



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

NEWSLETTER

Volume 9 No. 55

October 1999

TO: All Providers - For Action

SUBJECT: Withholding Payments to Providers

**ADOPTION OF
NEW RULE:** September 7, 1999

BACKGROUND: The Division of Medical Assistance and Health Services has published a rule implementing the Federal option which allows the withholding of payments by the Medicaid or the NJ KidCare programs (the Programs) from providers where reliable evidence indicates that fraud or willful misrepresentation has occurred or is occurring. (See 30 N.J.R. 2808(a) and 31 N.J.R. 2635(a).)

ACTION: Providers are advised that, in accordance with the provisions of N.J.A.C. 10:49-9.10, the Medicaid Agent or the Division may withhold Program payments, in whole or in part, when the Division or the Medicaid Agent receives reliable evidence of fraud or willful misrepresentation by a provider, including an HMO, as well as a practitioner or entity participating in an HMO's network. If providers disagree with this decision, they may request a fair hearing consistent with N.J.A.C. 10:49-9.10(d).

If you have any questions concerning this Newsletter, please do not hesitate to contact Bruce Fritzges of the Office of Program Integrity Administration at (609) 588-3001.

Attached are revised pages for your manual. Providers are advised to carefully read the material before filing.

REMOVE AND DESTROY

Table of Contents (Pages iv through viii)
Pages 10:49-9-1 through 10:49-9-10

INSERT

Table of Contents (Pages iv through viii)
Pages 10:49-9-1 through 10:49-9-17
(Rev. 9/99)

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