



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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GWENDOLYN L. HARRIS
Commissioner

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Governor

Medicaid Communication No. 03-19

Date: 11/14/03

ANN CLEMENCY KOHLER
Director

To: County Welfare Agency Directors
Institutional Services Section Area Supervisors

Subject: Increase in the Penalty Divisor

Each year 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. Effective November 1, 2003, the statewide average cost has increased to \$6,050.

Pending cases where transfer of asset penalties was calculated using \$5,540 as a divisor shall be recalculated using \$6,050. However, eligibility may not be established prior to November 1, 2003 when applying the new divisor. For all cases received on or after November 1, 2003, the new divisor will be used.

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

Sincerely,

Ann Clemency Kohler
Director

ACK:Jj

c: Clifton R. Lacy, M.D., Commissioner
Susan Reinhard, Deputy Commissioner for Senior Services
Department of Health and Senior Services

Jeanette Page-Hawkins, Director
Division of Family Development

Edward Cotton, Director
Division of Youth and Family Services

James Smith, Director
Division of Developmental Disabilities

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