



## State of New Jersey

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

P.O. Box 712  
Trenton, NJ 08625-0712

CHRIS CHRISTIE  
*Governor*

JENNIFER VELEZ  
*Commissioner*

KIM GUADAGNO  
*Lt. Governor*

VALERIE HARR  
*Director*

**MEDICAID COMMUNICATION NO. 13-12**

**DATE: December 18, 2013**

**TO:** County Welfare Agency Directors  
ISS Offices  
Statewide Eligibility Determination Agency

**SUBJECT:** Termination of Medicaid Benefits for Inmates of Public Institutions

According to the specific program policies found in the New Jersey Administrative Codes (see attached), any person who is incarcerated in a Federal, State, or local correctional facility for more than thirty (30) days, is not eligible for Medicaid benefits. The Division of Medical Assistance and Health Services (DMAHS), in coordination with the Department of Corrections (DOC), and the Administrative Office of the Court (AOC) developed a process to identify and terminate the benefits of these individuals. This new system will save the state money on managed care capitation costs by capturing and handling this information more efficiently.

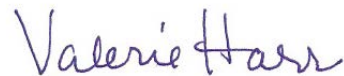
DMAHS will receive monthly reports from the DOC and the AOC of individuals who have remained in custody for over 30 days. DMAHS will send letters to the beneficiaries identified on these reports and notify them of the termination of their NJ FamilyCare/Medicaid coverage (see attached letter). These beneficiaries will have ten (10) days to respond to the DMAHS letter if the information regarding their incarceration is incorrect. The beneficiary must submit written proof that they are no longer incarcerated. If they do not respond, then DMAHS will close the incarcerated individual's managed care, but will not close their NJ FamilyCare/Medicaid eligibility. For those individuals who failed to respond, DMAHS will send a monthly list to the eligibility agency responsible for their case.

Upon receipt of the list from DMAHS, the eligibility agency case worker will follow-up with an adverse action letter, alerting the beneficiary of their NJ FamilyCare/Medicaid case termination. The case worker will process the incarcerated individual's case for termination in the eligibility system and a redetermination packet shall be sent to any remaining family members in the household. A redetermination of the case must be done as the incarcerated individual must now be removed from the household unit. The family shall then be reevaluated because of possible changes in income and household size. Other family member(s) shall also be evaluated for NJ FamilyCare coverage.

Eligibility agencies should use one of the following citations in their notifications: 42 C.R.F 4351009(a)(1); 42 C.R.F 4351010; N.J.A.C. 10:69-2.9(e)1; N.J.A.C. 10-69-3.16(c)2.i.ii.,3., N.J.A.C. 10:70-3.10, N.J.A.C. 10:71-3.14(b)(c)10:72-3.9, and/or N.J.A.C. 10:78-3.9, N.J.A.C. 10:79-3.11. It is important that the eligibility agency use the citations that pertain to the appropriate programs. These citations have been attached to this Medicaid communication for your reference.

If you have any questions regarding this Medicaid Communication, please refer them to the Division's Office of Eligibility Policy field service staff for your agency at 609-588-2556.

Sincerely,



Valerie Harr  
Director

VH:m

c: Jennifer Velez, Commissioner  
Department of Human Services

Allison Blake, Commissioner  
Department of Children and Families

Mary E. O'Dowd, Commissioner  
Department of Health

Dawn Apgar, Deputy Commissioner  
Department of Human Services

Lowell Arye, Deputy Commissioner  
Department of Human Services

Lynn Kovich, Assistant Commissioner  
Division of Mental Health and Addiction Services

Liz Shea, Assistant Commissioner  
Division of Developmental Disabilities

Joseph Amoroso, Director  
Division of Disability Services

Jeanette Page-Hawkins, Director  
Division of Family Development

## **Supporting N.J.A.C Citations for Incarcerated Individuals**

### **10:69-2.9 Deprivation of parental support in AFDC-C related Medicaid**

(e) When continued absence as defined in (d) above exists, eligibility for AFDC-F Medicaid ceases. The family shall be evaluated for AFDC-C-related Medicaid.

1. In situations where the parent is to be incarcerated, hospitalized, institutionalized or incapacitated for a period beyond 30 days, eligibility for AFDC-F-related Medicaid ceases. The remaining members of the family shall be evaluated for AFDC-C-related Medicaid.

