



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

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Governor

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MEDICAID COMMUNICATION NO: 00-13

DATE: August 2, 2000

TO: County Welfare Agency Directors

SUBJECT: Cost-Share in the Assisted Living and Alternate Family Care Components of the Enhanced Community Options Waiver

The purpose of this Communication is to describe to you and your staff the way that a client's cost-share (the amount a waiver-eligible individual must contribute to the cost of care) is determined in the Enhanced Community Options (ECO) waiver and implications of that which might affect the individual's choice or location of care.

The ECO waiver is the only current Medicaid waiver for which there is a cost-share. This cost-share amount is calculated, post-eligibility, by the individual's case manager. Ordinarily this entails the subtraction of room and board, personal needs allowance, other medical expenses (including medical insurance premiums), and application of the remaining income to the cost of care. However, application of the spousal impoverishment provisions, in conjunction with the other necessary deductions, could play a role in the individual's choice of care. It is important that all who are involved in ECO case processing be aware of these issues so that an individual and his or her family can be made aware of these issues at the earliest stage of case processing.

Room and Board and Personal Needs Allowance

Depending on living arrangement, the personal needs allowance (PNA) varies. In Assisted Living Facilities and Alternate Family Care, the PNA is \$75.50 a month. Additionally, a set amount is included for the individual's room and board expenses which must be paid to the provider in order to reside in that setting. Because individuals in the Assisted Living Program are responsible for their own food costs and a variable rent, dependent on income, the deduction for that component is structured differently than the other two. The room and board and personal needs allowances for calendar year 2000 are as follows:

Assisted Living Facilities $\$586.55 + \$75.50 = \$662.05$
(Assisted Living Residences and Comprehensive Personal Care Homes)

Alternate Family Care $\$467.75 + \$75.50 = \$543.25$

Assisted Living Program $\$543.25 + \text{rent and utility costs in excess of } \163

Medical Expenses and Health Insurance Premiums

The individual's income is further reduced by health insurance premiums (including the Medicare Part B Premium until buy-in begins) and medical services not covered by the program. Also deducted are over-the counter medications and vitamins not covered by the program, for which the individual has a prescription and receipt. Outstanding medical bills for which the individual is making payments are also deductible.

Spousal and Family Member Deduction

Just as is the case for nursing facility residents, a deduction is made for the maintenance of the community spouse and family members. The method of calculating these deductions is identical to the method employed by the county welfare agencies for nursing facility residents.

It is very important to note, however, the waiver participant must reserve enough income to pay for room and board and for his or her personal needs. Only that income in excess of those required deductions may be available for the needs of the community spouse. There will be instances in which the full amount of calculated spousal maintenance allowance will not be available. In situations in which the community spouse will be deprived of monies necessary for that spouse to be financially maintained in the community, the couple may need to reconsider whether or not the waiver program is, in fact, a viable alternative for care.

It is crucial that individuals, from whom information about the waiver programs may be sought, fully appreciate the issues relating to the room and board and personal needs allowance and the spousal maintenance allowance so that they may help advise individuals and families in making the most appropriate care choices as early as possible in the process.

Questions regarding this communication may be referred to the Department of Health and Senior Services, Office of Waiver and Program Operations. The telephone number is (609) 584-4980.

Sincerely,



Margaret Murray
Director

MAM:H

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

David C. Heins, Director
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