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State/Territory Name: New Jersey

State Plan Amendment (SPA) #: NJ-25-0035

This file contains the following documents in the order listed:

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

Children and Adults Health Programs Group

September 24, 2025

Gregory Woods
Assistant Commissioner
State of New Jersey Department of Human Services
Division of Medical Assistance and Health Services
PO Box 712
Trenton, NJ 08625-0712

Dear Assistant Commissioner Woods:

Your Title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) NJ-25-0035, submitted June 30, 2025, has been approved. The effective date for this SPA is January 1, 2025.

Through NJ-25-0035, New Jersey demonstrates compliance with section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023) by modifying CHIP eligibility requirements for the treatment of incarcerated youth and providing pre-release services to eligible juveniles.

The approval for the provision of pre-release services under NJ-25-0035 will sunset on December 31, 2026. While we understand that the state currently intends to be fully implemented by that date, the state must submit a SPA by December 31, 2026 to remove the sunset date once all remaining actions, as described in the attached companion letter, have been completed. We encourage New Jersey to provide an update to CMS on implementation status by March 31, 2026, as there may be additional steps needed if the state's implementation timeline is delayed.

Your Project Officer is Jennifer McIlvaine. She is available to answer your questions concerning this amendment and other CHIP-related matters and can be reached at jennifer.mcilvaine@cms.hhs.gov.

If you have additional questions, please contact Mary Beth Hance, Acting Director, Division of State Coverage Programs, at (410) 786-4299. We look forward to continuing to work with you and your staff.

Sincerely,

/Signed by Alice Weiss/

Alice Weiss
Acting Director
On behalf of Sarah deLone, Director

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

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Children and Adults Health Programs Group

September 24, 2025

Gregory Woods
Assistant Commissioner
State of New Jersey Department of Human Services
Division of Medical Assistance and Health Services
PO Box 712
Trenton, NJ 08625-0712

Dear Assistant Commissioner Woods:

This letter is being sent as a companion to the Centers for Medicare & Medicaid Services (CMS) approval of state plan amendment (SPA), NJ-25-0035, approved on September 24, 2025. Through this SPA, the state provides coverage of screenings, diagnostic services, and case management services ("pre-release services") otherwise available under the CHIP state plan to targeted low-income children who are within a 30-day period prior to their release from a carceral facility. Additionally, New Jersey modifies its treatment of children who are inmates of a public institution when determining CHIP eligibility. The SPA, NJ-25-0035, is effective on January 1, 2025, with the exception of the remaining actions needed to comply with section 2102(d) of the Social Security Act (the Act) listed below. However, the approval under this SPA to provide pre-release services will sunset on December 31, 2026.

We appreciate the state's efforts to come into compliance with section 2102(d) of the Act. However, during the SPA process, CMS has identified some additional actions listed below that the state must complete to fully implement section 2102(d) of the Act. Based on input from New Jersey, we anticipate that the state will complete all remaining action items by December 31, 2026.

As noted above, the approval under this SPA will sunset on December 31, 2026. Therefore, the state must complete the remaining actions listed below by the sunset date. Once the actions have been completed, the state should submit a SPA to remove the sunset date for the pre-release services provisions from the CHIP state plan. CMS is available to provide technical assistance through this process to achieve timely completion of these remaining actions to ensure compliance with section 2102(d) of the Act.

Failure to complete these remaining actions or demonstrate sufficient progress towards full implementation by December 31, 2026, may result in additional steps by the state and potentially initiation of a formal compliance action.

Below are the items that the state must complete to fully implement section 2102(b) of the Act:

1. **Carceral Facility Readiness**: New Jersey expects all facilities to be ready to provide pre-release services by December 31, 2026. The state will complete Feasibility Assessments of County Carceral Facilities**.** New Jersey Division of Medical Assistance and Health Services (NJ DMAHS) will meet with each of the county jails, document intent to participate in the

program as well as any intention to enroll and bill for pre-release services. Any facilities expressing desire to enroll and bill will be trained on enrollment and billing procedures.

2. **Eligibility Related Systems Updates**: The state will make system updates that allow for notification that a CHIP child has become incarcerated and for coverage to be suspended during periods of incarceration. The system will allow for data exchange between the state and carceral facilities for key information, such as release dates from carceral facilities and CHIP redetermination date, to support appropriate CHIP redeterminations and timely reinstatement of benefits upon release.

