



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
CN 712
TRENTON, NEW JERSEY 08625
(609) 588-2600

WILLIAM WALDMAN
Commissioner

SAUL M. KILSTEIN
Director

MEDICAID COMMUNICATION NO: 93-16 DATE: August 2, 1993

TO: County Welfare Agency Directors

SUBJECT: Expansion of Incentive Payments to County Welfare Agencies (CWAs) for the Recovery of Incorrectly Paid Medicaid Benefits Other Than Those Generated by the IEVS/Unearned Income Report

The SFY 1994 Appropriations Act includes language which expands incentive payments to the CWAs to cover all types of incorrect payment cases where CWA involvement results in a recovery to the Division of Medical Assistance and Health Services. Specifically, DMAHS is authorized to pay participating CWAs 25% of the gross recovery of any successfully recaptured incorrectly paid Medicaid benefits in cases handled for DMAHS by the CWAs. This new incentive is a broadening of the already existing incentive arrangement which reimburses CWAs for their handling of incorrect payment cases resulting from the IEVS Unearned Income component of the IEVS/eligibility file match. Cases where voluntary contributions are made on behalf of a recipient are not covered by this incentive.

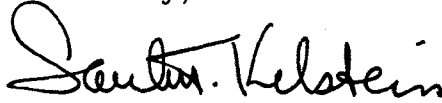
The kinds of incorrect payment cases which will now qualify include those cases involving incorrect Medicaid payments made as a result of incorrect reporting of income and periods of ineligibility resulting from an incorrect reporting of resources, which would not otherwise be detected by the IEVS Unearned Income component of the IEVS/Medicaid eligibility match. In order to meet the definitional requirement for the term "incorrect payment" for purposes of this incentive, the CWA must have made a determination of a period of ineligibility during which Medicaid payments were incorrect.

This new incentive payment will apply to all non-IEVS recoveries received by the CWA on or after July 1, 1993, even if the CWA initiated the recovery activity prior to July 1, 1993.

Instructions regarding this new incentive payment are attached to this Communication and should be carefully followed by the CWAs.

Questions concerning this new incentive should be referred to Leon R. Bartol, Chief, Bureau of Administrative Control, at 609-588-3034.

Sincerely,

A handwritten signature in cursive script that reads "Saul M. Kilstein". The signature is written in dark ink and is positioned above the printed name and title.

Saul M. Kilstein
Director

SMK:Bh

c Marion E. Reitz, Director, Division of Family Development
Nicholas R. Scalera, Director, Division of Youth & Family
Services

Attachment



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
CN 712
TRENTON, NEW JERSEY 08625
(609) 588-2600

WILLIAM WALDMAN
Commissioner

SAUL M. KILSTEIN
Director

General Instructions for County Welfare Agencies (CWAs)
Regarding Procedures Which Must be Followed in Order to Claim
a 25% Incentive of the Gross Recovery of Incorrectly Paid Medicaid
Benefits From DMAHS

1. CWAs must determine a definite period of ineligibility. This determination governs the period in which Medicaid payments are adjudged to have been incorrectly made. CWAs must ensure that this determination is defensible and supportable in any subsequent administrative or judicial proceeding.
2. Incorrect Medicaid payments subject to this incentive include those that are made due to incorrect reporting or determination of income (either due to fraud or non-fraud reasons). Also included are incorrect Medicaid payments made due to incorrect resource reporting, which are not already included in the IEVS Unearned Income Medicaid match incentive program.
3. Not included in this incentive are cases of monies becoming available to a recipient because of the normal process of liquidation or cases involving receipt of monies by clients due to inheritance, insurance benefits, lump sum benefits, lottery winnings, etc., which have been properly reported to the CWA.
- 4a. CWAs should direct all inquiries concerning the amount of payments made during a potential period of ineligibility due to excess resources to the Bureau of Administrative Control, DMAHS, Mail Code #6, CN 712, Trenton, New Jersey 08625. Please ensure that the period of ineligibility is clearly stated on the request for information.
- 4b. CWAs should direct all inquiries concerning the amount of payments made during a potential period of ineligibility due to excess income to the Data Retrieval Unit, DMAHS, Mail Code #7, CN 712, Trenton, New Jersey 08625. Please ensure that the period of ineligibility is clearly stated on the request for information.
5. Checks resultant from successful incorrect payment recoveries should be addressed to the Bureau of Administrative Control, Mail Code #6, CN 712, Trenton, New Jersey 08625. Checks must be made payable to "Treasurer, State of New Jersey", and be accompanied by sufficient documentation to enable DMAHS to ensure that the payment is subject to the incentive.

6. Reimbursement to the CWAs will be handled in a manner similar to that currently employed in the IEVS Unearned Income/Medicaid incentive program.