

HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

Administration Manual

Proposed Readoption: N.J.A.C. 10:49

Authorized By: Elizabeth Connolly, Acting Commissioner, Department of Human Services.

Authority: N.J.S.A. 30:4D-1 et seq. and 30:4J-8 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Agency Control Number: 15-P-04.

Proposal Number: PRN 2015-097.

Submit comments by October 19, 2015, to:

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The agency proposal follows:

Summary

The Department of Human Services (Department) is proposing to readopt, without change, the Administration Manual chapter (N.J.A.C. 10:49). Pursuant to N.J.S.A. 52:14B-5.1.c(2), N.J.A.C. 10:49, the Administration Manual, will expire on January 7, 2016. The Administration Manual contains general and specific information about the regular Medicaid program, special Medicaid services, the NJ FamilyCare program and other special State funded programs. The Department of Human Services has reviewed the rules and has determined them to be necessary, reasonable, and proper for the purpose for which they were originally promulgated, as required by Executive Order No. 66 (1978).

The chapter contains 24 subchapters and an appendix, described as follows:

Subchapter 1, General Provisions, contains the purpose and scope of the chapter, as well as the organizational structure, legal authority, and responsibility of the Division of Medical Assistance and Health Services (“Division” or “DMAHS”) for administration and implementation of the NJ Medicaid and NJ FamilyCare programs. This subchapter also contains definitions as well as the types and availability of provider manuals designed for use by providers within the NJ Medicaid and NJ FamilyCare programs, and requirements regarding compliance with Federal laws and regulations.

Subchapter 2, New Jersey Medicaid Beneficiaries, contains eligibility requirements for beneficiary participation in the Medicaid and NJ FamilyCare programs,

including who is eligible under the various programs, the eligibility process, forms, and systems used to verify eligibility and other provisions addressing eligibility.

Subchapter 3, Provider Participation, contains provisions regarding the types of providers eligible to participate in the Medicaid and NJ FamilyCare program, the enrollment process, requirements imposed on providers with multi-locations, the provider billing number, and one-time provider enrollment.

Subchapter 4, Provider's Role in a Shared Health Care Facility, contains provisions regarding providers located in a shared health care facility, including definitions, scope, registration of shared health care facilities, prohibited practices, administrative requirements, and quality of care requirements.

Subchapter 5, Services Covered By Medicaid and the NJ FamilyCare Programs, contains provisions regarding the types of services available to eligible beneficiaries as participants in the Medicaid and NJ FamilyCare programs, including requirements for provision of services, services available to beneficiaries eligible for, or children who are presumptively eligible for, the regular Medicaid and NJ FamilyCare Plan A programs, services available to beneficiaries eligible for the Medically Needy program, emergency medical services, and requirements and eligibility for other available Medicaid and NJ FamilyCare services.

Subchapter 6, Authorizations Required by Medicaid and the NJ FamilyCare Programs, contains authorization requirements for reimbursement for services rendered to eligible beneficiaries, including prior and retroactive authorization and authorizations for out-of-State medical care and services.

Subchapter 7, Submitting Claims For Payment (Policies And Regulations), contains provisions regarding the general processes and requirements for submitting claims for services, including timeliness of claim submission, third-party liability benefits, prohibition of payment to factors, use of service bureau and/or management agency services, and timeliness of charity care claims submission.

Subchapter 8, Payment For Services Provided, contains requirements for payment for services provided, including those regarding the fiscal agent, claims payment, and charity care claims pricing, adjustments following payments of claims, claims payment by direct deposit, and outstanding checks.

Subchapter 9, Provider and Beneficiary's Rights and Responsibilities; Administrative Process, contains provisions regarding provider and beneficiary rights and responsibilities as participants in the Medicaid and NJ FamilyCare programs, including personal contributions, premiums and co-payments, limitations on cost sharing, civil rights, observance of religious belief, free choice by the beneficiary and the provider, confidentiality of records, provider certification and recordkeeping, withholding of provider payments, integrity of the programs, fraud and abuse, informing beneficiaries of their rights, appeals and advance directives.

