

FACT SHEET

Raising New Jersey's Medicaid Asset Limits for Older Adults & People with Disabilities

FEBRUARY 2024

Introduction

Over 300,000 older adults and people with disabilities in New Jersey receive essential health coverage through NJ FamilyCare, the state's Medicaid program.¹ Low Medicaid asset thresholds force many older adults and people with disabilities to spend down their savings to qualify for services, as the costs of their care far exceed their savings. This necessary but difficult choice increases their risk of financial instability and homelessness in the face of emergencies such as a leaking roof or major vehicle repair. Restrictive asset requirements also disproportionately punish older adults of color because they are more likely to have cash savings instead of an exempt home.

To increase equitable access to Medicaid benefits for older adults and people with disabilities, New Jersey should increase NJ FamilyCare's asset limits to \$40,000 for the Aged, Blind, Disabled (ABD) program, Managed Long Term Services and Supports (MLTSS), and Medicare Savings Programs (MSPs) to align with the asset threshold for the state's Jersey Assistance for Community Caregiver (JACC) program. This increase will create parity and reduce coverage gaps across existing state Medicaid programs, enabling increased access to critical services that support older adults and people with disabilities to remain in the community.

This fact sheet summarizes NJ FamilyCare's asset eligibility criteria for older adults and people with disabilities and details the positive impact of raising the asset threshold for the state's residents and their families. It also highlights examples of asset eligibility changes in California and New York and details the process required to create such a policy change, equipping New Jersey advocates with a roadmap to increase the state's NJ FamilyCare asset limits to \$40,000. This fact sheet is the second in a series focused on expanding Medicaid financial eligibility in New Jersey for older adults and people with disabilities.

Improving Medicaid for Older Adults and People with Disabilities: New Jersey's Path to Increasing Access

The Affordable Care Act (ACA) enabled states to eliminate asset restrictions for Medicaid eligibility for individuals under 65.² The ACA did not, however, eliminate asset tests for older adults and people with disabilities. The current asset limits for the NJ FamilyCare ABD (\$4,000), MLTSS (\$2,000), and MSPs (\$9,090) force low-income older adults and people with disabilities into deep poverty, inhibiting their ability to save enough money for an emergency.

Asset tests require low-income people to go through the cumbersome process of proving their assets—including but not limited to having to get appraisals—when they already have very low income; and if their assets exceed the limit by even \$1, they can lose eligibility. Older adults and people with disabilities, in particular, often experience challenges completing required paperwork to verify eligibility, resulting in the unintended denial or discontinuation of benefits for those who are eligible.

To make older adults and people with disabilities already eligible for NJ FamilyCare benefits more economically secure and reduce the loss of Medicaid coverage due to complexities associated with completing and returning paperwork, **New Jersey should couple actions to increase the asset limits for NJ FamilyCare with state flexibilities to waive and adopt less onerous requirements for proving assets during renewals.**³ Maryland, Nevada, and Rhode Island already waive asset tests at renewals for older adult and disabled populations.⁴ Coupled with the state's flexibility to waive asset considerations during renewals, increasing the asset limit for NJ FamilyCare to \$40,000 allows recipients to retain meager savings and no longer have to prove their resources year after year, reducing loss of benefits for those who are eligible.

This Policy Change Would Result in a Minimal Fiscal Impact on New Jersey's Budget

By allowing recipients to keep a modest amount of savings, individuals can use their meager funds for costs associated with aging in the community, such as rent, home maintenance like roof repairs, and vehicle upkeep. This policy aligns with the preferences of nearly three-quarters of Americans over the age of 50, who express a strong desire to stay in their communities as they age.⁵ Beyond aligning with these preferences, aging in the community is also a more economically efficient choice. Home and community-based services are significantly less expensive than nursing facility care, averaging less than half the cost.⁶ By enabling individuals to retain meager savings and age in their communities, this policy aligns with constituent preferences and represents a more cost-effective approach for long term care.

