



State of New Jersey
DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
PO Box 712
TRENTON, NJ 08625-0712

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

CAROLE JOHNSON
Commissioner

MEGHAN DAVEY
Director

MEDICAID COMMUNICATION NO. 19-02

DATE: January 30, 2019

TO: NJ FamilyCare Eligibility Determining Agencies

SUBJECT: NJ FamilyCare Updates

New Jersey brands all of its Medicaid programs under the name NJ FamilyCare. Typically, NJ FamilyCare represents the "family" (adult, parent and child) related program which uses the Modified Adjusted Gross Income (MAGI) methodology to determine eligibility. The NJ FamilyCare Aged, Blind and Disabled (ABD) Programs provide health services offered through Medicaid for individuals: who are seeking long-term services and supports; are aged 65 or older; blind; and/or disabled as determined by the Social Security Administration. Full eligibility shall be evaluated based on information provided on the application. Applications for NJ FamilyCare "family" programs may be completed online at: www.njfamilycare.org/. Applications for the NJ FamilyCare ABD Programs may be completed at: www.njfamilycare.org/abd.htm

New Jersey continues to receive data via the Federally-Facilitated Marketplace (FFM). Once applicants are determined eligible under MAGI rules and their data is received, New Jersey accretes this information to the eligibility system and the case administration is handled by the state's vendor. Other FFM applicants, who have not been determined MAGI eligible, have outstanding issues, or who are requesting a full determination under other Medicaid programs (NJ FamilyCare Aged, Blind and Disabled Programs) are outreached separately for appropriate follow up.

All eligibility workers must continue to utilize available electronic systems to process verifications before requesting paper documentation. The NJ FamilyCare Integrated Eligibility System (NJFC IES) electronically verifies (in real time): social security number, citizenship, first name, last name, date of birth, death confirmation (if applicable) and identity through the Verification Tab. Additionally, all online applications receive automatic address verification, authenticated by the United States Postal Service, resulting in the online application being forwarded electronically to the appropriate eligibility determining agency (county or vendor).

The Asset Verification System (AVS) Tab is not needed and is not permitted to be used when determining eligibility using MAGI rules. This system is available only to determine eligibility for individuals applying for a NJ FamilyCare ABD Program. Additional electronic verifications (i.e. immigration status) will be added as development within the Worker Portal

progresses. When enhancements are announced workers may refer to the Training and Resources section located on the navigation bar for new information.

MAGI Methodology Reminders For programs under NJ FamilyCare using the Modified Adjusted Gross Income (MAGI) methodology, individuals are evaluated separately although they may all be applying on the same application.

- In accordance with 42 CFR 435.952, when electronic verification is not available, or there is a significant discrepancy between the electronic data received and the attested information, paper documentation (photocopy, facsimile, scanned or other copy¹) may be requested. This paper verification process should be used when electronic verification methods prove to be unavailable, inconsistent or not reflective of an applicant's current circumstances. A statement by the applicant that reasonably explains the discrepancy may be accepted. For income verification, if both the income as reported by the applicant and the electronic sources are in agreement whether it be above, at or below the income standard for the appropriate program then the 10% reasonable compatibility is not applied. The 10% reasonable compatibility standard need only to be applied when there is an income discrepancy and the income standard threshold for the program's eligibility is involved.

Example: If a single adult reports on their NJ FamilyCare application a monthly income of \$1,100 and electronic sources report \$800, the income is considered verified. Because both amounts (\$1,100 and \$800) are below the eligibility income threshold of \$1,397 (2018 standard for household of one at 133% FPL plus a 5% disregard) this is considered a match or verified. For this same scenario, should a single adult report income of \$500 per month and electronic sources report \$1,500 per month, further outreach is required since the difference between these amounts is greater than 10% and the income eligibility threshold of \$1,397 is involved. One amount is below the threshold (\$500) while the other amount is over (\$1,500) and the difference is greater than 10%. [NOTE: The self-attested income is used when the difference is less than 10%.] In accordance with 42 CFR 435.952, if the individual provides a reasonable explanation to the worker that clarifies the cause for the discrepancy (i.e. lost job, work hours reduced, etc.) the self-attested income shall be used as this is reported to be prospective and electronic sources are typically historical.