Subchapter 10, Notices, Appeals and Fair Hearings, contains requirements, time frames and processes for filing of appeals, grievances, and fair hearings, including definitions, notices, opportunity for a fair hearing, advance notice of termination of medical assistance to beneficiaries participating in Medicaid or Plan A, location of the hearing, impartiality of the hearing officer, the beneficiary's right to a different medical assessment, hearing procedures, requirements for prompt, definitive, and final action,

notification to claimants, action upon a decision favorable to claimants, hearing decisions, and accessibility of hearing decisions to local agencies and the public.

Subchapter 11, Exclusion from Participation in the New Jersey Medicaid and NJ FamilyCare Programs, contains the basis for suspension, exclusion, disqualification, or debarment from participation in the Medicaid and NJ FamilyCare programs.

Subchapter 12, Provider Reinstatement, establishes the process to be used by providers in order to request, and petition for, reinstatement in the Medicaid or NJ FamilyCare program following suspension, exclusion, disqualification, or debarment.

Subchapter 13, Program Controls, contains provisions regarding specific program controls and internal checks and balances implemented by the Division to ensure adequate evaluation and delivery of programs and services, including medical review and evaluation, audits, applicability to Division programs of provisions regarding fraud and abuse investigations and administrative actions, third party liability, and recoveries. Additionally, this subchapter provides for the payment of a monetary reward for information relating to fraud or abuse.

Subchapter 14, Recovery of Payments and Sanctions, contains provisions regarding the conditions and limitations on, as well as processes for, recovery of payments and sanctions which may be imposed on beneficiaries for fraudulent use or over-utilization of benefits. This subchapter also addresses the Division's and the Department's authority to compromise, adjust, waive, and settle claims, recoveries involving the county welfare agencies, administrative charges and service fees, and contracts with county welfare agencies.

Subchapter 15, Availability and Maintenance of Program Policy Issuances, contains provisions regarding maintenance of public policy issuances, availability of policy materials, and reproduction of those materials.

Subchapter 16, Demonstration Projects, includes provisions regarding the purpose of the subchapter, definitions, implementation of demonstration projects, and criteria and sanctions related to demonstration projects.

Subchapter 17 is reserved.

Subchapter 18, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), contains requirements and conditions for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program.

Subchapter 19, Healthstart, provides notice to the public, providers, and beneficiaries regarding the HealthStart program and refers the reader to other Medicaid and/or NJ FamilyCare chapters which address this program.

Subchapter 20 is reserved.

Subchapter 21, Medicaid/NJ FamilyCare Managed Care Program, contains provisions regarding the Medicaid/NJ FamilyCare Managed Care Program, including purpose and scope, capitation payment systems, Medicaid/NJ FamilyCare beneficiaries, and specific delineation of services in that program.

Subchapter 22, Home And Community-Based Services Waiver Programs, contains provisions regarding the types of home and community based waiver programs, including an introduction, approved waivers, administration of waived programs, and contact information for the Divisions responsible for the administration of the waiver programs.

Subchapter 23, Lifeline Programs, contains provisions regarding the Lifeline Programs eligibility and application process.

Subchapter 24, Work First New Jersey/General Assistance Claims Processing, contains provisions regarding Work First New Jersey/General Assistance (WFNJ/GA) claims processing, including an introduction, administrative provisions, services which are processed by the fiscal agent and those which are not processed by the fiscal agent, as well as the basis for reimbursement.

N.J.A.C. 10:49 Appendix, includes numerous forms and lists mentioned throughout the chapter that are used by the Division, providers, and beneficiaries in the Medicaid/NJ FamilyCare programs.

The Department has determined that the comment period for this notice of proposal will be at least 60 days; therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, this notice is excepted from the rulemaking calendar requirement.

Social Impact

As of December 2014, approximately 1,680,938 individuals were receiving services under the New Jersey Medicaid and NJ FamilyCare programs. The rules proposed for re-adoption are expected to have a continuing positive social impact on beneficiaries, providers, and the State by ensuring that eligible beneficiaries will continue to receive services.

