



Newsletter

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N.J. Dept. of Human Services,
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the N.J. Dept. of Health; and the
Office of the State Comptroller, Medicaid
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TO: All Providers & Health Maintenance Organizations – **For Action**

SUBJECT: **Recovery of Payments for Service Dates After Dates of Death**

EFFECTIVE: Immediately

PURPOSE: To notify providers of enhanced recovery procedures for overpayments due to the date of death of a New Jersey Medicaid, NJ FamilyCare or General Assistance beneficiary.

BACKGROUND: N.J.S.A. 30:4D-7.h, N.J.A.C. 10:49-13.3, and N.J.A.C. 10:49-24.2(b) provide the legal authority for the Division of Medical Assistance and Health Services (DMAHS) to take all necessary action to recover any and all payments incorrectly made to or illegally received by a Medicaid, NJ FamilyCare or General Assistance provider. In accordance with this legal authority, DMAHS is enhancing its recovery procedures to be more comprehensive. This will ensure that any opportunities for overpayments are minimized, and that any overpayments made by the State of New Jersey are recovered.

ACTION:

- (1) Any payments made to a provider shall be recovered when the service date is after the date of death of an eligible beneficiary.
- (2) Financial transactions will no longer be created to recover payments for dates of service after the date of death. Inappropriate payments will be identified by the claims system and these payments will be voided by the State's fiscal agent, currently Molina Medicaid Solutions.
- (3) Submitting claims for service periods after a beneficiary's death is a significant indicator of problems and potential fraud in the provider's record keeping and

claims submission practices. Therefore, if a provider is found to have billed for service dates after the date of death of a beneficiary, the provider must conduct a self-audit of its claims for the last three (3) years. This audit should detect whether any other claims with service dates after a date of death were submitted by and paid to the provider. Additionally the audit should determine how and why the improper claims were submitted, and corrective action should be taken to prevent this from happening again. Any additional improper claims which are found by the audit to have been paid to the provider must be self-disclosed to the Medicaid Fraud Division (MFD) of the Office of the State Comptroller. The Self-Disclosure Procedure can be found on the MFD's website at <http://www.nj.gov/njomig/disclosure/>.

It is important to note that providers may also experience recoveries of payments for service dates after a date of death by entities other than the State's fiscal agent. Such recoveries may be identified and conducted either by DMAHS's contractor, Health Management Systems, Inc. (HMS) or by the MFD. Recoveries may also be pursued by other State agencies, and for programs other than Medicaid, NJ FamilyCare or General Assistance, such as when the PAAD and Senior Gold programs recover overpayments for services rendered after a beneficiary's date of death in accordance with N.J.S.A. 30:4D-33 and N.J.S.A. 30:4D-47.a.

If there are any questions regarding this Newsletter, please contact Molina Medicaid Solutions (formerly Unisys) Provider Services at 1-800-776-6334.

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