In addition to preventing loss of benefits, this proposed change could produce savings for the state through simplified administrative processes requiring fewer resources to verify assets. The proposed policy adjustments aim to streamline enrollment procedures, reducing the resources required for eligibility verification. This makes the system more efficient and likely translates into savings for the state. Thus, by raising the asset limits for NJ FamilyCare, New Jersey is advancing policies that align with the preferences and needs of older adults and people with disabilities, while making a fiscally responsible decision that aligns with the state's long-term economic interests.

The proposal to increase the asset limits for NJ FamilyCare is poised to deliver substantial social benefits while maintaining a minimal fiscal impact on New Jersey's budget. Drawing from the experiences of states like California, Arizona, and New York, similar adjustments in asset limits did not lead to a significant rise in Medicaid enrollment.⁷ For instance, when California raised its asset limit for its ABD programs, including LTSS, working disabled, and MSPs, to \$130,000 in July 2022, it resulted in only a 0.48% increase in newly eligible individuals.⁸ Applying these insights to New Jersey, it is projected that fewer than 1,575 additional older adults and individuals with disabilities would newly qualify for benefits under the revised asset limit of \$40,000.⁹

Inequities Persist Amongst NJ FamilyCare Programs

Medicaid is especially critical for older adults and people with disabilities, as it is the primary payer of long-term services and supports (LTSS). New Jersey residents can access differing levels of LTSS benefits through the state's ABD and MLTSS programs. However, differing asset thresholds across NJ FamilyCare programs create gaps in coverage that contribute to confusion and benefit loss for individuals.

For those who exceed the state's Medicaid income and resource threshold, New Jersey offers the Jersey Assistance for Community Caregiver (JACC) program, granting access to LTSS services within a specified expenditure cap. Increasing the asset threshold for the NJ FamilyCare ABD, MLTSS, and MSP programs to \$40,000 will align

with those of the JACC program. This harmonization addresses service gaps and creates parity across existing state programs, enhancing accessibility and simplifying eligibility criteria for beneficiaries.

NJ FamilyCare Aged, Blind Disabled (ABD) Program

Enrollment in the NJ FamilyCare ABD program enables access to critical state plan benefits such as home health care, personal care assistant services, adult day health services, dental, hearing, vision, and transportation.¹⁰ In addition to income thresholds, the ABD program imposes a \$4,000 asset limit on older adults and people with disabilities, while single adults under 65 are not subject to asset restrictions. This means that when an individual becomes Medicare eligible or turns 65 and, as a result, is no longer eligible for the NJ FamilyCare MAGI Medicaid Expansion program, they are subject to stricter NJ FamilyCare ABD asset criteria, causing many to lose access to coverage when their needs have not changed or are increasing.

NJ FamilyCare Managed Long-Term Services and Supports (MLTSS)

Managed long-term care services (MLTSS) in New Jersey provide access to Medicaid long-term care benefits in addition to state plan benefits for older adults and people with disabilities with higher care needs that meet a skilled nursing facility level of care.¹¹ The asset limits to qualify for MLTSS (\$2,000) are lower than the ABD program (\$4,000), creating a coverage gap for those with lower care needs and slightly higher assets. Increasing and aligning the asset limits for the NJ FamilyCare ABD program with MLTSS will reduce the coverage gap between programs and provide care and services to people when needed rather than when their care needs reach the level to qualify for MLTSS.

