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State/Territory Name: New Jersey

State Plan Amendment (SPA) #: 22-0010

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- 2) CMS-179
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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

April 27, 2022

Jennifer Langer Jacobs
Assistant Commissioner
NJ Department of Human Services
Division of Medical Assistance and Health Services
PO Box 712, Mail Code #26
Trenton, NJ 08625-0712

Re: New Jersey State Plan Amendment (SPA) #NJ-22-0010

Dear Ms. Jacobs:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) #NJ-22-0010. This amendment proposes to include assurances that the state complies with third party liability rules as authorized under both the Bipartisan Budget Act of 2018 and the Medicaid Services Investment and Accountability Act of 2019.

We conducted our review of your submittal according to statutory requirements in section 1905(a)(25)(E) of the Social Security Act as implemented at 42 CFR §433.135 -§433.154. This letter is to inform you that New Jersey Medicaid SPA #NJ-22-0010 was approved on April 27, 2022 with an effective date of January 1, 2022.

If you have any questions, please contact Terri Fraser at 410-786-5573 or via email at Terri.Fraser@cms.hhs.gov.

Sincerely,



Ruth A. Hughes, Acting Director
Division of Program Operations

cc: Nicole McKnight
Terri Fraser
Andrea Ormiston

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 1 0

2. STATE

NJ

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

Social Security Act 1902(a)(25)(E)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

~~Page 69~~ Section 4 page 69 and 69a
~~Supplement 2 to Attachment 4.22 Page 1~~ Attachment 4.22-B Page 1b

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same
New

9. SUBJECT OF AMENDMENT

State Plan Amendment to update the Third Party Liability (TPL) section of the State Plan to comply with current law.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Sarah Adelman

13. TITLE
Acting Commissioner, Department of Human Services

14. DATE SUBMITTED
3/29/22

15. RETURN TO

Jennifer Langer Jacobs, Assistant Commissioner
Division of Medical Assistance and Health Services
P.O. Box 712, Mail Code #26
Trenton, NJ 08625-0712

FOR CMS USE ONLY

16. DATE RECEIVED
3/29/22

17. DATE APPROVED
4/27/22

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
1/1/22

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Ruth A. Hughes

21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Program Operations

22. REMARKS

4/25/22 - State requested P&I changes to the CMS-179 to align with revisions made to the submission during the review process.

State/Territory: New Jersey

Citation

4.22 Third Party Liability

- 42 CFR 433.137
1902(A)(25)(H) and (I)
Of the act
- (a) The Medicaid agency meets all requirements of:
- (1) 42 CFR 433.138 and 433.139,
 - (2) 42 CFR 433.145 through 433.148,
 - (3) 42 CFR 433.151 through 433.154,
 - (4) Sections 1902(a)(25)(H) and (I) of the Act.
 - (5) Section 1902(a)(25)(E) of the Act.
- 42 FR 433.138(f)
- (b) ATTACHMENT 4.22-A
- (1) Specifies the frequency with which the data exchanges required in 433.138(d)(1), (d)(3) and (d)(4) and the diagnosis and trauma code edits required in 433.138(e) are conducted;
 - (2) Describes the methods the agency uses for meeting the follow up requirements contained in 433.138(g)(1)(i) and (g)(2)(i);
 - (3) Describes the methods the agency uses for following up on information obtained through the State motor vehicle accident report file data exchange required under 433.138(d)(4)(ii) and specifies the time frames for incorporation into the eligibility case file and into its third party database and third party recovery unit of all information obtained through the follow up that identifies legally liable third party resources; and
 - (4) Describes the methods the agency uses for following up on paid claims identified under 433.138(e) (methods include a procedure for periodically identifying those trauma codes that yield the highest third party collections and giving priority to following up on those codes) and specifies the time frames for incorporation into the eligibility case file and into its third party database and third party recovery unit of all information obtained through the follow up that identifies legally liable third party resources.
- 42 CFR 433.138(g)(1)(ii)
and (2)(ii)
- 42 CFR 433.138(g)(3)(i)
and (iii)
- 42 CFR 433.138(g)(4)(i)
through (iii)

TN: #22-0010

Approval Date 4/27/22

Supersedes TN: #95-42

Effective Date 1/1/22

State/Territory: New Jersey

Citation

- 42 CFR 433.130(b)(3) X (c) Providers are required to bill liable third parties when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency.
(ii)(A)
- (d) ATTACHMENT 4.22-B specifies the following:
- 42 CFR 433.139(b)(3)(ii)(C) (1) The method used in determining a provider's compliance with the third party billing requirements at 433.139(b)(3)(ii)(C),
- 42 CFR 433.139(f)(2) (2) The threshold amount or other guideline used in determining whether to seek recovery of reimbursement from a liable third party, or the process by which the agency determines that sending recovery of reimbursement would not be cost effective,
- 42 CFR 433.139(f)(3) (3) The dollar amount or time period the State uses to accumulate billings from a particular liable third party in making the decision to seek recovery of reimbursement.
- 42 CFR 447.20 (e) The Medicaid agency ensures that the provider furnishing a service for which a third party is liable follows the restrictions specified in 42 CFR 447.20.

TN: #22-0010

Approval Date 4/27/22

Supersedes TN: #95-42

Effective Date 1/1/22

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: New Jersey

**Third Party Liability -
Bipartisan Budget Act (BBA) of 2018 and Medicaid Services Investment and
Accountability Act (MSIAA) of 2019**

Effective February 9, 2018, the BBA of 2018 amended section 1902(a)(25)(E) of the Act to require a state to use standard coordination of benefits cost avoidance instead of “pay and chase” when processing claims for prenatal services, including labor and delivery and postpartum claims. Therefore, if the State Medicaid Agency (SMA) has determined that a third party is likely liable for a prenatal claim it must reject, but not deny, the claim and return it back to the provider noting the third party that Medicaid believes to be legally responsible for payment.

Effective October 1, 2019, the BBA of 2018 amended section 1902(a)(25)(E) of the Act to require a state to make payments without regard to third party liability for pediatric preventative services unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for up to 90 days. If the state has made a determination related to cost effectiveness and access to care, SMAs can no longer pay and chase for pediatric preventive services and must cost avoid for up to 90 days, if warranted.

The MSIAA of 2019 allows for payment up to 100 days instead of 90 days after a claim is submitted for claims related to medical support enforcement. Therefore, New Jersey will extend up to 100 days for claims related to child support enforcement beneficiaries.

TN: #22-0010

Approval Date 4/27/22

Supersedes TN: NEW

Effective Date 1/1/22