



State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN
Governor

MICHELE K. GUHL
Commissioner

MARGARET A. MURRAY
Director

MEDICAID COMMUNICATION NO. 99- 24 DATE: November 30, 1999

TO: County Welfare Agency Directors

SUBJECT: Effective Date of Eligibility for the Assisted Living/Alternate Family Care (AL/AFC) Waiver

As you know, the Assisted Living/Alternate Family Care (AL/AFC) Waiver is administered by the Department of Health and Senior Services (DHSS). You will recall that, unlike many of the Waiver programs, this Waiver provides services in a location other than the beneficiary's own home. This factor results in unique circumstances that are not apparent in other Waiver programs.

Eligibility for all the Waiver programs has always been "slot" specific. With this methodology, eligibility for a slot does not exist until the individual has been determined medically eligible through Pre-Admission Screening, the county welfare agency has completed its financial eligibility determination for Medicaid, and there is confirmation of "slot" availability.

As experience with the AL/AFC Waiver has increased, it has become evident that the traditional methodology for assigning an effective date of Waiver eligibility needs to be revised for this specific Waiver. Two types of situations relating to assignment of eligibility have tended to work against the intended purpose of the program.

First, because of the established relationships between nursing facilities and hospitals, an individual will frequently be discharged to a nursing facility prior to the county welfare agency's completing the Medicaid eligibility process. Once eligibility is established, the eligibility date generally is the first day of the month of the individual's admission to the nursing facility. In this circumstance, the nursing facility is subsequently reimbursed by the Medicaid program for the period the individual was a resident but prior to the actual date that the county welfare agency completed the eligibility determination.

With the current method of determining the effective date for the AL/AFC Waiver, even if assisted living or alternate family care would be the most appropriate placement for the individual's care, it is nearly impossible to arrange that placement because the provider cannot be reimbursed for the period prior to the date of the county welfare agency's validation of eligibility.

Second, often an individual enters an assisted living facility as a private pay resident. Two or three months before "spending down" resources to the Medicaid limits, he or she applies for Medicaid. Should there be a delay, for whatever reason, in the completion of the eligibility determination, the individual runs out of funds with which to pay for care. Again, because of the current method of assigning the Waiver eligibility date, the facility would not be reimbursed for the period between the date the individual runs out of money and the date of the county welfare agency's determination.

In order to resolve these two problems, it has been decided that the effective date of financial eligibility, **for the AL/AFC Waiver only**, shall be the first day of the month in which the county welfare agency first finds the individual financially and categorically eligible for Medicaid. That date, with the income amount, shall be reported to the Long-Term Care Field Office via Form CP-2.

As is the existing practice, the DHSS Long-Term Care Field Office will determine the effective date of Waiver enrollment and report it to the county welfare agency using the Form CP-5. The county welfare agency shall then update the Medicaid Status File. At this time, and for the foreseeable future, there is no need to delay enrollment of an individual pending the confirmation of the availability of a "slot".

This policy is effective immediately. Should you have any questions, please refer them to the DHSS Long-Term Care Field Office as appropriate or the Office of Waiver and Program Administration at (609) 588-4980.

Sincerely,

A handwritten signature in black ink, appearing to read "Margaret A. Murray", with a stylized, flowing script.

Margaret A. Murray
Director

C: Christine Grant, Commissioner
William Conroy, Acting Deputy Commissioner
Department of Health and Senior Services

David C. Heins, Director
Division of Family Development

Charles Venti, Director
Division of Youth and Family Services