### **10:69-3.16 Continued absence of parent from the home**

(c) "Continued absence from the home" (see N.J.A.C. 10:69-2.8(d)) may be for any reason. The following are some of the ways to establish absence:

2. A parent shall be considered absent from the home during a period of incarceration. There is a possible situation that a parent whose imprisonment is expected to be of short duration may also be "incapacitated." Where this appears to be so, consideration shall be given to possible eligibility under the "incapacity" factor rather than the "absence" factor.

i. Evidence to substantiate "absence" when a parent is incarcerated in the State penal or correctional institution shall be secured by use of Forms PA-17B and PA-17C. When the "tear sheet" has been returned and the date of release determined, the CBOSS shall immediately redetermine the basis of continued eligibility and note it in file.

ii. With regard to the absent parent's incarceration in a county or municipal jail, the CBOSS shall need to develop a procedure in cooperation with each jail within its jurisdiction regarding exchange of information both at time of initial AFDC-C application and at time of release of incarcerated parents. PA-17B and PA-17C are not appropriate and shall not be used for local jails. Procedures established by the CBOSS with regard to county and municipal jails may vary from a formal procedure to personal telephone contacts or visits, provided the information required is obtained and acceptable to the CBOSS. In situations where the absent parent is incarcerated in another county, it is recommended that the CBOSS of such county be consulted regarding its method for contacting county and municipal jails and a mutually agreeable decision made as to which county will contact the jail.

### **10:70-3.10 Inmates of public institutions**

(a) Any person who is an inmate of a public institution is ineligible for the Medically Needy Program.

(b) Any person who is incarcerated in a Federal, State, or local correctional facility (prison, jail, detention center, reformatory, etc.) is not eligible for Medically Needy Program benefits.

**10:71-3.14 Institutional eligibility**

(b) Individuals who are inmates of public institutions are not eligible for Medicaid coverage, unless they are receiving care in a Title XIX approved section of such facility.

(c) Individuals incarcerated in a Federal, State or local correctional facility (prison, jail, detention center, reformatory, etc.) are not eligible for Medicaid coverage. The needs of such individuals (inmates) are met through another agency of the Federal or State government or political subdivision thereof (see N.J.A.C. 10:71-1.6(a)3).

**10:72-3.9 Inmates of public institutions**

(a) Any person who is an inmate of a public institution is ineligible for the Medicaid program.

(b) Any person who is incarcerated in a Federal, State, or local correction facility (prison, jail, detention center, reformatory, etc.) is not eligible for the Medicaid program.

**10:78-3.9 Inmates of public institutions**

(a) Any person who is an inmate of a public institution is ineligible for the NJ FamilyCare program.

(b) Any person who is incarcerated in a Federal, State, or local correction facility (such as a prison, jail, detention center, or reformatory) shall not be eligible for the NJ FamilyCare program.

**10:79-3.11 Inmates of public institutions**

(a) Any child who is an inmate of a public institution is ineligible for the NJ FamilyCare-Children's Program.

(b) Any child who is incarcerated in a Federal, State or local correction facility (prison, jail, detention center, reformatory, etc.), including any child in a Juvenile Justice Commission facility awaiting adjudication, is not eligible for the NJ FamilyCare-Children's Program.

**Supporting C.R.F. Citations for Incarcerated Individuals**

**42 C.F.R. 435.1009 Institutionalized individuals.**

(a) FFP is not available in expenditures for services provided to --

- (1) Individuals who are inmates of public institutions as defined in § 435.1010

**42 C.F.R. 435.1010 Definitions relating to institutional status.**

For purposes of FFP, the following definitions apply:

Public institution means an institution that is the responsibility of a governmental unit or over which a governmental unit exercises administrative control.



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*Director*

Date:

Name  
Street Address  
City, NJ Zip Code

RE: Medicaid Case #

Dear JANE DOE:

We have received information that you may be an inmate in a State or County correctional facility. If you are incarcerated, you are no longer eligible to receive medical benefits under the NJ FamilyCare program. **Therefore, your coverage under NJ FamilyCare program will be terminated by the Agency responsible for your case.** Other family members associated with your case will have to provide an update to their household composition and income to maintain their NJ FamilyCare coverage.

If the above information is incorrect and you are not incarcerated, it is very important that you submit written proof or contact this office within ten (10) days of this notice. This information should include, but is not limited to, court documentation, release statement, and any parole documents showing your name and address. Please include a telephone number where you can be reached and send all release information to:

Division of Medical Assistance and Health Services  
Office of Eligibility Policy  
PO Box 712  
Trenton, NJ 08625-0712

If you have any questions, please contact my office at 609-588-2556. Thank you for your anticipated cooperation in this matter.

Sincerely,

Office of Eligibility Policy & County Operations