The background

New Jersey's Medicaid program, NJ FamilyCare, covers essential benefits that Medicare does not cover.

NJ FamilyCare is especially critical for older adults and people with disabilities, as it provides comprehensive medical benefits and personal care assistance services that enable individuals to receive care at home.

The problem

NJ FamilyCare does not apply to all populations equitably.

Unlike younger populations, people over age 65 and people with disabilities:

- ⇨ Must meet ***EVEN MORE STRINGENT*** income criteria than those under age 65 to qualify for Medicaid.
- ⇨ Must comply with asset limits——as low as $2,000 for an individual——that force people into ***DEEP POVERTY*** in order to qualify for Medicaid.

The effect

People who need care the most—people over age 65 and people with disabilities—face a coverage "cliff" when they enroll in Medicare:

- ⇨ They lose critical benefits and services because they ***NO LONGER QUALIFY*** for Medicaid under the more stringent income criteria, and these benefits and services are ***NOT COVERED*** by Medicare.
- ⇨ People over age 65 and people with disabilities must ***SPEND DOWN THEIR SAVINGS*** to comply with resource limits in order to qualify for Medicaid, increasing their risk of financial instability and homelessness in the event of an emergency expense like a car repair.

This inequity disproportionately impacts older and disabled people of color because:

- ⇨ Due to systemic racism and discrimination, these communities tend to have ***HIGHER HEALTH NEEDS AND LIMITED RESOURCES*** to pay for care, and they are more likely to have cash savings instead of an exempt home.

The fix

Increase NJ FamilyCare's asset limits to $40,000 and increase the Aged, Blind, Disabled Program (ABD) income limit to 138% FPL!

This will:

- ⇨ ***ELIMINATE THE "CLIFF"*** for people with disabilities and people 65+ so that the income criteria do not vary depending on one's age or disability.
- ⇨ ***ENABLE INDIVIDUALS TO SAVE*** up to $40,000 for emergencies without jeopardizing necessary health care services.

JUSTICE IN AGING
FIGHTING SENIOR POVERTY THROUGH LAW

How does the Medicaid "cliff" work in New Jersey? A look at the problem:

Alex is 64 years old and has an income of $20,600 per year, or $1,716 per month. Alex qualifies for Medicaid in New Jersey, where the ***income limit is roughly $20,783 per year,*** or $1,732 per month for an individual.

On her 65th birthday, she enrolls in Medicare. As a result of her age and Medicare enrollment, Alex must meet stricter eligibility criteria to continue to qualify for Medicaid. ***Despite experiencing no other changes, Alex is no longer eligible for Medicaid under the more stringent requirements.***

Alex could only maintain her Medicaid coverage if she meets a more stringent income limit ***as well as a meager asset limit:***

INCOME LIMIT: $15,060 annually ***ASSET LIMIT: $4,000* in Alex's situation***

Alex, who had been receiving critical benefits and services through Medicaid but no longer qualifies, is ***suddenly left without access to vital health care on her 65th birthday because Medicare doesn't cover these services.*** Alex loses:

- ***personal care assistant services***
- ***some durable medical equipment***
- ***transportation***
- ***dentures***
- ***glasses***

Additionally, ***Alex must now pay out-of-pocket costs*** associated with her Medicare coverage, including deductibles and costs associated with covered and non-covered services.

Alex's monthly budget

$1,716 (income) **–** ***$2,300 (expenses)*** **=** ***–$584***

AVERAGE FAIR MARKET RENT FOR AN EFFICIENCY[1]:

$1,369

AVERAGE OUT-OF-POCKET HEALTHCARE SPENDING BY A TRADITIONAL MEDICARE BENEFICIARY (2019)[2]:

$555

USDA LOW-COST FOOD PLAN[3]:

$376

New Jersey's Medicaid financial eligibility criteria force Alex into deep poverty and debt.

To enable Alex and thousands like her to access care and meet their basic needs, New Jersey must raise the Medicaid income and asset limits!

Sources

1 https://www.rentdata.org/states/new-jersey/2024.

2 https://www.aarp.org/content/dam/aarp/ppi/2023/3/beneficiaries-in-traditional-medicare-out-of-pocket-spending-for-health-care.doi.10.26419-2fppi.00184.001.pdf.

3 https://fns-prod.azureedge.us/sites/default/files/resource-files/Cost_Of_Food_Low_Moderate_Liberal_Food_Plans_April_2024.pdf.