

What is a “Non-DAC?”

How does being a Non-DAC* allow some individuals with intellectual and developmental disabilities (IDD), who are not eligible for Medicaid, to receive DDD services?

This fact sheet explains how certain individuals with IDD may apply for Medicaid through the DDD Waiver Unit, when they are unable to qualify for SSI or other Medicaid programs.

1. What is the usual process for an individual with IDD to receive DDD services at age 21?

In order to receive supports and services from the New Jersey Division of Developmental Disabilities (DDD) at age 21, individuals with IDD are required to have Medicaid and be functionally eligible for DDD services. **However, there is an exception to the Medicaid requirement, which is applicable to a small number of individuals with IDD.** The often recommended process for obtaining Supplemental Security Income (SSI) – and the Medicaid that accompanies it – has been explained in this [SSI Fact Sheet](#) from DDD. The fact sheet explains the importance for many youth with IDD in applying for SSI as soon as possible after their 18th birthday.

2. What is the exception to DDD’s Medicaid requirement?

A smaller number of school-age youth with IDD are not able to obtain SSI or Medicaid at age 18 because **a parent has retired, become disabled, or died before the student was able to apply for SSI.** Upon the death, disability or retirement of a parent, the individual with IDD usually becomes eligible for a monthly Social Security Disability Insurance (SSDI) benefit, which is determined by the parent’s earnings and the number of years worked. The income from this monthly SSDI benefit is often too high for the student to obtain SSI or Medicaid. **Note: this situation can also apply to older individuals with IDD seeking DDD services, who receive SSDI based off a parent's work record, and never had SSI or Medicaid.**

3. What happens if individuals with IDD are receiving child support income due to the divorce of their parents?

Child support money given to the child when parents are divorced is viewed by the Social Security Administration, and by Medicaid, as the child’s income. If the monthly child support payment is above the threshold for Medicaid eligibility, then the child will not be eligible for Medicaid. However, there is a 1/3rd exclusion applied to the child support income. For example, if the child receives a monthly child support payment of \$1,000.00, only \$666.00 would count towards income for Medicaid eligibility.

4. What is the monthly income limit that would allow an individual with IDD to be eligible for NJ Medicaid?

Depending upon the amount of child support income, or the SSDI benefit, the individual with IDD may be eligible for Medicaid, even though they are not eligible for SSI. If person has **monthly income lower than \$1,330/month (2026)**, they can apply for NJ Medicaid, in the category called New Jersey Care Special Medicaid Program, also known as Community Medicaid. To apply, an NJ FamilyCare **Aged, Blind, Disabled (ABD) application** must be submitted.

5. What is the process to allow some individuals with IDD to receive DDD services, if they do not meet the usual income criteria for Medicaid eligibility?

The term “**Non-DAC**” was developed to describe individuals with IDD who are eligible for an exception to the requirement of having Medicaid before they can receive DDD services. Instead, DDD now indicates that a person who is over income for Medicaid at the county, and cannot qualify for SSI, may instead have their Medicaid application processed through the DDD Waiver Unit. Through the DDD Waiver Unit, the individual's income only need be under the "Medicaid Only" program limit (\$2,982/month in 2026).

The Arc of New Jersey developed a Medicaid Eligibility Problem Form so that families can easily document why their adult child with IDD is ineligible for SSI/Medicaid. DDD has developed a separate troubleshooting form. These two forms are similar, and the family does not need to complete both. When a family completes The Arc of New Jersey's form, it is forwarded to The Arc of New Jersey Health Care Advocacy Program. After reviewing the completed form, it is forwarded to DDD to request that the individual applies for Medicaid through the DDD Waiver Unit.

The Arc of NJ Health Care Advocacy Program has a **Medicaid Eligibility Problem Form** available online at [Health Care Advocacy](#) or it can be requested by emailing healthcareadvocacy@arcnj.org. You can access the Medicaid Eligibility Form by [clicking here](#).

DDD is the only agency that can officially authorize someone to apply for Medicaid through their Waiver Unit. "Non-DACs" are individuals with IDD who receive income above 100% of the Federal Poverty Level (\$1,330/month in 2026) and under the "Medicaid Only" limit (\$2,982/month in 2026).

When seeking approval for Medicaid through the DDD Waiver Unit, the person with IDD's resources/assets (bank accounts, bonds, stocks, etc.) must be less than \$2,000. If the individual with IDD has resources above \$2,000, then an ABLE account and/or a Special Needs Trust should be considered. Medicaid will do a 5-year lookback on the person's resources.

6. What should the family do after being authorized to apply for Medicaid through the DDD Waiver Unit?

The family should complete the DDD intake application process. It should be noted that being authorized to apply for Medicaid through the DDD Waiver Unit **does not** immediately provide Medicaid coverage. In the future (after being approved for DDD services) the family will be provided a Medicaid ABD application.

If you have questions about the Non-DAC process, please email healthcareadvocacy@arcnj.org