



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CN 712

TRENTON, NEW JERSEY 08625

(609) 588-2600

ALAN J. GIBBS
Commissioner

SAUL M. KILSTEIN
Director

MEDICAID COMMUNICATION NO. 91-26 DATE: November 15, 1991

TO: County Welfare Agency Directors

SUBJECT: Outstationing of Medicaid Eligibility Staff

BACKGROUND The Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) requires that initial Medicaid application processing occur at sites other than those used to process AFDC applications. Those sites must include disproportionate share hospitals (DSHs) and federally-qualified community health centers (FQHCs). The intent of this provision is to facilitate greater access to medical assistance by having the Medicaid application processed, to the maximum extent possible, at the medical facility rather than at the county welfare agency office.

Recent State legislation (P.L. 1991, chapter 187) also included provisions for the full and part-time outstationing of county agency staff for the processing of Medicaid applications at hospitals designated by the Commissioner of the Department of Health in consultation with the Commissioner of Human Services. The State law also provides that the hospitals provide funding for the outstationing activity by reimbursing the county welfare agencies for the non-federal share of those costs. The purpose of the State provision is to provide for effective access to Medicaid eligibility thereby improving access to appropriate medical services and reducing inappropriate charges to the New Jersey Health Care Trust Fund.

The purpose of this communication is to convey the outstationing requirements and instructions for their implementation.

ACTION Each county welfare agency shall take action to implement outstationing activity in accordance with the instructions below as appropriate for the facilities located in the county.

For those sites requiring outstation activity, each county welfare agency must provide for the initial Medicaid intake and application processing. If a disproportionate share hospital or federally qualified health center operates more than one site, the outstationing activity applies to each site. If the hospital or health center operates sites in more than one county, then the county in which the site is located is responsible for the outstation activity. The multi-site locations appear on the attached list of outstation sites.

Primary Outstation Sites

The Health Care Financing Administration has authorized the State to use the federal definition of disproportionate share hospital rather than the State's definition for purposes of outstationing activity. These facilities have been designated primary outstation sites. Attached is a list of the primary outstation sites by county.

Each county welfare agency must provide that intake staff is present at each primary outstation site to take applications for Medicaid (including New Jersey Care...Special Medicaid Programs) on a full-time equivalent (FTE) basis during normal working hours of the agency. The FTE requirement should be tailored, based on the hospital's patient mix and other factors such as the scheduling of pediatric and prenatal clinics. For instance, if the majority of pediatric and prenatal patients are scheduled in the morning, the county welfare agency may wish to schedule a New Jersey Care pregnant women and children intake worker during those hours and a specialist in the aged, blind, and disabled in the remaining hours.

In the event that the indigent patient traffic at a facility is sufficient to require more than one FTE, the county welfare agency can meet that demand by outstationing additional workers as necessary, or by arranging for hospital staff to be authorized to conduct initial application processing as is described below for the secondary outstation sites. In no event, however, can a county reduce its own staff commitment to less than one FTE at a primary outstation site.

Secondary Outstation Sites

Those hospital facilities which have been identified as having a high number of indigent patients have been designated as secondary outstation sites. Outstation activity at the secondary outstation sites does not necessarily require full-time presence of county welfare agency intake staff but does require that arrangements are made for full-time access to the initial Medicaid application process during the hours of county welfare agency operations.

Minimally, county welfare agencies must provide for Medicaid intake staff to be located at the site on at least a part-time basis for initial intake and application processing. For the purposes of outstationing at secondary outstation sites, part-time is defined as no less than 16 hours per week. Prudent administrative practice would dictate that this part-time

outstationing activity be arranged to coincide with those times when the facility experiences the highest incidence of potentially eligible indigent patients.

For the remaining hours of county welfare agency operations, the agency has the option of meeting the requirement by locating intake staff at the secondary outstation site full-time or by delegating to the hospital facility the responsibility to conduct face-to-face interviews and initiate initial application processing for potentially eligible Medicaid applicants who are patients of the facility.

