

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-01-16  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**

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June 18, 2012

Valerie Harr, Director  
New Jersey Department of Human Services  
Division of Medical Assistance and Health Services  
P.O. Box 712  
Trenton, NJ 08625-0712

Dear Ms. Harr:

This letter is in response to your inquiry regarding whether the application of the higher Federal Medical Assistance Percentage (FMAP) for Medicaid under section 2001 of the Affordable Care Act related to the “newly eligible,” provision would apply to parents in New Jersey. As you know, we have thoroughly reviewed this question in light of the Affordable Care Act provision, the New Jersey Medicaid State plan, and the New Jersey title XXI demonstration with you and your staff.

Beginning in January 2014 under the Affordable Care Act, the higher FMAP rate will apply to Medicaid expenditures related to certain “newly eligible” adult populations, including parents. “Newly eligible” is defined as an individual who meets the eligibility criteria for the new adult group under section 1902(a)(10)(A)(i)(VIII) of the Social Security Act and who would not have been eligible under the Medicaid State plan or under a waiver of that plan for full benefits or benchmark coverage as of December 1, 2009.

All of the parents covered under New Jersey’s title XXI funded Section 1115 Demonstration (No. 21 2 00003/2-01) were eligible for title XXI benefits provided under the authority of Section 2103(a)(2) of the Social Security Act as of December 1 2009, as specified in New Jersey’s approval letter and expenditure authorities for the demonstration on January 10, 2006. In light of New Jersey’s confirmation that these parents did not receive any benefits from or through the Medicaid program, these parents would meet the eligibility criteria for the new adult group, and New Jersey would be able to claim the increased FMAP for these parents beginning in 2014. We note that the Medicaid eligibility proposed rule issued in August 2011, proposed potential methodologies by which New Jersey and other states will identify individuals and expenditures eligible for the higher FMAP under the Affordable Care Act.

Please feel free to contact Vikki Wachino at 410-786-5647 if you have additional questions regarding this issue, and thank you for your ongoing help as we work together to implement the Affordable Care Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann". The signature is fluid and cursive, with a long horizontal stroke at the end.

Cindy Mann  
Deputy Administrator, CMS  
Director, Center for Medicaid and CHIP Services