



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

NEWSLETTER

Volume 9 No. 19

April 1999

TO: All Providers - For Action
Health Maintenance Organizations (HMOs) - For Information Only

SUBJECT: Medicaid Provider Responsibility Regarding Employees, Contractors,
and Subcontractors

EFFECTIVE: Immediately

PURPOSE: The purpose of this Newsletter is to notify Medicaid and NJ KidCare fee-for-service participating providers that all persons rendering health care services to Medicaid and NJ KidCare fee-for-service beneficiaries including an entity or individual subcontracted by the billing provider must be properly licensed and/or certified, and that services rendered by such individuals or entities must meet all Medicaid and NJ KidCare fee-for-service requirements.

BACKGROUND: The Division of Medical Assistance and Health Services (DMAHS) implemented a change to N.J.A.C. 10:49-9.8(c) to specify that when Medicaid or NJ KidCare fee-for-service providers employ, contract or subcontract with individuals or entities who are not enrolled as Medicaid or NJ KidCare fee-for-service providers to provide health care services to Medicaid and NJ KidCare fee-for-service beneficiaries, the health care services rendered by the employees, contractors or subcontractors shall meet the requirements of the Medicaid and NJ KidCare fee-for-service programs, including, but not limited to, availability of services, range of services, quality of care, licensure, and completeness of documentation.

Medicaid and NJ KidCare fee-for-service providers must ensure that any individuals or entities employed by a contractor or subcontractor, as well as any equipment and/or vehicles used in providing Medicaid or NJ KidCare fee-for-service services, satisfy all applicable Federal and State licensure and certification requirements.

ACTION: Where the services of the provider's employees, contractors and/or subcontractors do not meet all the requirements, or the entities or their vehicles/equipment are not appropriately licensed or certified, the Medicaid or NJ KidCare fee-for-service provider shall not seek reimbursement. Providers who receive such payments should reimburse the Division for any payments made for the services and the provider is advised that they may be subject to civil or criminal penalties.

If you have any questions regarding this Newsletter, please do not hesitate to contact Robert E. Popkin, Esq., Assistant Director, Office of Program Integrity Administration, at (609) 588-3052.

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