Medicare Savings Programs (MSPs)

MSPs are Medicaid programs designed to assist low-income individuals with Medicare costs, effectively bridging the gap for those who might otherwise be unable to access Medicare covered services because of high premiums and out-of-pocket costs. New Jersey's asset limit for MSPs is set at the federal minimum of \$9,090 for an individual.¹² Increasing the asset threshold to \$40,000 would enable more individuals to receive much-needed assistance with Medicare expenses, including Medicare premiums, deductibles, and coinsurance. This increase also aligns with previous state legislative efforts to eliminate asset limits for MSPs.¹³

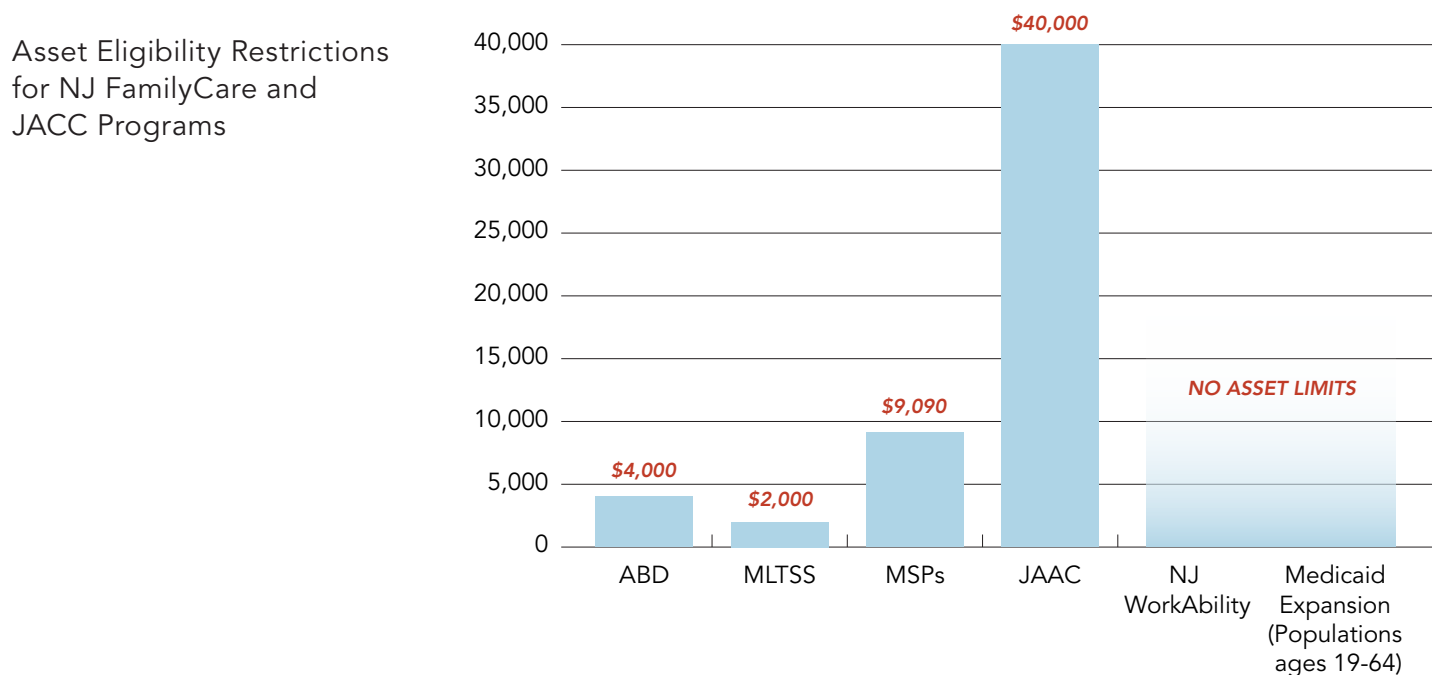
Jersey Assistance for Community Caregiver (JACC) Program

The JACC program caters to individuals aged 60 and older with income and assets exceeding NJ FamilyCare's eligibility criteria. With an asset threshold of \$40,000, JACC provides non-Medicaid recipients access to a range of home and community-based services, including adult day health services, homecare services, and respite care. However, services under JACC are subject to an expenditure cap, and depending on their income, recipients may need to contribute a co-pay. By increasing NJ FamilyCare's asset limit to \$40,000, New Jersey can bridge the substantial asset eligibility gaps between the NJ FamilyCare ABD and MLTSS programs and the JACC program. This alignment will streamline access to care and reduce coverage disparities within the state's LTSS system.

