



## State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CRISTINE TODD WHITMAN  
Governor

WILLIAM WALDMAN  
Commissioner

**MEDICAID COMMUNICATION NO:** 98-3

**DATE:** January 22, 1998

**TO:** County Welfare Agency Directors  
Institutional Services Section Area Supervisors

**SUBJECT:** Change in the Ineligibility Period for those Individuals who Transferred Resources for Less than Fair Market Value.

Currently, Medicaid may impose an ineligibility period of a maximum of 30 months for institutional level services for those individuals who transferred resources for less than fair market value within the 30 months preceding the date of application or entry into institutional care. In accordance with State and federal regulations, the maximum ineligibility period and the look-back period for transfer of resources will increase.

Effective for applications taken on or after the date of this communication and for those cases whose approval is pending, Medicaid will now impose an ineligibility period for those individuals who transferred resources for less than fair market value within the **36 month period** preceding the date of application or entry into institutional care. In the case of those individuals who transferred funds into a trust after August 11, 1993, the look-back period will be 60 months. In addition, the 30-month maximum period of ineligibility for resource transfers will be eliminated.

Consequently, an individual shall be ineligible for institutional level services if he or she (or his or her spouse) has disposed of resources at less than fair market value at any time during or after the 36 month period, or for the establishment of a trust within 60 months, immediately before:

1. In the case of an individual who is already eligible for Medicaid benefits, the date the individual becomes an institutionalized individual; or
2. In the case of an individual not already eligible for Medicaid benefits, the date that the individual applies for Medicaid as an institutionalized individual.

Questions concerning this communication should be referred to the Medicaid field staff assigned to your county.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen I. Squarrell', with a long horizontal flourish extending to the right.

Karen I. Squarrell  
Acting Director

KIS:Jm

c Karen Highsmith, Director  
Division of Family Development

Michelle Guhl, Deputy Commissioner  
Division of Youth and Family Services