FEDERALLY QUALIFIED HEALTH CENTERS

At federally qualified health centers, the outstationing activity can be limited to the initiation of New Jersey Care applications for pregnant women and children. However, full-time access to this limited initial application processing is required but need not be met through full-time outstationing of county welfare agency staff. To accomplish this requirement, the county welfare agency can use either or both methods below:

- a. provide that county intake staff be assigned to the federally qualified health center during the county welfare agency's normal working hours to take applications; or
- b. delegate to the federally qualified health center the authority to conduct face-to-face interviews and initiate initial application processing for the pregnant women and children.

FORMAL AGREEMENTS Each county welfare agency shall reach a formal agreement regarding outstationing activities in writing with each primary, secondary, and federally qualified health center outstation site within its borders. That agreement along with any amendments to that agreement must be submitted to the Division of Medical Assistance and Health Services, Office of Eligibility Policy and Operations, which will monitor the sufficiency of the outstationing effort.

In the event a county authorizes a secondary outstation site to perform initial application processing, a sample agreement of understanding is attached. This sample can be modified to reflect the actual arrangement between the county welfare agency and the outstation site.

Also attached is a sample agreement between a county welfare agency and an outstationing site for the purposes of locating county welfare agency employees at the facility for outstationing activities. This is a sample only. It would be expected that, due to local circumstances, there may be significant variations in approaches based on the needs of the facilities and the county welfare agencies, that would need to be reflected in the agreements.

NON-REQUIRED LOCATIONS Some county welfare agencies may be approached by health facilities desiring outstationed workers but in which such outstationing activities are not required. Counties are encouraged to reach agreements with such facilities requesting such services. Before implementing such outstationing activity it is imperative that the county welfare agency notify this Division of the intended arrangement. This Division will seek certification of the facility from the Commissioner of the Department of Health so that the non-federal share of the outstationing costs can be reimbursed by such a facility.

OUT-OF-COUNTY APPLICATIONS Many health facilities serve clientele from a number of counties. To avoid redundancy in outstationing activity and yet to assure that all potentially eligible State residents are reached, the county welfare agency in which the facility is located is responsible for initial application processing for all potentially eligible patients in the facility, regardless of county of residence. This responsibility can be met in the manner described above. The county welfare agency (or by agreement, the secondary outstation site) is responsible for promptly forwarding the completed application to the county of residence of the applicant. The receiving county must accept the application as a valid Medicaid application even if it does not authorize secondary outstation sites to initiate application processing. The county of residence of the applicant will be responsible for all subsequent application activity.

CONFIDENTIALITY When county welfare agencies authorize hospital sites or federally qualified health center outstation sites to conduct eligibility interviews, it will be important for the provider to understand the confidential nature of the information gathered during the interview and subsequently in the verification process. The provider must also make arrangements so that all client related material is maintained in a secure location and inaccessible to facility staff not involved in Medicaid application activity. Attached is a standardized confidentiality agreement that must be signed by all provider staff that will have access to information obtained in the Medicaid application process.

APPLICATION FORMS For pregnant women and children under six seeking only Medicaid benefits and who are applying at any outstation location, the form FD-335, New Jersey Care Application, must be used. The longer application, form PA-1J, cannot be used for this population unless the applicant expresses an interest in and appears eligible for Aid to Families with Dependent Children (AFDC). When a form PA-1J is completed at an outstation site, the form should be stamped "HOSPITAL".

ADMINISTRATIVE IMPLICATIONS If a county welfare agency elects to authorize outstation sites to initiate application processing, the county welfare agency is responsible for initial and follow-up training of facility staff. Such training should include instruction on completing the application, documentation that will be required to complete the process, and eligibility interviewing techniques. The county welfare agency shall appoint a liaison to be available during normal working hours to assist hospital staff in resolving any application problems.

It is essential that county welfare agencies maintain their high standards of eligibility verification. As the agency responsible for determining Medicaid eligibility, the county of residence remains responsible for quality control eligibility errors whether or not the initial application processing was done by another county welfare agency, a primary or secondary outstation site, or a federally qualified health center.

