



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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JON S. CORZINE
Governor

JENNIFER VELEZ
Commissioner

JOHN R. GUHL
Director

MEDICAID COMMUNICATION NO. 09-01

DATE: January 12, 2009

TO: County Welfare Agency Directors
Institutional Services Section (ISS) Area Supervisors

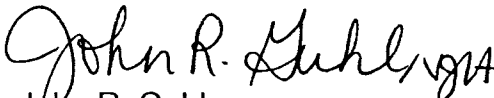
SUBJECT: Increase in the Penalty Divisor – Effective November 1, 2008

As you are aware, the average monthly cost of nursing home services in New Jersey is adjusted annually. This amount is used to determine the penalty period for institutional services when an individual transfers assets for less than the fair market value. This average cost is based on the Consumer Price Index-All Urban Consumers, rounded up to the nearest dollar. This Medicaid Communication is issued to confirm that, as of November 1, 2008, the statewide average cost is \$7,282.00.

Pending cases where transfer of asset penalty was calculated using \$6,942.00 as a divisor shall be recalculated using \$7,282.00. However, eligibility may not be established prior to November 1, 2008, when applying the new divisor. For all cases received on or after November 1, 2008, the new divisor will be used.

Should you have any questions regarding this Communication, please contact the Division's Office of Policy Development field staff assigned to your county at 609-588-2556.

Sincerely,


John R. Guhl
Director

JRG: P

c: Jennifer Velez, Commissioner
Department of Human Services

William Ditto, Executive Director
Division of Disability Services

Kevin Martone, Assistant Commissioner
Division of Mental Health Services

Jeanette Page-Hawkins, Director
Division of Family Development

Kenneth W. Ritchey, Assistant Commissioner
Division of Developmental Disabilities

Christine Moses, Director
Division of Youth and Family Services
Department of Children and Families

Heather Howard, J.D., Commissioner
Kathleen M. Mason, Assistant Commissioner
Department of Health and Senior Services