- Self-attestation is prohibited for verification purposes for the following categories: social security number, citizenship, and immigration status. A four month reasonable opportunity period for immigration and citizenship status (as referenced in Medicaid Communication 14-12) shall be granted once per lifetime.
- All initial NJ FamilyCare applications received by an Eligibility Determining Agency (EDA) must be signed per 42 CFR 435.907(f). An application without an authorized signature does not permit the agency's use of electronic verifications nor does the processing clock begin. As part of an agency's intake procedure, all paper applications should be first reviewed for the required signature. If missing, the

unsigned application and all documentation included shall be immediately returned to the applicant. It is not necessary for the EDA to track unsigned applications.

- In accordance with a state option that New Jersey selected,² an adult who self attests to being a legal guardian of a child may be considered as a parent. Therefore, the term parent/legal guardian has been added to the Worker Portal MAGI calculator. The federal authority, Center for Medicare and Medicaid Services (CMS), interprets certain tax filers who claim dependent children eligible for the parent program. As a result, the Worker Portal may determine tax filers who claim dependent children eligible for the parent program.
- Couples who intend to file their federal income tax return as married filing joint but do not reside together will still be assessed as a couple for household and income counting purposes.
- A net operating loss reported on a federal income tax return may occur when deductions are greater than the income. The net operating loss may also be deducted over multiple years. The annual deduction shall be divided by 12 to determine the monthly amount and may yield an overall negative countable income which shall be converted to zero for calculating an individual's household income.
- As a result of the Tax Cuts and Jobs Act (Pub. L. 115-97) the tax dependent earned income tax threshold has increased from \$6,350 to \$12,000 a year. The Worker Portal's Modified Adjusted Gross Income (MAGI) calculator has been adjusted to reflect this change effective July 1, 2018. Eligibility workers should be aware that the tax dependent income tax filing threshold may change annually.
- An applicant may not be processed for initial eligibility without an affirmative or negative response to their tax filing status (Do you plan on filing taxes?). Missing information letters shall be issued for all applications (initial and renewal) that do not indicate a tax filing status. For renewal purposes, eligibility workers must outreach to obtain tax filing status if none is currently reported in the case file. Per 42 CFR 435.907(a), applicants may supply self-attested information via phone, fax, mail, or other commonly available means, including electronic. If the tax filing status has been indicated previously on a prior application, assume no changes and process administratively as appropriate. All eligibility notices must indicate that beneficiaries are required to alert the EDA if there is a change or discrepancy. Upon notice of the renewal eligibility determination, if approved, a listing of their eligible plan benefits (A, ABP, B, C,D) must be provided to the individual. For all determinations the appropriate Grievance and/or Fair Hearing Rights, non-discrimination letter with language assistance information, and Privacy Notice must be included with the eligibility letter.

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

¹42 CFR 435.407(f)

²State Plan Amendment S25

MD:jm

c: Carole Johnson, Commissioner
Department of Human Services

Sarah Adelman, Deputy Commissioner
Department of Human Services

Elisa Neira, Deputy Commissioner
Department of Human Services

Valerie Mielke, Assistant Commissioner
Division of Mental Health and Addiction Services

Jonathan Seifried, Assistant Commissioner
Division of Developmental Disabilities

Natasha Johnson, Director
Division of Family Development

Harry Pizutelli, Acting Director
Division of Disability Services

Louise Rush, Director
Division of Aging Services

Shereef Elnahal, M.D., M.B.A., Commissioner
Department of Health

Christine Norbut Beyer, Commissioner
Department of Children and Families