

TO: Hospitals - Chief Executive Officer

APPLICABLE TO: ONLY THOSE HOSPITALS DESIGNATED AS OUTSTATION SITES FOR MEDICAID ELIGIBILITY DETERMINATIONS

SUBJECT: OUTSTATION SITES FOR MEDICAID ELIGIBILITY DETERMINATIONS

EFFECTIVE: Immediately

PURPOSE: To inform those hospitals designated as outstation sites for Medicaid eligibility determinations, of the process and requirement to reimburse the county welfare agencies for the non-federal share of the costs associated with the use of county welfare agency employee(s) for Medicaid eligibility determinations.

BACKGROUND: In accordance with Section 9 of Chapter 187 of P.L. 1991, selected hospitals have been designated as "outstation" sites for initiating Medicaid applications for Medicaid eligibility determinations processed by employee(s) of the county welfare agency.

ACTION: In accordance with this law, designated outstation hospitals are required to reimburse the county welfare agencies for the non-federal share of the costs associated with the county welfare agency employee(s).

The Division of Medical Assistance and Health Services has received and approved the "outstation" plans for calendar year 1992 submitted by the affected counties. Accordingly, this Division will begin processing reimbursement from the designated "outstation" hospitals to be paid to the county welfare agencies in the near future.

This process will be accomplished through the automated withholding of Medicaid payments to the "outstation" hospitals. These withholdings will be made at the beginning of each calendar quarter in an amount equal to one-fourth (1/4) of the estimated annual "outstation" charge for each "outstation" site. Each "outstation" hospital will be advised of the "outstation" charge on the Lien/Levy Transaction Advice portion of the Remittance Advice provided with Medicaid payments. The "outstation" charge withholding will be identified by a two digit numeric code which identifies the specific county welfare agency to be reimbursed. An example of the Lien/Levy Transaction Advice and a list of county welfare agency numeric codes is attached for your reference.

The Division's fiscal agent, Paramax/Unisys, will begin processing these withholdings for the period beginning January 1, 1992. As a result, the initial withholdings will reflect charges for each calendar quarter beginning on or after January 1, 1992. The Division will reconcile "outstation" charges to the actual costs incurred by each county welfare agency as reported on the federally approved cost allocation plan. Any differences between "outstation" hospital charges and the actual cost incurred by the county welfare agency will be included as an adjustment to the estimated annual "outstation" charge for the subsequent year.

Any questions concerning the information in this Newsletter should be directed to David Lowenthal, Budget and Fiscal Operations, Division of Medical Assistance and Health Services, at (609) 588-2820.

RECOMMENDED DISTRIBUTION: CHIEF FINANCIAL OFFICER AND ACCOUNTING DEPARTMENT

ATTACHMENTS: Lien/Levy Transaction Advice
New Jersey County Welfare Agencies