



*Published by the  
N.J. Dept. of Human Services,  
Div. of Medical Assistance & Health Services  
& the N.J. Dept. of Health & Senior Services*

# Newsletter

Volume 10 No. 8

FEBRUARY 2000

**TO:** All Acute Care Hospitals

**SUBJECT:** Offset of Disproportionate Share Hospital or Other Hospital Beneficiary Care Payments to Collect Hospital Debts Owed to the State

**JOINTLY  
ADOPTED**

**NEW RULE:** N.J.A.C. 10:52-1.6

**EFFECTIVE:** December 7, 1998

**PURPOSE:** To notify all acute care hospital providers that owe debts to the Department of Human Services ("DHS") or the Department

of Health and Senior Services, ("DHSS") that the Division of Medical Assistance and Health Services ("DMAHS") shall collect the debts owed and offset the same against the hospital's disproportionate share hospital or other hospital beneficiary care payments.

**BACKGROUND:** The DHS/DMAHS have jointly implemented a new rule, N.J.A.C. 10:52-1.6, in accordance with Title XIX of the Federal Social Security Act. This new rule allows the DHS/DMAHS to, upon receipt of documentation from the DHSS, apply an offset to each hospital's disproportionate share hospital and/or Medicaid or NJ KidCare beneficiary care payments for the collection of delinquent statutory debts owed by the hospital to the DHSS, under the Health Care Facilities Planning Act and the implementing regulations.

**ACTION:** All acute care hospital providers are advised, that in accordance with the provisions of N.J.A.C. 10:52-1.6, those hospitals which owe statutory debts to the DHSS may not receive their full amount of payments provided by

the DHS/DMAHS under the legislatively created Health Care Subsidy Fund (HCSF). Each acute care hospital's debt or amount owed to the Department of Health and Senior Services may be offset, by DHS/DMAHS, against the hospital's disproportionate share hospital and/or Medicaid or NJ KidCare beneficiary care payments.

If you have any questions regarding this Newsletter, please do not hesitate to contact John R. Guhl, Assistant Director, Office of Reimbursement Services, at (609) 588-2693.

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB  
(BLUE TAB MARKED "5")**