NJ WorkAbility

New Jersey's NJ WorkAbility program enables disabled working individuals to maintain their employment and slightly higher incomes than traditional Medicaid eligibility thresholds but still receive health coverage through Medicaid. As of April 1, 2023, the NJ WorkAbility program no longer subjects applicants to asset tests.¹⁴ The elimination of asset restrictions for the NJ WorkAbility program sets a precedent for increasing the asset threshold

for other NJ FamilyCare programs or potentially eliminating asset limits altogether. This development signals a progressive shift in policy, reflecting an understanding of the need for more inclusive eligibility criteria that better align with the financial realities of individuals needing health coverage.



Raising the NJ FamilyCare Asset Limit to \$40,000 will:

- ✓ **Reduce Age and Disability-Based Disparities:** Increasing asset limits creates more parity between NJ FamilyCare programs that serve ABD populations by eliminating the “senior and disability penalty,” in which older adults and people with disabilities experience more restrictive asset limits than other NJ FamilyCare enrollees. Increasing the asset limit reduces coverage loss upon turning 65 or becoming eligible for Medicare.
- ✓ **Promote Health and Financial Stability for Older Adults and People with Disabilities:** Increasing asset limits reduces the need for low-income older adults to go without care and risk their health or further impoverish themselves to pay for needed services.
- ✓ **Reduce the Racial Wealth Gap:** This change promotes housing stability for renters, particularly amongst Black and Latino older adults, who due to racial disparities in home ownership, are more likely to have cash savings than an exempt home.¹⁵
- ✓ **Reduce Coverage Gaps:** This change will create parity and reduce coverage gaps across existing state programs, enabling increased access to critical services that support older adults and people with disabilities to remain in the community.
- ✓ **Streamline Administrative Processes and Lessen Confusion Amongst Enrollees:** Simplified enrollment pathways are easier to understand, enabling older adults and their families to navigate the state’s Medicaid program more effectively. This change will also likely produce savings for the state, as simplified administrative processes require fewer resources to verify eligibility.
- ✓ **Builds on Existing State and National Precedents:** Legislative efforts in New Jersey successfully removed asset restrictions for the state’s NJ WorkAbility program, and additional legislative efforts previously attempted to eliminate asset restrictions for MSPs.¹⁶ This policy change also aligns with national best practices from states like New York, California, Florida, Nebraska, and South Carolina, which have increased or eliminated asset limits for Medicaid eligibility.

A Roadmap for New Jersey

To make Medicaid more equitably available to older adults and people with disabilities, New Jersey should pursue legislative changes to increase the asset eligibility criteria for the NJ FamilyCare ABD, MLTSS, and MSP programs to \$40,000. California and New York provide templates using their state budget process to expand Medicaid asset eligibility for older adults and people with disabilities. Following legislative actions, these states submitted state plan amendments to receive Centers for Medicare and Medicaid Services (CMS) approval. The Appendix summarizes the legislative changes and state plan amendments California and New York secured and identifies the comparable New Jersey statutory and regulatory provisions.

Conclusion

Expanding asset limits for the NJ FamilyCare ABD, MLTSS, and MSP programs to \$40,000 will create parity across state Medicaid programs, reduce age and disability-based disparities across NJ FamilyCare asset thresholds, and promote financial stability for older adults and people with disabilities. Strategies used by California and New York to increase or eliminate asset limits provide New Jersey with a roadmap to create a more inclusive and equitable Medicaid program. For questions pertaining to this fact sheet, please contact [Hannah Diamond, Policy Advocate at Justice in Aging](#).

Appendix: Lessons Learned from Other States

California

California eliminated the asset test for its ABD and MSP programs via the [state's 2021-2022 budget](#). This policy change was accomplished in two phases to provide the state with sufficient time to update its technological systems to perform and effectuate the elimination of the asset test.

