

4. The hospital has not initiated collection procedures while a claim was pending adjudication with a health plan;

5. Based upon information made available to the hospital, the debtor is not eligible for charity care;

6. The hospital notified the debtor, in a form approved by the Commission, of its intent to submit the debtor's account to the Commission for collection pursuant to this subchapter;

7. Transmission of data on a claim constitutes assignment of the debt to the Commission;

8. The hospital agrees that the State will carry out its best efforts to collect the debt, and that there are no guarantees that any monies will be recovered; and

9. The hospital agrees that all direct expenses incurred by the State in collecting any debts, including a five percent SOIL administration fee, will be deducted from the amount collected before applying the sharing percentage.

(b) Upon the Commission's receipt of a hospital's notice stating its intent to participate in the Program, the Department of Treasury shall provide, on behalf of the Commission, written notice, in a form approved by the Commission, to the debtor of its receipt of the assignment of the debt, and of the debtor's ability to challenge the validity of the debt.

(c) A debtor may challenge the validity of a debt pursuant to the standards and procedures set forth in this subchapter at N.J.A.C. 11:26-2.4.

(d) Unless a debtor provides documentation that he or she has paid a debt in full, or appeals a debt pursuant to N.J.A.C. 11:26-2.4 following receipt of the notice described in (b) above, the Commission shall file a certificate of debt with the New Jersey Superior Court pursuant to the standards and procedures set forth in this subchapter at N.J.A.C. 11:26-2.5. The Commission may pursue collection of the debt by utilizing the following methods in accordance with the standards and procedures set forth in this subchapter:

1. Setoff of Individual Liability (SOIL) program established pursuant to N.J.S.A. 54A:9-8.1 et seq.; and/or

2. Contracting with a collection agency.

(e) All collection attempts pursued by the Commission pursuant to this subchapter shall comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), 42 U.S.C. §§ 1301 et seq., and regulations promulgated thereunder by the United States Department of Health and Human Services, and other similar laws, as set forth in the individual Addendum Agreements between the Commission and the hospitals relating to HIPAA-protected health information requirements.

(f) The Commission may return to a hospital any debt that fails to comply with any of the requirements set forth in this chapter.

(g) The Commission may terminate a hospital's participation based on the hospital's failure to comply with any of the requirements set forth in this chapter.

(h) Following acceptance of a debt from a hospital, the Commission shall become the owner of the debt.

11:26-2.4 Hospital debt validity appeals

(a) A debtor may appeal the validity of a debt of which he or she has received notice pursuant to N.J.A.C. 11:26-2.3 on grounds such as the following:

1. He or she is not legally responsible for payment of the debt;

2. The debt has been paid or otherwise satisfied; or

3. The debt is the subject of dispute between a health plan and the hospital.

(b) A debtor intending to appeal the validity of a hospital debt, of which he or she has received notice pursuant to N.J.A.C. 11:26-2.3, shall file with the Commission a notice of appeal, which shall comply with the following requirements:

1. The notice shall be filed with the Commission within 30 days of the date of the Department of Treasury/Commission notice to the debtor described at N.J.A.C. 11:26-2.3.

2. The notice shall be sent to the Commission by regular mail to the following address:

Hospital Care Payment Commission
PO Box 468
20 West State Street
Trenton, NJ 08625-0468

3. The notice shall state the reason why the debtor believes that he or she is not responsible for the debt, and shall include evidence supporting such belief.

(c) Following receipt of a notice of appeal that complies with (b) above, the Commission shall:

1. Within 25 days of its receipt of the appeal, provide the debtor with a written acknowledgement of receipt of the appeal;

2. Suspend all efforts to collect a debt pending the appeal;

3. Upon a review of the documentation submitted by the debtor, conduct such fact finding as is necessary to review the appeal, including communication with the hospital forwarding the debt. The Commission staff may make recommendations to the Commission regarding

debtor appeals, which the Commission shall approve or reject;

4. The Commission shall provide written notice to the debtor and the hospital of its decision to grant or deny the appeal, which shall set forth the reasons for issuing a denial and that the decision may be appealed in the Appellate Division of the Superior Court;

5. Notify the Department of Treasury, Division of Revenue of its decision on the appeal; and

6. Return to the hospital for resolution between the hospital and the debtor any debt for which the Commission granted an appeal.

(d) All hospitals shall respond to the Commission within 30 days of the Commission's request for additional information on any appeal.

(e) The Commission's decision on a debt appeal constitutes final agency action, review of which shall be sought in the Appellate Division of the Superior Court.

11:26-2.5 Certificate of debt requirements

(a) If a debtor fails to respond to the Department of Treasury/Commission notice described in N.J.A.C. 11:26-2.3 above, the Commission shall file a certificate of debt with the Clerk of the New Jersey Superior Court, and request that the Clerk enter the certificate of debt on the record of docketed judgments.

(b) Upon filing the certificate of debt with the Clerk, the Clerk shall enter as a docketed judgment the following information:

1. The name of the debtor;
2. The State as creditor;
3. The address of the debtor if stated in the certificate;
4. The amount of the debt(s) certified by the Commission;
5. A reference to P.L. 2003, c.112, under which the debt was assessed; and
6. The date such entry on the record of docketed judgments was made.

(c) In accordance with P.L. 2003, c.112 (codified as N.J.S.A. 17B:30-41 et seq.), the docketed certificate of debt shall have the same force and effect as a civil judgment docketed in the Superior Court of New Jersey.

11:26-2.6 SOIL Program requirements

(a) If a debtor fails to respond to the Department of Treasury/ Commission notice described in N.J.A.C. 11:26-2.3, the Commission may pursue collection of the debt pursuant to the Setoff of Individual Liability (SOIL) program established pursuant to N.J.S.A. 54A:9-8.1 et seq. and the rules promulgated thereunder at N.J.A.C. 18:35-10.

(b) The Commission shall provide 30 days written notice, in a form approved by the Department of Treasury, Division of Revenue, to a debtor prior to pursuing collection of the debt pursuant to the SOIL program.

(c) Priority of debts for which the Commission seeks to attempt collection by using the SOIL program shall be established as follows:

1. If one debtor has more than one debt at more than one hospital, the hospital that first submits the debt in accordance with N.J.A.C. 11:26-2.3 shall have priority; and
2. If one debtor has more than one debt at any one hospital, the debt with the earliest date of service shall have priority.

11:26-2.7 Commission/collection agency contract standards and procedures

(a) If a debtor fails to respond to the Department of Treasury/Commission notice described in N.J.A.C. 11:26-2.3 above, the Commission may pursue collection of the debt by utilizing the services of a collection agency as that term is defined in this subchapter.

(b) The terms and conditions of the collection of the debt shall be set forth in a written agreement between the Commission and the collection agency.

(c) Any agreement entered into between the Commission and a collection agency shall be subject to the confidentiality provisions of the State Uniform Tax Procedure Law at N.J.S.A. 54:48-1 et seq. and all applicable Federal and State laws, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), 42 U.S.C. §§ 1301 et seq., and regulations promulgated thereunder by the United States Department of Health and Human Services, or any other similar law.