DISABILITY RIGHTS NEW JERSEY
ADVANCING JUSTICE. ADVOCATING INCLUSION.

JUSTICE IN AGING
FIGHTING SENIOR POVERTY THROUGH LAW

RUTGERS HEALTH
The Boggs Center on Disability and Human Development
Robert Wood Johnson Medical School

A Lifeline for New Jerseyans: The Importance of Protecting and Expanding NJ FamilyCare Home and Community-Based Services

DECEMBER 2025

Introduction

Most New Jerseyans want to age in their homes and communities, rather than in institutional settings like nursing facilities. To remain living at home and active in their communities, many people need help with personal care and other assistance. **Medicaid, not Medicare, is the main payer for these types of supports, known as Home and Community-Based Services (HCBS)**. In New Jersey, NJ FamilyCare supports nearly 90,000 older adults and people with disabilities living in the community through its HCBS programs.[1]

The availability and extent of HCBS coverage, however, can be uncertain. **This is because under federal law, states have the option to provide these services, but they are not required to do so.** As a result, during budget shortfalls, whether caused by federal Medicaid funding cuts, a recession, or other financial challenges, states frequently consider reducing optional benefits like HCBS to balance their budgets.

This fact sheet provides an overview of HCBS in New Jersey and their vital role in supporting the health and well-being of older adults and disabled people, and makes the case for why New Jersey must commit to maintaining and expanding these vital supports in spite of federal and other fiscal threats.

HARMFUL IMPACTS OF THE 2025 BUDGET RECONCILIATION ACT

The passage of the Budget Reconciliation Act (H.R 1 Public Law No. 119-21) on July 4, 2025, restricts Medicaid funding to states. New Jersey is anticipated to lose billions in federal funding as a result of these changes, placing HCBS and other optional benefits at risk for cuts in the state. For more information about the law and its impact on older adults and people with disabilities, please review resources produced by the Garden State Coalition for Care.[2]

What are Home and Community-Based Services?

Medicaid-covered HCBS are services that support older adults and people with disabilities with activities of daily living in settings of their choice, including private homes, assisted living facilities, group homes, and adult day centers. Supports include, for example, personal care assistance, care coordination, medically-tailored nutrition, transportation, medication management, and home modifications. New Jerseyans can access HCBS via various NJ FamilyCare Medicaid pathways, some of which are described below:

NJ FamilyCare's Aged, Blind, and Disabled Programs: SSI, MEDICAID ONLY, AND NJ CARE

Individuals who receive federal Supplemental Security Income (SSI) are automatically eligible for enrollment in NJ FamilyCare. People who might otherwise be eligible for SSI, if they applied, can also apply just for Medicaid and if they are determined aged, blind, or disabled and have income and resources at or below the SSI limits, can enroll in the Medicaid Only pathway.

For both of these enrollment options, individuals living in their own household must have a monthly income up to $988.25 in 2025 and resources at or below $2,000 (for an individual). Note: an individual previously on SSI who receives a derivative SSA benefit from a parent may also be eligible under Medicaid Only through the federal "Disabled Adult Child" program.

Older adults and people with disabilities can also qualify for Medicaid through the NJ Care pathway if they are aged, blind, or disabled, have income up to 100% of the federal poverty level ($1,305 per month for an individual in 2025) and have resources at or below $4,000 for an individual.

Under these eligibility pathways, covered services include medical benefits, as well as three HCBS benefits through New Jersey's state plan: home health care, Medical Day Care (adult day health services) and the Personal Care Assistant (PCA) benefit that allows individuals who qualify to receive assistance with daily activities, such as bathing, dressing and household tasks.[3] PCA services can be self-directed through the Personal Preference Program (PPP).

NJ WorkAbility

This program enables people with disabilities who are working, and consequently have higher income and assets than other Medicaid pathways permit, to maintain full Medicaid coverage. Although this program is not subject to income or asset restrictions, it requires those with incomes over 250% of the federal poverty level ($3,260 for an individual in 2025) to pay a premium. Individuals enrolled in NJ WorkAbility are eligible to receive HCBS state plan benefits, as well as more extensive long-term care benefits based on clinical need.

NJ FamilyCare MLTSS

People needing long-term care services beyond state plan benefits can access supports through NJ FamilyCare Managed Long Term Services and Supports (MLTSS). To qualify for MLTSS enrollment in 2025, individuals must meet clinical eligibility (nursing facility level of care), have a monthly income below 300% of the federal SSI limit ($2,829 in 2025 or, for higher incomes, set up a Qualified Income Trust), and have resources at or below $2,000 for an individual.

MLTSS helps with aging in private homes, assisted living residencies, group homes, and nursing facilities. As of July 2025, approximately 72,000 older adults and people with disabilities were enrolled in MLTSS and were receiving long-term care in both nursing homes and HCBS settings, and an additional 931 individuals were living in a Medicaid fee-for-service nursing facility.[4]

DDD Community Care Program and Supports Program

Eligible adults with developmental disabilities receive supportive services through one of two Division of Developmental Disabilities HCBS programs: the Supports Program or Community Care Program (CCP).