- Effective July 1, 2022, the asset limit increased to \$130,000 for an individual with an additional \$65,000 for each family member up to 10.
- On January 1, 2024, the state eliminated the asset test completely.

Legislation

- [AB 133 Budget Trailer Bill](#), adding WIC § 14005.62. Passed and signed into law on July 27, 2021.
- [AB 683](#) was introduced on February 15, 2019, and died in committee on November 30, 2020.

State Plan Amendments (SPA)

- [CA-21-0053](#): On November 24, 2021, CMS approved a state plan amendment for the first phase, increasing the asset limit.
- [CA-23-00012](#): On July 14th, 2023, CMS approved a state plan amendment for the state to disregard, under the authority of section 1902(r)(2) of the Social Security Act, all countable resources for specific eligible groups, including ABD and MSP populations.

New York

Although New York has not yet eliminated its asset test, recent budgets maintain expanded Medicaid asset eligibility criteria for older adults and people with disabilities. New York permits assets up to 150% of the annual Medicaid ABD income limit, which in 2024 is \$31,173 (150% x \$20,782.80 or 138% of FPL).

Legislation

- [SB 8006C](#) maintained the existing language of Section 366 of the Social Services Law establishing ABD asset limits at 150% of the Medicaid income limit. See Part AAA, Section 3(4).

MSP programs in New York have not imposed asset limits since April 1, 2008. New York is one of twelve states, as well as DC, to either expand asset limits or eliminate them altogether for their MSPs.¹⁷

Legislation

- [SB 8006C](#) defines QMB and QI members, types of MSPs, without asset restrictions. See Part AAA, Section 4(3).

Appendix: New Jersey Specific Statutory Language and Administrative Code

ABD

New Jersey Statutory Authority

- [N.J.S.A. 30:4D-3\(i\)\(11\)](#): “Is an individual 65 years of age and older, or an individual who is blind or disabled pursuant to section 301 of Pub.L.92-603 (42 U.S.C. s.1382c), whose income does not exceed 100% of the poverty level, adjusted for family size, and whose resources do not exceed 100% of the resource standard used to determine medically needy eligibility pursuant to paragraph (8) of this subsection;”
- 8(c)(i): “For one-person households, the resource standard shall be 200% of the resource standard for recipients of Supplemental Security Income pursuant to 42 U.S.C. s.1382(1)(B);”

New Jersey Administrative Code

- [N.J.A.C. 10:72-4.5](#): b) “Aged, blind or disabled persons (including specified low-income Medicare beneficiaries) must meet resource eligibility criteria as specified below in order to be eligible for benefits under this chapter. Eligibility for benefits does not exist in any month in which the countable resources of an aged, blind or disabled person exceeds the limits of \$4,000 for an individual and \$6,000 for a couple.”

MLTSS

New Jersey Authority

- See [1115 Special Terms and Conditions 1115 Waiver Document](#) for the Special Income Level Group: “Income up to 300% of SSI/FBR; Resources SSI; Methodology SSI; Use institutional eligibility and post eligibility rules for individuals who would only be eligible in the institution in the same manner as specified as if the state had 1915(c) waiver programs.”

New Jersey Administrative Code

- N.J.A.C. 10:60-6.2: (a) “Individuals qualify for MLTSS by meeting established Medicaid financial requirements and Medicaid clinical and age and/or disability requirements for nursing facility services contained in N.J.A.C. 10:69, 70, 71, or 72.”
 - » [N.J.A.C. 10:71-4.5](#): c) “Resource maximum for an individual participation in the program shall be denied or terminated if the total value of an individual’s resources exceeds \$2,000.”

MSP

New Jersey Statutory Authority

- Previous legislative attempts to increase the income limit and eliminate asset tests for MSPs in New Jersey would have amended [Section 3 of P.L.1968, c.412 \(C.30:4D-3\)](#).

