

A recent ruling by New Jersey's Superior Court Appellate Division could cause people who realize increases in income to lose Medicaid unexpectedly. Because the decision in *S.J. v. Div. Medical Assistance* (45-2-6607) has been approved for publication, it stands as precedent in New Jersey.

¹. In *S.J. v. Div. Medical Assistance*, adults whose income rose above the limit for the family care Medicaid they had been receiving sought to transition seamlessly to another Medicaid program that didn't have similar income limits. Instead, the Court held that an individual who loses Medicaid must apply anew when seeking benefits under another Medicaid program.

While Medicaid is the common moniker for several different programs that subsidize health care for people in need, Medicaid actually consists of several distinct programs with somewhat different eligibility requirements and benefits. For instance, to participate in New Jersey's Medicaid Only program an individual's countable income must be within strict limits. Even one dollar of excess income is disqualifying. However, New Jersey's Medically Needy Medicaid program provides many of the same benefits as Medicaid Only but has far less restrictive income limits. Nevertheless, both because Medicaid Only provides broader benefits and due to program technicalities people with incomes below the Medicaid Only cap normally receive Medicaid Only even though they also satisfy Medically Needy Medicaid eligibility requirements. As a result, a Medicaid participant who receives Medicaid Only (perhaps in a nursing home) might become ineligible when a pension kicks in. Under *S.J. v. Div. Medical Assistance*, the individual would have to apply for Medically Needy Medicaid, which could prove difficult and costly.

In light of *S.J. v. Div. Medical Assistance*, it is important to plan ahead when a Medicaid participant's income, resources, or circumstances may change.