

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1427

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 1997

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 1427.

As amended by the committee, this bill requires that when the Division of Medical Assistance and Health Services in the Department of Human Services or its fiscal agents seek to recover a claim asserted against a Medicaid provider which is contested by the provider, the division or its fiscal agents shall place the State portion of the disputed recovery claim in escrow, to be released with interest only after final agency adjudication if the provider prevails.

The bill also requires the Commissioner of Health and Senior Services to pay or credit a Medicaid long-term care facility for any net amount found to be owing to the facility as a result of an audit. Under current law, the commissioner's reimbursement of any underpayment is discretionary.

The committee amendments delete section 1 of the bill (which amended section 7 of P.L.1968, c.413 (C.30:4D-7) and substitute a new section 1 which amends section 17 of P.L.1968, c.413 (C.30:4D-17). These amendments would require that when the Division of Medical Assistance and Health Services or its fiscal agents seek to recover a claim asserted against a Medicaid provider which is contested by the provider, the division or its fiscal agents shall place the State portion of the disputed recovery claim in escrow, to be released with interest only after final agency adjudication if the provider prevails.

In addition, the committee amendments provide that:

-- the Commissioner of Health and Senior Services shall reimburse a long-term care facility for any net amount discovered to be owing to the facility after notice of underpayment to the facility as a result of an audit;

-- if the reimbursement is not made within 60 days, rather than 45 days as the bill originally provided, of the notice of underpayment to the facility, rather than the audit as the bill originally provided, the reimbursement shall include interest on the amount due; and

-- apply the provisions governing reimbursement of a long-term care facility to an audit performed for any fiscal year ending after November 30, 1996.

Finally, the committee amendments also change the reference to the Commissioner of Human Services in section 2 of the bill to the Commissioner of Health and Senior Services, as the Department of Health and Senior Services is now responsible for administering long-term care services under the Medicaid program.