



State of New Jersey  
Department of Human Services  
Division of Medical Assistance and Health Services

# NEWSLETTER

Volume 7 No. 72

December 1997

**TO:** Licensed, Certified Home Health Agencies  
Health Maintenance Organizations - Information Only

**SUBJECT:** Surety Bond Requirements for Home Health Agencies

**EFFECTIVE:** Claims with dates of service on or after January 1, 1998

**PURPOSE:** To notify all providers of home health services participating in the New Jersey Medicaid program of the new federal requirement for posting a surety bond.

**BACKGROUND:** The federal Balanced Budget Act of 1997, Section 4724 (b) requires that licensed, certified home health agencies that participate in the Medicaid program post, at a minimum, a \$50,000 surety bond.

**ACTION:** The New Jersey Medicaid program is requiring that licensed, certified home health agencies that provide home health services and participate in the New Jersey Medicaid program post a surety bond in the amount of \$50,000 prior to January 1, 1998.

Home health agencies must comply with the following procedures to ensure their continued participation in the New Jersey Medicaid program:

1. **By December 31, 1997**, home health agencies must submit to Unisys, the State's fiscal agent, an **original** surety bond in the amount of \$50,000.
2. The surety bond submitted must be valid for a twelve (12) - month period and must be issued by an agency approved by the New Jersey Department of Banking and Insurance to sell surety bonds.
3. The surety bond shall name the "State of New Jersey, Department of Human Services" as the obligee.
4. The attached form, "Additional Surety Bond Information," must be completed and returned to Unisys when the surety bond is submitted.

5. For providers with more than one office location in New Jersey, only one surety bond will be required for the entire agency.

Thereafter, licensed, certified home health agencies are responsible to submit, on an annual basis, an original surety bond in the amount of \$50,000. The procedures which apply to the submission of the initial bond will apply to the submission of all future bonds.

The original surety bond and completed "Additional Surety Bond Information" form are to be submitted by CERTIFIED MAIL - RETURN RECEIPT REQUESTED to:

**UNISYS  
Provider Enrollment Unit  
P.O. Box 4804  
Trenton, NJ 08650-4804**

The green "Certified Mail - Return Receipt Card" (PS Form 3811) will be returned to the home health agency by the United States Postal Service and will serve as proof of receipt of the bond by the State of New Jersey.

**Please Note: Home health claims with dates of service on or after January 1, 1998 submitted by licensed, certified home health agencies that have failed to post the required surety bond will be denied by the New Jersey Medicaid program. In addition, the State may recover any payments determined ineligible for Medicaid reimbursement because a home health agency is not bonded on a date of service.**

If you have any questions concerning this Newsletter, please contact the Chief, Provider Enrollment Unit, at (609) 588-2905 or the Assistant Director, Office of Disabled Affairs, at (609) 588-2622.

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





State of New Jersey

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CHRISTINE TODD WHITMAN  
Governor

WILLIAM WALDMAN  
Commissioner

**ADDITIONAL SURETY BOND INFORMATION**

AGENCY NAME: \_\_\_\_\_

PRIMARY ADDRESS: \_\_\_\_\_

\_\_\_\_\_

TELEPHONE: (\_\_\_\_) \_\_\_\_\_

**PLEASE LIST THE PROVIDER NUMBERS CURRENTLY ASSIGNED TO YOUR AGENCY BY THE NEW JERSEY DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES (DMAHS). PLEASE RECORD THIS INFORMATION IN THE SPACES PROVIDED BELOW.**

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DATE SUBMITTED: \_\_\_\_\_

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