It is intended that, once interviewed in a health facility setting, applicants are not routinely required to appear at the county welfare agency offices for follow-up interviews. To the extent possible, necessary eligibility documentation shall be gathered at the health facility site and forwarded to the county welfare agency. If the necessary verification is not available, the applicant shall be advised of what information is still required and advised to mail it to the county welfare agency. Arrangements can also be made to schedule a follow-up appointment at the outstation location if that is a convenient alternative. In no event shall an applicant be required to appear at the county welfare agency solely to deliver verifications for a Medicaid eligibility determination.

This outstationing initiative has no direct impact on presumptive eligibility for pregnant women. Those outstation sites which are qualified to certify presumptive eligibility, will continue to make those determinations in accordance with current practice. The presumptive eligibility worker will then refer the pregnant woman to the county welfare agency employee located at that site, or to the designated facility employee if applicable, for initial application processing. There is no preclusion from the designation of presumptive eligibility staff to do the initial Medicaid application processing. However, in no event shall outstationed county intake staff participate in the determination of presumptive eligibility.

Hospitals are required by law to obtain considerable financial and other information about patients. County welfare agencies are encouraged to reach agreements with the various facilities to share relevant information with the county welfare intake staff. However, information obtained by the county as a result of a Medicaid application is confidential and cannot be shared with the outstation site.

AGED, BLIND, AND DISABLED INDIVIDUALS Each county welfare agency must provide for initial Medicaid application processing for aged, blind, and disabled individuals at each hospital outstation site. In determining the amount of time that staff capable of processing applications for the aged, blind, and disabled should be outstationed at the facility, the county welfare agency and the facility should consider the relative number of patients meeting these categorical requirements. Because Medicaid eligibility determinations for persons seeking SSI benefits are performed by the Social Security Administration, aged, blind, and disabled individuals who are seeking cash assistance shall continue to be referred to their Social Security District Office for application for SSI and Medicaid. In those outstation locations in which arrangements are made for facility staff to perform initial Medicaid intake, the county welfare agency should provide

information to the facility so that staff is able to discern which individuals might qualify for SSI.

AFDC ELIGIBLES It is expected that occasionally in the outstation setting, individuals may apply for Medicaid who also may qualify for AFDC benefits. This Division is working with the Division of Economic Assistance regarding procedures in such instances. You will be notified of the policy for these circumstances in the near future.

FUNDING FOR OUTSTATIONING ACTIVITY The costs associated with county welfare agency activities are eligible for reimbursement from the federal government. This reimbursement is equal to 50 percent of eligible administrative costs. Arrangements will be made so that the federal funds to cover the costs of this outstation activity can be advanced to the county welfare agencies. Under State law, hospitals designated by the Commissioner of the Department of Health to receive outstation services are required to reimburse the county agency for the non-federal share of county agency costs applicable to the outstationing activity. Based upon the agreements reached with outstation sites and the operation plans submitted by the county welfare agency, the Division will bill the facility for an estimated amount of reimbursement. These funds will be provided to the county welfare agencies as soon as they become available.

Arrangements have been made to obtain similar reimbursement from FQHCs for county welfare agency outstationing activities. Details concerning these fiscal arrangements will follow.

IMPLEMENTATION Outstation activity for all primary and secondary outstation sites must begin no later than January 2, 1992. Plans for outstationing activities at these locations must be submitted for approval to the Division's Office of Eligibility Policy and Operations, CN 712, Trenton, New Jersey 08625 no later than December 1, 1991.

The Department of Health will be notifying the hospitals and federally qualified health centers of the outstationing requirements and will advise those facilities of their responsibilities in this regard.

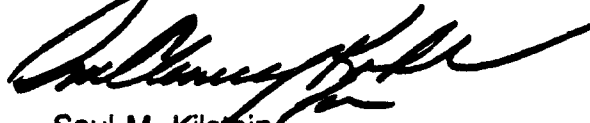
Should any facility, at which outstationing activity is required, express unwillingness to allow outstationing activity to occur on its premises, the county welfare agency should immediately bring it to the attention the Office of Eligibility Policy and Operations which will, in turn, solicit assistance from the Department of Health in seeking the cooperation of the facility.

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Please refer any questions concerning outstationing to Richard Hruby at (609) 588-2556.

