



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
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HOLLY C. BAKKE
Commissioner

BULLETIN 04-24

TO: ALL PERSONAL AND COMMERCIAL AUTOMOBILE INSURERS IN NEW JERSEY

**FROM: HOLLY C. BAKKE, COMMISSIONER
DEPARTMENT OF BANKING AND INSURANCE**

RE: MEDICAID REIMBURSEMENT CLAIMS STATUTE OF LIMITATIONS

The Department of Banking and Insurance (Department) is reminding personal and commercial automobile insurers of the existence of N.J.S.A. 2A:14-1.2. This reminder is particularly associated with claims by the Department of Human Services, Division of Medical Assistance and Health Services (Division), which administers the Medicaid program. In order to avoid confusion, delays and unnecessary litigation between the Division and insurers when Medicaid seeks reimbursement from insurers for medical claims, insurers must understand that the standard two-year statute of limitation for torts set forth at N.J.S.A. 2A:14-2 is not applicable to such claims. Rather, N.J.S.A. 2A:14-1.2, which grants the State of New Jersey and any office, department or division of the State a ten-year statute of limitations, controls.

The Department has been made aware of several recent situations where the Division has submitted a Medicaid reimbursement claim to an insurer slightly more than two years after the accident giving rise to the claim and the insurer denied reimbursement based upon the two-year statute of limitations having expired. The Department does not believe this practice, which has resulted in delays and unnecessary litigation prior to claims being paid, is justified, given the applicability of the ten-year statute of limitations to claims by the State or its agencies established by N.J.S.A. 2A:14-1.2.

Insurers who continue to engage in this practice will be subject to sanctions in accordance with applicable law.

11/23/04
Date

/s/ Holly C. Bakke
Holly C. Bakke
Commissioner

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