Medicaid/NJ FamilyCare providers will benefit because these rules ensure continued reimbursement to providers that render services in accordance with the chapter and their specific provider manual.

Economic Impact

The annual budget of the Division of Medical Assistance and Health Services is \$8.5 billion (Federal and State funding combined).

Medicaid/NJ FamilyCare providers and beneficiaries will continue to benefit because these rules allow the continued administration of the programs, ensuring continued and uninterrupted services to beneficiaries and reimbursement to providers.

Readoption of these rules will also be beneficial to the Department because the rules comply with the requirements of applicable Federal laws and regulations, ensuring continued Federal funding for the program. The State will also benefit because this chapter allows for continued oversight and quality control of all provider types, ensuring that a consistent quality of care is provided to beneficiaries in an efficient and cost-effective manner.

There is no anticipated change in the economic impact on beneficiaries, providers, or the State as a result of the rules proposed for readoption because the Department is not proposing changes to the rule.

Federal Standards Statement

The Department of Human Services, in accordance with 42 CFR 431.10 and Section 1902(a)(5) of the Social Security Act, is the single State agency designated for the administration of the New Jersey Medicaid and NJ FamilyCare program.

Title XXI of the Social Security Act allows states to establish a State Children's Health Insurance Program (SCHIP) for targeted low-income children. New Jersey

elected this option through implementation of the NJ FamilyCare program. Section 2103, 42 U.S.C. §1937(c) provides broad coverage requirements for this program.

Under authority of N.J.S.A. 30:4D-1 et seq., DMAHS is authorized to administer the Medicaid program. In accordance with N.J.S.A. 30:4J-8 et seq., DMAHS is also authorized to administer the NJ FamilyCare program.

The Department has determined that the rules proposed for readoption do not exceed Federal standards. Therefore, a Federal standards analysis is not required.

Jobs Impact

The Division does not anticipate that the rules proposed for readoption will result in the creation or loss of jobs in the State of New Jersey.

Agriculture Industry Impact

No impact on the agriculture industry in the State of New Jersey is expected to occur as a result of the rules proposed for readoption.

Regulatory Flexibility Analysis

N.J.A.C. 10:49, Administration, regulates those providers who provide health care services to NJ Medicaid/FamilyCare beneficiaries. Some of these providers may be considered small businesses under the terms of the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., in that they employ fewer than 100 employees full-time.

The rules proposed for readoption do not contain any additional reporting, recordkeeping, or compliance requirements beyond those required of all Medicaid-

enrolled providers to maintain records sufficient to fully document adequate identifying information of the beneficiary receiving the service, the date of service, the type of service rendered and any additional information, pursuant to N.J.S.A. 30:4D-12.

The standards and requirements set forth in N.J.A.C. 10:49, the Division's Administration Manual, are consistent with the Federal Social Security Act and Federal regulatory requirements, as well as applicable State statutes. All requirements or operating procedures are intended to be uniform for all health care providers to assure a consistent level of care for the beneficiaries and equal opportunity for all providers engaged throughout the State.

There are no additional compliance costs, capital costs, or professional services imposed by the rules proposed for readoption.

Housing Affordability Impact Analysis

Since the rules proposed for readoption concerns the provision of healthcare services to Medicaid and NJ FamilyCare beneficiaries and the administration of the Medicaid and NJ FamilyCare programs, the Department anticipates that the rules proposed for readoption will have no impact on the development of the affordability of housing in New Jersey and there is no likelihood that the proposed readoption would evoke a change in the average costs associated with housing.

Smart Growth Development Impact Analysis

Since the rules proposed for readoption concern the provision of healthcare services to Medicaid and NJ FamilyCare beneficiaries and the administration of the

Medicaid and NJ FamilyCare programs, the Department anticipates that there is no likelihood that the rules proposed for readoption would evoke a change in housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 10:49.