

ASSEMBLY, No. 1346

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Limits ability of State Medicaid program to seek recovery for improper enrollment due to administrative error when enrollee never received services.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning Medicaid and supplementing P.L.1968, c.413
2 (C.30:4D-1 et seq.).

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. a. In the event that an individual who enrolled in the
8 Medicaid or NJ FamilyCare program is determined to have been
9 ineligible for enrollment, the amount that may be recovered from
10 the individual or the individual's estate shall not exceed the actual
11 cost to the program of the individual's enrollment in the program
12 during the period of improper enrollment, or \$500, whichever is
13 less, provided that:

14 (1) the period during which the individual was improperly
15 enrolled was less than 12 months;

16 (2) the individual's improper enrollment is directly attributable
17 to administrative error on the part of the Division of Medical
18 Assistance and Health Services in the Department of Human
19 Services, an agent of the division, or a county welfare agency; and

20 (3) the individual did not receive any medical assistance or other
21 services through the Medicaid or NJ FamilyCare programs during
22 the period of improper enrollment.

23 b. Subsection a. of this section shall not apply to any situation
24 involving any misleading or fraudulent conduct on the part of an
25 individual enrolled in the Medicaid or NJ FamilyCare program or
26 the individual's authorized representative, including, but not limited
27 to, misrepresenting the individual's income or failing to notify the
28 division of a change in circumstances pertinent to the individual's
29 eligibility for enrollment.

30 c. Nothing in this section shall be construed to limit the ability
31 of the division to seek recovery from an enrollee or the enrollee's
32 estate or any other person from whom recovery may be sought in
33 any situation other than that expressly set forth in subsection a. of
34 this section, including, but not limited to, situations involving fraud,
35 third party liability, or any period of proper and appropriate
36 enrollment in the Medicaid or NJ FamilyCare programs.

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38 2. The Commissioner of Human Services shall apply for such
39 State plan waivers or amendments as may be necessary to
40 implement the provisions of this act and to secure full federal
41 financial participation for State Medicaid expenditures under the
42 federal Medicaid program.

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44 3. This act shall take effect immediately.

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STATEMENT

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49 This bill limits the amount that may be recovered from certain

1 individuals who were improperly enrolled in the Medicaid or NJ
2 FamilyCare program due to an administrative error.

3 Specifically, if the individual was ineligible for benefits and the
4 individual was improperly enrolled for less than 12 months, did not
5 receive any medical assistance or other services during the period of
6 improper enrollment, and the improper enrollment is directly
7 attributable to an administrative error on the part of the Division of
8 Medical Assistance and Health Services in the Department of
9 Human Services, an agent of the division, or a county welfare
10 agency, the amount that the program may recover from the
11 individual or the individual's estate will be limited to the actual cost
12 to the program of the individual's enrollment during the period of
13 improper enrollment, or \$500, whichever is less.

14 The provisions of the bill will not apply in any situation
15 involving misleading or fraudulent conduct on the part of an
16 individual or the individual's authorized representative, and nothing
17 in the bill is to be construed to prevent recovery from any other
18 person in any other situation other than that expressly set forth in
19 the bill, including, but not limited to, situations involving fraud,
20 third party liability, or proper and appropriate enrollment in
21 Medicaid or NJ FamilyCare.

22 It is the sponsor's belief that it is appropriate to limit the amount
23 that may be recovered from individuals who are improperly
24 enrolled in Medicaid or NJ FamilyCare because of an
25 administrative error, and who do not use any benefits while
26 enrolled, because the cost to the program of the improper
27 enrollment will generally be limited to administrative expenses.