These programs provide an array of services necessary to allow people with developmental disabilities to live in the community. Each of these programs has specific eligibility requirements. The Supports Program services are available to people living in unlicensed settings, such as their own home or family home, and provides "Employment/Day Services" and "Individual/Family Support Services." There is a waiting list for CCP services. CCP services are available to people living in either unlicensed or licensed settings and provides "Employment/Day Services," "Individual/Family Support Services," and "Individual Services."[5]

How are Medicaid Services Delivered?

New Jersey's Medicaid Program, NJ FamilyCare, delivers most services, including HCBS Personal Care Assistance, through managed care. Rather than paying providers directly for each service, the state contracts with private managed care plans and pays them a fixed monthly amount to provide services.

New Jersey currently contracts with five managed care organizations: Aetna, Fidelis Care, Horizon NJ Health, United Healthcare Community Plan, and WellCare of New Jersey.[6] Notably, some HCBS services, including waiver services available through the DDD, remain "carved out" of managed care, and are still paid for on a fee-for-service basis.

In addition, New Jersey offers specialized delivery models for specific populations. One option, the Program of All-inclusive Care for the Elderly (PACE), is a service delivery option for people age 55 and older who are eligible for Medicare and/or Medicaid and meet a nursing facility level of care. This model provides services and socialization at a PACE center during the day, along with HCBS in the enrollee's private home. Eight PACE agencies operate in New Jersey within certain zip codes.[7] As of July 2025, 1,415 individuals were enrolled in PACE.[8]

New Jersey also offers a type of Medicare Advantage plan, known as a Fully Integrated Dual Eligible Special Needs Plan (FIDE-SNP), to provide services to people who are dually eligible for both Medicare and Medicaid. These plans coordinate and cover an enrollee's Medicare and Medicaid benefits, including long-term care benefits. As of July 2025, there are six FIDE-SNPs available in New Jersey with a total enrollment of 95,789.[9]

A New Jersey Snapshot: LTSS Expenditures

When examining the total amount of spending on Long Term Services and Supports (LTSS) expenditures (combination of both HCBS and nursing facility services), it appears that New Jersey spends more on HCBS (67%) than institutionalized care (33%).[10] However, when spending is broken out by population, differences emerge. In 2022, for example, New Jersey spent 43% of its LTSS expenditures on HCBS and 57% on nursing facility care for older adults ages 65 and older, suggesting there is an additional opportunity to further rebalance services towards community-based supports for this population.[11]

HCBS are a Lifeline

NJ FamilyCare's HCBS help people remain in their homes and communities rather than having to receive care in an institutional setting, like a nursing facility. These programs enhance quality of life, promote dignity, and improve health outcomes. They also offer critical support to family caregivers through respite care and paid assistance, among other supports. **Simply put, HCBS are a lifeline.**

MEDICAID HCBS HELP JOAN, 92, LIVE INDEPENDENTLY AT HOME

Medicaid HCBS make it possible for Joan to live alone in her own apartment. Her personal care aides assist her with activities of daily living, such as getting out of bed, getting dressed, transferring, cooking, cleaning, and laundry. Without these caregivers, Joan would not be able to continue to live independently in her home.

When describing these benefits, Joan states: *"MLTSS is so important in my life because it allows me to remain independent in my apartment. I want to feel like I have control over my own life as I age—and I'll be 92 this month—and having an aide through Medicaid is crucial to maintaining my independence in the community I've lived in for nearly 20 years."*

WESLEY, 49, SELF-DIRECTS HIS PERSONAL CARE SERVICES TO MAINTAIN HIS INDEPENDENCE

Wesley, who has been blind since birth, relies on his self-directed personal care aides to maintain his independence at home and in the community.

"I am on the PPP which stands for the Personal Preference Program where I can hire my own personal care attendants and not have to rely on an agency for the necessary support services that I need to stay independent. I am very thankful for a program such as the Personal Preference Program which allows me to live alone and remain independent in my house. Without the necessary support services and without Medicaid having this program available to me, I don't know what I would do."

The Consequences of Cutting Home and Community-Based Services: A Historical Perspective

History demonstrates that when states experience fiscal uncertainty, they often resort to cutting HCBS. Such was the case following the 2009 Great Recession when every state reduced HCBS spending either by cutting benefits or limiting eligibility.[12]

The consequences of cutting HCBS are severe. People who do not receive adequate support are more likely to have difficulty leaving the house, shopping for groceries, and have a higher risk of experiencing medication errors.[13] For those who need assistance, the loss of HCBS may leave them no choice but to move into a costly institution to receive care.