Legislation

- [NJ A2/S2](#): A2 was introduced and referred to the Assembly Aging and Senior Services Committee on 5/25/23, where it passed unanimously with amendments on 6/8/2023. It was transferred to the Assembly Budget Committee on 6/20/23. S2 was introduced and referred to the Senate Budget and Appropriations Committee on 6/5/2023. There was no further action in either house.

Endnotes

- 1 Division of Medical Assistance and Health Services (DMAHS), [“NJ FamilyCare Enrollment Summary - December 2023.”](#) An additional 28,034 received partial Medicaid coverage to assist with Medicare costs. See Division of Aging Services, [“Current Program Statistics QMB/SLMB/QL,”](#) October 2023.
- 2 See 42 U.S.C. §1396a(e)(14)(C), “A State shall not apply any assets or resources test for purposes of determining eligibility for medical assistance under the State plan or under a waiver of the plan.”
- 3 State flexibilities through Section 1902(e)(14)(a) enable states to waive consideration of assets during the Medicaid renewal processes. See, MACPAC, [Increasing the Rate of Ex Parte Renewals](#), September 2023. See also opportunities to simplify and streamline enrollment processes, as outlined in the Medicare Streamlining Rule, [88 FR 65230](#); Justice in Aging, [Final Rule to Streamline Enrollment in Medicare Savings Programs](#), November 2023.
- 4 MACPAC, [Increasing the Rate of Ex Parte Renewals](#), September 2023.
- 5 AARP, [Where We Live, Where We Age: Trends in Home and Community Preferences](#), 2021.
- 6 Genworth, [Cost of Care Survey](#), 2021.
- 7 Research finds that increasing asset limits do not result in significant increases in eligibility. See, Cohen, M. & Tavares, J., [“How Medicaid Financial Eligibility Rules Exclude Financially and Medically Vulnerable Older Adults,”](#) Journal of Aging and Social Policy, March 2023. For example, California raised its asset limit to \$130,000 in July 2022, which resulted in 11,744 older adults and people with disabilities becoming newly eligible, a 0.48% increase. See, DHCS, [Asset Limit Changes for Non-MAGI Medi-Cal](#), last visited Nov. 3, 2023. See also DHCS, [Medi-Cal Monthly Eligible Fast Facts](#), last visit 1/31/2024. See also, DHCS, [Medi-Cal Asset Limits Supplemental Report](#).
- 8 DHCS, [Asset Limit Changes for Non-MAGI Medi-Cal](#).
- 9 Using the 0.48% increase of newly enrolled individuals from such a change in California, and the fact that 302,966 older adults and people with disabilities were enrolled in [NJ FamilyCare as of December 2023](#), it is anticipated that only 1,440 individuals will become newly eligible for NJ FamilyCare benefits. Applying this same logic, it is anticipated that only 135 individuals will become newly eligible for the state’s MSP program based on the [October 2023 MSP enrollment statistics](#). Together, these numbers total 1,575 newly eligible individuals for NJ FamilyCare.
- 10 DMAHS, [“The NJ FamilyCare Aged, Blind, Disabled Programs: Program Information.”](#)
- 11 DMAHS, [“Medicaid Managed Long Term Services and Supports \(MLTSS\).”](#)
- 12 Division of Aging Services, [“NJ Medicare Savings Programs.”](#)
- 13 A2/S2, [“Increases the income eligibility threshold and eliminates asset test for Medicare Savings Programs,”](#) introduced May 25, 2023.
- 14 The Division of Disability Services, [“NJ WorkAbility.”](#)
- 15 Joint Center for Housing Studies of Harvard University, [Housing America’s Older Adults 2019](#), 2019.
- 16 The Division of Disability Services, [“NJ WorkAbility.”](#) A2/S2, [“Increases the income eligibility threshold and eliminates asset test for Medicare Savings Programs,”](#) introduced May 25, 2023.
- 17 Medicare Rights Center, [Medicare Savings Program Financial Eligibility Guidelines](#), 2024.