3. **Application Assistance**: At renewal, NJ DMAHS will notify the carceral facility so they can assist with the renewal process to ensure continued coverage if the member is eligible. The state will continue its current process for uninsured children to receive assistance completing applications for NJ FamilyCare at intake in a carceral facility.

4. **Provider Related Systems Updates:** NJ DMAHS will implement Gainwell systems changes that will allow enrollment and billing for providers across settings.

5. **Establish and Enroll New Provider Type**: NJ DMAHS will establish a new specialty 5121 provider type and claims logic that will allow providers to only submit claims for covered services provided to eligible juvenile beneficiaries. As part of creating this new provider type, NJ DMAHS will:

    i. Enroll the Youth Justice Commission (YJC) as a provider to deliver screening and diagnostic services in the pre-release period, and TCM services in both the pre- and post-release period. As the YJC is not currently a Medicaid provider. NJ DMAHS and Gainwell will also provide training to YJC identified staff on claiming using the Direct Data Entry portal.
    ii. Enroll community providers as 5121 providers to furnish post-release targeted case management (TCM) for eligible juvenile beneficiaries leaving New Jersey Department of Corrections (NJ DOC) and County carceral facilities. NJ DMAHS has identified existing TCM providers in the state—currently providing TCM under the Integrated Case Management Services program—to deliver TCM post-release.

6. **Finalize Data Sharing Agreements:** NJ DMAHS will finalize data sharing agreements with YJC, NJ DOC, and County carceral facilities to enable identification of eligible juvenile beneficiaries. This includes establishing a process for sharing a "roster" of eligible juvenile beneficiaries.

7. **Align Community TCM Providers with County Jails:** NJ DMAHS will align enrolled community TCM providers to county jails by geographical coverage to allow connections with county jails most geographically relevant to their areas of operation, with the goal of connecting eligible juvenile beneficiaries with TCM providers closest to their community of release.

If you have questions about this letter, please contact Jennifer McIlvaine at 410-786-0947 or jennifer.mcilvaine@cms.hhs.gov, your CHIP state lead.

Sincerely,
/Signed by Mary Beth Hance/

Mary Beth Hance
Acting Director
Division of State Coverage Programs

Section 1.4:

SPA #22-0033 Elimination of premiums and waiting periods for NJ FamilyCare CHIP members (updated sections 4.1.7, 4.3, 8 and 12.1 of the CHIP state plan)

SPA #22-0032 (updated CS21 as NJ no longer collects premiums or implements a 90-day premium lock-out period)

SPA #22-0033 (updated CS20 removing NJ's three-month waiting period)

The purpose of these SPAs is to eliminate premiums for NJ FamilyCare CHIP members and eliminate waiting periods for any applicant for the program who is otherwise eligible for enrollment.

Effective Date July 1, 2021
Implementation Date: July 1, 2021

SPA # 24-0034 CHIP Vaccine Assurance

Purpose of SPA: The state is assuring that it covers age-appropriate vaccines and their administration, without cost sharing.

Proposed effective date: October 1, 2023
Proposed implementation date: October 1, 2023

SPA #35 Section 5121 of the Consolidated Appropriations Act, 2023 (CAA)

Proposed effective date: January 1, 2025
Proposed implementation date : January 1, 2025

SPA #35 Section 5121 of the Consolidated Appropriations Act, 2023 (CAA)

Proposed effective date: January 1, 2025
Proposed implementation date: January 1, 2025

☒ **4.1.9 Other Standards:**

Section 5121 of the Consolidated Appropriations Act, 2023 Assurance

The state's treatment of inmates of a public institution complies with sections 2102(d) and 2110(b)(7) of the Act as follows:

The state does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution.

The state elects to suspend CHIP coverage for the duration of a child's incarceration. The state will use a benefits suspension.

The state redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.

Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan (or waiver of such plan).

The state will process any application submitted by or on behalf of a child and make an eligibility determination for child health assistance to provide all services available under the CHIP state plan (or waiver of such plan) upon their release from the institution.

Children applying for coverage who are within 30 days prior to their release and are found eligible for CHIP are provided screenings, diagnostic services, and case management services that are otherwise available under the CHIP state plan (or waiver of such plan).