Research shows, for example, that people 50 years and older who need but do not receive HCBS, are nearly five times more likely to have a nursing facility stay than people who have adequate support. Nationally, this translates into 3.1 million more nursing home stays, increasing nursing home expenditures, which are four times more expensive than HCBS.[14]

Cuts to HCBS also translate into more costs for family caregivers. Today, approximately 1.1 million New Jerseyans act as a caregiver for a family member.[15] Nearly one in five experience significant financial strain, and nearly half (47%) report at least one negative financial impact stemming from increased expenses, reduced work hours, or the need to leave their job to provide care, disproportionately impacting women of color.[16]

Additionally, one in four caregivers reports feeling that caregiving has made their health worse.[17] Cuts to HCBS would worsen these issues, forcing family caregivers to take on even more responsibility and jeopardizing their economic security, health, and the well-being of those they care for.

HCBS cuts may also negatively affect the nearly 137,000 paid caregivers in New Jersey.[18] Many direct care workers receive NJ FamilyCare benefits through Medicaid expansion, and new requirements contained in H.R. 1 may place this population at increased risk of losing health coverage.

HCBS cuts may also strain HCBS provider reimbursement rates, limiting providers' ability to invest in their workforce. These pressures may lead direct care workers to leave the field for more stable employment, which would further exacerbate the direct workforce crisis and make it more difficult for older adults and people with disabilities to access the LTSS they need.

How Can New Jersey Protect and Strengthen Access to HCBS?

New Jersey has made significant progress in expanding access to HCBS. Yet, many New Jerseyans who need HCBS are still unable to get them, and must go without care, move into nursing facilities, or rely on family caregivers to fill in the gaps.

Because about 70% of people who reach age 65 will eventually need some long-term care services, and adults age 65 and older are projected to make up more than 20% of the state's population by the end of the decade, the number of New Jersey residents needing long-term care will grow significantly as the population ages.[19] Federal cuts to Medicaid and other fiscal uncertainties threaten the HCBS programs that older adults and people with disabilities depend on to live in their homes and communities as they age.

New Jersey will need to explore sustainable strategies to protect HCBS during fiscal uncertainty while simultaneously expanding access to these vital services by:

- **Increasing revenue for NJ FamilyCare** to protect and expand access for New Jersey's aging and disability populations and to fill coverage gaps.
- **Expanding NJ FamilyCare financial eligibility criteria**, both income and asset thresholds, for Medicaid pathways impacting older adults and people with disabilities.[20]
- **Building and supporting an adequate statewide network of HCBS providers and direct care workers.**
- **Protecting enhanced eligibility pathways**, such as NJ WorkAbility, that enable people to work and maintain their Medicaid coverage.

Conclusion

HCBS are essential for enabling older adults and people with disabilities to live with dignity in their own homes and communities. **Policymakers will need to prioritize strategies to increase revenue, and safeguard the progress New Jersey has made in expanding HCBS availability, while also implementing policies that further enhance and improve access to these critical supports.**

Endnotes

1 Community Living Equity Center, Who Receives Medicaid LTSS?

2 Garden State Coalition for Care.

3 New Jersey Department of Human Services, Division of Disability Services, Personal Care Assistant (PCA) Services.

4 NJ FamilyCare, Long Term Care: Month at a Glance.

5 New Jersey Department of Human Services, Division of Developmental Disabilities, "A Quick Guide for Families".

6 New Jersey Department of Human Services, Division of Medical Assistance and Health Services, NJ FamilyCare Health Plans.

7 New Jersey Department of Human Services Division of Aging Services, Program for All-inclusive Care for the Elderly (PACE).

8 NJ FamilyCare, Long Term Care: Month at a Glance.

9 Centers for Medicare & Medicaid Services, "SNP Comprehensive Report July 2025".

10 Medicaid.gov, Reports & Evaluations: 2022 Long Term Services and Supports Users and Expenditures.

11 Ibid.

12 Health Affairs, History Repeats? "Faced with Medicaid Cuts, States Reduced Support for Older Adults and Disabled People".

13 UCLA Center for Health Policy Research, "Unmet Needs for Help at Home: How Older Adults and Adults with Disabilities Are Facing in California".

14 LeadingAge LTSS Center UMass Boston, "Impact of HCBS on Nursing Home use and Impact of HCBS Cutbacks on Beneficiaries living in the Community at a Nursing Home Level of Care".

15 AARP Public Policy Institute, "Valuing the Invaluable: 2023 Update Strengthening Supports for Family Caregivers".

16 AARP and NAC, "Caregiving in the US Research Report".

17 Innovation Aging, "Caregiver Health and Well-Being, and Financial Strain".

18 PHI, "Workforce Data Center".

19 U.S. Department of Health and Human Services, "Caregiver Resources & Long-Term Care"; New Jersey Department of Human Services, Division of Aging Services, "Age-Friendly Resources: What is Age-Friendly?"

20 Justice in Aging, Medicaid Cliff Document.