a) A signed Form PA-1G;

(b) Form PA-12;

(c) Form PA-14;

(d) A financial statement and documented evidence of all income and resource information available to the governmental facility;

(e) The following medical and social reports for submittal to the Disability Review Section, Division of Medical Assistance and Health Services, for a disability assessment:

(1) Form PA-4, Certification of Need for Patient Care in Facility Other than Public or Private General Hospital (when forwarding a copy of the PA-4 to the field office, the county agency shall retain a copy of the PA-4 until the placement is made);

(2) Form PA-7, Report of Findings by Psychiatric Diagnostic Group;

(3) The individual's medical history and current medical evaluation;

(4) For psychiatric patients, the individual's psychiatric history and current psychiatric staff notes; and

(5) The individual's social history.

When placement in a nursing facility is delayed beyond six (6) months, but no longer than one (1) year from the date that Medicaid eligibility is certified by the county agency, the placement staff shall request that the county agency reactivate the case. Upon reactivation of a dismissed Medicaid application (see Section IV-B), the ISS area office shall, upon request, provide the county agency with any eligibility information (income and resources) which may have changed since the initial eligibility determination. There will be no need for any additional medical or social reports since information from the Disability Review Section's annual review of disability shall remain valid. However, the PreAdmission Screening (PAS) assessment must be reevaluated, as in Item I-A, 4, if it was completed more than six months ago.

The placement staff shall take the necessary action to immediately refer individuals to the appropriate county agency for NF placement when it is determined that such individuals are assessed by the placement staff to be in need of such care (refer to Section III-D, County Agency Responsibilities).

## II. ISS Area Office Responsibilities

A. Upon request from the DMHS or DDD placement staff, the ISS area office shall transfer copies of any active Medicaid case record material to the county agency that will assume responsibility for the recipient.

1. The ISS area office shall produce all copies of case record material for submission to the county agency. The original case record shall remain with the ISS area office.

2. All transferred case records shall either be hand carried or sent to the county agency by certified mail. Receipts shall be requested for all transferred case records.

3. For applications which are dismissed by the county agency and re-activated upon request from the DMHS or DDD placement staff, the ISS area office shall provide the county agency with eligibility information which may have changed since the initial eligibility determination. These requests shall be initiated by the county agency.

B. The sending ISS area office shall be the responsible agency for any quality control errors which occur prior to the date that the county agency conducts its redetermination for placement referrals (refer to Section I-B).

### III. County Agency Responsibilities

- A. When the case is approved for Medicaid and the individual is placed in a NF, the county agency shall provide the Disability Review Section with the following information at the time of medical reassessment identified on the Form PA-8, Record of Action: Medical Eligibility Factor:
  - 1. Copies of the original case material; and
  - 2. A current medical evaluation (provided by the nursing facility).
- B. The county agency shall accrete the twelve-digit Medicaid number to the Medicaid Eligibility File at the time placement in the NF is confirmed. The Medicaid number shall be provided to the DMHS or DDD placement staff only upon placement in the NF in order to ensure that utilization of that number is restricted to services provided on or after the placement date.
- C. The county agency where the individual resided before placement in the state institution (county of origin) shall be responsible for processing all initial Medicaid referrals.
  - 1. The county agency of origin shall be responsible for transferring the completed case record material to the receiving county agency when placement is in an NF in a county different than the county of origin.
  - 2. Placement referrals (see Section I-B) shall be directed to the receiving county agency when placement in an NF is planned in a county different than the county of origin.

### IV. Disposition of the Medicaid Application

- A. Dismissed - If the patient is not placed in an NF within six months of the date of the Medicaid eligibility determination, the county agency shall dismiss the application.
- B. Placement within six months after dismissal - If the patient is to be placed in an NF within six months after the case is dismissed by the county agency, the county agency shall reactivate the application upon written request by DMHS or DDD placement staff. Eligibility for Medicaid benefits shall then be automatically restored, provided the patient does not become resource or income ineligible based on a review of his/her liquid assets, or on information provided by DMHS or DDD.

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- C. Placement later than six months after dismissal - If the NF placement is anticipated later than six months after the case was dismissed, the case must be treated as an initial referral.

State psychiatric hospitals and developmental centers have been notified of this procedure by copy of this Communication. This information is to be brought to the attention of appropriate staff. Questions may be directed to your Medicaid field representative.

Sincerely,



Karen I. Squarrell  
Acting Director

KIS:BCs  
Attachments

cc: Robert Nicholas, Director  
Division of Developmental Disabilities

Alan Kaufman, Director  
Division of Mental Health Services

Len Fishman, Commissioner  
Department of Health and Senior Services

Susan Reinhart, Ph. D., Deputy Commissioner  
Department of Health and Senior Services

## MEDICAID INQUIRY FORM

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### SECTION A

Date: \_\_\_\_\_ To: \_\_\_\_\_

From: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Sender)

Beneficiary Name: \_\_\_\_\_

Beneficiary Address: \_\_\_\_\_

Referred for placement to:

Facility: \_\_\_\_\_

Address of Facility: \_\_\_\_\_

County Agency receiving referral: \_\_\_\_\_

Remarks: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(Referring Agency completes above this line)

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### SECTION B

(Receiving Agency completes below this line)

Date: \_\_\_\_\_ To: \_\_\_\_\_

From: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Current Medicaid status:

No Medicaid [ ]      Medicaid Only [ ]      SSI/Medicaid [ ]

Other [ ] (Explain) \_\_\_\_\_

Remarks: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**IF MEDICAID BENEFITS ARE CURRENTLY RECEIVED, ISS SHALL NOTIFY THE  
APPROPRIATE COUNTY AGENCY AND TRANSMIT CASE RECORD MATERIAL**