



**State of New Jersey**  
DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES  
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JOHN R. GUHL  
Director

**MEDICAID COMMUNICATION NO. 10- 02**

**DATE:** May 26, 2010

**TO:** County Welfare Agency Directors  
Institutional Services Section (ISS) Area Supervisors

**SUBJECT:** Resource Assessments and Calculation of Resource Transfer Penalty Periods

Applicants seeking eligibility for "Institutional" Medicaid programs are subject to the applicable resource "look back" period and assessment. When evaluating resource transfers for new applicants or recipients Federal Statute U.S.C. § 1396p(c)(2)(C) is applicable. This statute states:

"(2) An individual shall not be ineligible for medical assistance by reason of paragraph (1) to the extent that...

"(C) A satisfactory showing is made to the state (in accordance with regulations promulgated by the Secretary) that (i) the individual intended to dispose of the assets either at fair market value, or for other valuable consideration, (ii) the assets were transferred exclusively for a purpose other than to qualify for medical assistance, or **(iii) all assets transferred for less than fair market value have been returned to the individual.**"

No adjustments to the penalty period can be made absent such a showing.

Should you have any questions regarding this Medicaid Communication, please contact the field representative for your agency in the Office of Eligibility Policy at 609-588-2556.

Sincerely,

John R. Guhl  
Director

JRG:E

c: Jennifer Velez, Commissioner  
Department of Human Services

Kevin Martone, Deputy Commissioner  
Department of Human Services

William Ditto, Executive Director  
Division of Disability Services

Jeanette Page-Hawkins, Director  
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