

SENATE, No. 2035

STATE OF NEW JERSEY

INTRODUCED MAY 8, 1997

By Senator McGREEVEY

1 AN ACT concerning assets and income of spouses of certain Medicaid  
2 recipients.

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4 BE IT ENACTED by the Senate and General Assembly of the State  
5 of New Jersey:

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7 1. a. The Commissioner of Human Services shall amend the State  
8 plan for the Medicaid program established pursuant to P.L.1968, c.413  
9 (C.30:4D-1 et seq.), to provide that in the case of a married qualified  
10 applicant who is institutionalized, the share of the couple's resources  
11 available to the spouse remaining in the community and the income of  
12 the spouse remaining in the community shall be the maximum amount  
13 permitted by federal law. The amendment to the State plan shall  
14 conform to the provisions of the "Medicare Catastrophic Coverage  
15 Act of 1988," Pub.L.100-360. The commissioner shall adjust the  
16 resource and income limits, subject to annual indexing.

17 b. The commissioner shall submit the State plan amendment to the  
18 federal Department of Health and Human Services for approval within  
19 60 days of the effective date of this act.

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21 2. This act shall take effect immediately.

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STATEMENT

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26 This bill addresses the problem of "spousal impoverishment" under  
27 the Medicaid program when one spouse is institutionalized and the  
28 other remains in the community.

29 The bill directs the State Medicaid program to adopt options  
30 permitted under the federal "Medicare Catastrophic Coverage Act of  
31 1988" which allow a State to increase the amount of resources and the  
32 monthly income that a spouse living in the community may retain while  
33 the other spouse is in an institution and qualifies for Medicaid to the  
34 maximum amount permitted by federal law. At present, the State  
35 allows the community spouse to retain \$1,295 in monthly income and  
36 to retain the greater of \$15,804 or one-half of resources up to  
37 \$79,020. The State could raise the allowed amounts by submitting an

1 amendment to its State plan for Medicaid, to the federal government  
2 for its approval.

3 Accordingly, this bill directs the Commissioner of Human Services  
4 to amend the State plan for Medicaid to provide that the community  
5 spouse's share of the couple's resources and monthly income levels will  
6 be the maximum amount permitted by federal law.

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11 Directs Medicaid to establish community spouse resource allowance  
12 and income limits at highest levels permitted by federal law.