The state will maintain clear documentation in its internal operational plan indicating which carceral facility/facilities are furnishing required services during the pre-release period but not enrolling in or billing CHIP. This information is available to CMS upon request.

The state may determine that it is not feasible to provide the required services during the prerelease period in certain carceral facilities (e.g., identified local jails, youth correctional facilities, and state prisons) and/or certain circumstances (e.g., unexpected release or short-term stays). The state will maintain clear documentation in its internal operational plan regarding each facility and/or circumstances where the state determines that it is not feasible to provide for the required services during the pre-release period. This information is available to CMS upon request. Services will be provided post-release, including mandatory screening, and diagnostic services, and case management services consistent with coverage otherwise available under the CHIP state plan.

The authority to provide for mandatory coverage of pre-release services for eligible targeted low-income children who are inmates of a public institution post adjudication of charges will cease on December 31, 2026.

6.2.17. ☒ **Dental services (Section 2110(a)(17)) States updating their dental benefits must complete 6.2-DC (CHIPRA # 7, SHO # #09-012 issued October 7, 2009)**

6.2.18. ☒ **Vision screenings and services (Section 2110(a)(24))**

6.2.19. ☒ **Hearing screenings and services (Section 2110(a)(24))**

6.2.20. ☒ **Inpatient substance abuse treatment services and residential substance abuse treatment services (Section 2110(a)(18))**

6.2.21. ☒ **Outpatient substance abuse treatment services (Section 2110(a)(19))**

6.2.22. ☒ Case management services (Section 2110(a)(20))

Targeted case management services are available to eligible juveniles up to 19 years of age who are determined eligible for CHIP as a targeted low-income child immediately before becoming an inmate of a public institution or while an inmate of a public institution. The case managers provide services that are identical to Medicaid as defined in 42 CFR 440.169.

6.2.23. ☒ Care coordination services (Section 2110(a)(21))

6.2.24. ☒ Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (Section 2110(a)(22))

6.2.25. ☒ Hospice care (Section 2110(a)(23))

Guidance: See guidance for Section 6.1.4.1 for guidance on the statutory requirements for EPSDT under sections 1905(r) and 1902(a)(43) of the Act. If the benefit being provided does not meet the EPSDT statutory requirements, do not check the box below.

6.2.26. ☒ EPSDT consistent with requirements of sections 1905(r) and 1902(a)(43) of the Act

Guidance: Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic or rehabilitative service may be provided, whether in a facility, home, school, or other setting, if recognized by State law and only if the service is: 1) prescribed by or furnished by a physician or other licensed or registered practitioner within the scope of practice as prescribed by State law; 2) performed under the general supervision or at the direction of a physician; or 3) furnished by a health care facility that is operated by a State or local government or is licensed under State law and operating within the scope of the license.

6.2.27. ☒ Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (Section 2110(a)(24))
Effective March 11, 2021 and through the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in

☒ 8.2.3. Coinsurance or copayments

Please see cost sharing information in Section 8. 2.4

Effective March 11, 2021 and through the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in section 1135(g)(l)(B) of the Act, and for all populations covered in the CHIP state child health plan, the state assures the following:

COVID-19 Vaccine:

- The state provides coverage of COVID-19 vaccines and their administration without cost sharing, in accordance with the requirements of section 2103(c)(l 1)(A) and 2013(e)(2) of the Act.

COVID-19 Testing:

- The state provides coverage of COVID-19 testing without cost sharing, in accordance with the requirements of section 2103(c)(l 1)(B) and 2103(e)(2) of the Act.

COVID-19 Treatment:

- The state provides coverage of COVID-19-related treatments without cost sharing, in accordance with the requirements of section 2103(c)(ll)(B) and 2103(e)(2) of the Act.

Coverage for a Condition That May Seriously Complicate the Treatment ofCOVID-19:

- The state provides coverage for treatment of a condition that may seriously complicate COVID-19 treatment without cost sharing, during the period when a beneficiary is diagnosed with or is presumed to have COVID-19, in accordance with the requirements of section 2103(c)(ll)(B) and 2103(e)(2) of the Act. This coverage includes items and services, including drugs, that were covered by the state as of March 11, 2021.

For eligible incarcerated youth, copays are not required for pre-release services provided consistent with section 2102(d)(2) of the Act.