



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. 99-14**

**Date: September 9, 1999**

**To:** County Welfare Agency Directors  
Statewide Determination Agencies  
Institutional Services Section

**Subject:** Household Unit

**Reference:** New Jersey Care...Special Medicaid Programs Manual N.J.A.C. 10:72-3.5(a)2  
NJ KidCare Manual N.J.A.C. 10:79-3.5(a)1  
New Jersey Medically Needy Manual N.J.A.C. 10:70-3.5(b)2

It has been our longstanding policy that the income of the household unit used in the determination of income eligibility for a child seeking benefits under NJ KidCare, New Jersey Care ...Special Medicaid Programs (children under the age of one), including the Medically Needy segment, has been determined as follows:

The household unit included the child, the child's natural or adoptive parents, all blood-related siblings (including half-blood) and adoptive siblings under the age of 21, and, at the option of the applicant, the child's stepparent, so long as there was no common children in the household. The presence of a common child in the household required that the stepparent be included in the household unit and his or her income be used in the income determination of the child(ren)'s eligibility.

Based upon recent clarification from the Health Care Financing Administration (HCFA), this is to advise that, effective immediately, a stepparent shall be included in the household unit ~~only at the option of the applicant~~ **whether or not there is a common child**. If the applicant elects not to include the stepparent in the household unit, his or her natural or adoptive child(ren), including any common child(ren), will be excluded from the household unit. The stepparent's income is exempt, except to the extent that he or she makes income available to the eligible members.

**Example A:**

Mrs. and Mr. Smith have three children, Ann, Sarah and Joseph. Ann is Mrs. Smith's child from a previous marriage, Sarah is Mr. Smith's child from a previous marriage and Joseph is their common child. Mrs. Smith works part-time and has monthly earned income of \$450 and receives \$150 per month in child support payments. Mr. Smith's gross monthly income is \$5,000. Sarah and Joseph have insurance under Mr. Smith's policy. Mrs. Smith is seeking medical benefits for Ann only. At Mrs. Smith's option, she chooses not to include her husband in the household. By excluding Mr. Smith, his children, Sarah and Joseph (the common child), are also excluded. Mrs. Smith and Ann are a family size of two and only their income is used to determine eligibility.

**Example B:**

Jane and William Green are married and living with her two children by a previous marriage and their common child. Mr. Green recently lost his job and health insurance. He is receiving unemployment benefits of \$450 per week. Mrs. Green is unemployed. They are seeking medical assistance for their family. They are eligible as a family size of five for NJ KidCare Plan A.

The above referenced manuals will be changed to reflect that the household unit, in the case of a child, shall be composed of: the child; the child's natural or adoptive parents; the child's blood-related (including half-blood) and adoptive siblings under the age of 21; and at the option of the applicant, the child's stepparent **whether or not there is a common child**. If the applicant elects not to include the stepparent in the household unit, his or her natural or adoptive child(ren), including the common child(ren) will be excluded from the household unit. The stepparent's income is exempt, except to the extent that he or she makes income available to the eligible members.

In addition, ~~the ineligible members of the household unit~~ may be referred to the State agency for possible NJ KidCare eligibility if they so choose.

Questions concerning this communication should be referred to the Bureau of Eligibility Policy at (609) 588-2556.

Sincerely,

A handwritten signature in black ink, appearing to read "Margaret A. Murray". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Margaret A. Murray  
Director

MAM:

C: Christine Grant, Commissioner  
Susan C. Reinhard, Ph.D., 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