Sincerely,

A handwritten signature in black ink, appearing to read "Saul M. Kilstein", written over a horizontal line.

Saul M. Kilstein
Director

SMK:RHh

Attachments

cc: Marion E. Reitz, Director
Division of Economic Assistance

Nicholas R. Scalera, Director
Division of Youth and Family Services

County	Primary Outstation Sites	Secondary Outstation Sites	FQHCs
Atlantic		Atlantic City Medical Center - Atlantic City - Pomona	SA-Lantic Health Services Hammonton SA-Lantic Health Services Pleasantville
Bergen		Bergen Pines Hospital Hackensack Medical Center Englewood Hospital	
Burlington		Deborah Heart and Lung Center Garden State Community	
Camden	Cooper Hospital-University Medical Center	West Jersey Hospital - Camden - Voorhees - Berlin J.F. Kennedy Memorial Hospital - Stratford - Cherry Hill Our Lady of Lourdes	CAMCare Health Corp.- Isabell Miller Center CAMCare - 3 Cooper Plaza
Cape May			
Cumberland		South Jersey Hospital - Bridgeton - Millville	Bridgeton Area Health Services Bridgeton Bridgeton Area Health Services Vineland
Essex	University Hospital (UMDNJ) Cathedral Health Care - St. James Hospital - St. Mary's Hospital - St. Michael's Medical Center United Hospitals Medical Center Newark Beth Israel Med Center Columbus Hospital East Orange General Hospital	St. Barnabas Medical Center Hospital Center at Orange Irvington General Hospital	Newark Community Health Center 741 Broadway Newark Community Health Center 101 Ludlow

County	Primary Outstation Sites	Secondary Outstation Sites	FQHCs
Gloucester		J. F. Kennedy - Washington	
Hudson	Jersey City Medical Center	Christ Hospital St. Mary's Hospital Palisades General Hospital Greenville Hospital	Jersey City Family Health Center
Hunterdon			
Mercer		Helene Fuld Hospital Mercer Medical Center	Henry J. Austin Health Center
Middlesex		Raritan Bay Medical Center St. Peter's Medical Center John F. Kennedy Medical Center Robert Wood Johnson Univ. Hsptl	Eric B. Chandler Health Center
Monmouth		Monmouth Medical Center Jersey Shore Medical Center Riverview Medical Center Centrastate Medical Center	
Morris		St. Clare's River Medical Center - Denville - Boonton Morristown Memorial Hospital	
Ocean		Kimball Medical Center	
Passaic	St. Joseph's Hospital & Medical Center Barnert Memorial Hospital	Wayne General Hospital St. Mary's Hospital Passaic General Hospital Beth Israel Hospital	Paterson Community Health Center
Salem		Memorial Hospital of Salem County	SA-Lantic Health Services Penns Grove
Somerset			
Sussex			

County	Primary Outstation Sites	Secondary Outstation Sites	FQHCs
Union	Elizabeth General Medical Center	St. Elizabeth Hospital Muhlenberg Reg. Medical Center Union Hospital	Plainfield Neighborhood Health Services - Plainfield Health Center Plainfield Neighborhood Health Services - Women's Center
Warren			

AGREEMENT OF UNDERSTANDING

Agreement of Understanding between _____ County Welfare Agency (CWA) and _____ a disproportionate share hospital/Federally-Qualified Health Center.

A. The CWA agrees to:

1. Supply training by CWA staff to designated provider staff in interviewing techniques and the kinds of information or documents the applicant must provide to verify eligibility.
2. Provide training on general eligibility requirements for the Medicaid program.
3. Advise the provider staff of relevant changes in Medicaid regulations and procedures in a timely manner.
4. Supply all necessary Medicaid forms and provide instruction for completing of the forms as necessary.
5. Follow up on applications after submission by the provider. If the CWA need additional documentation or verification, it may request that the

provider obtain the information if the patient is receiving inpatient or regularly scheduled care.

6. Notify applicants of the Medicaid eligibility decision and forward a copy of the notice to the provider.
7. Provide the provider with the name(s) and telephone number of a contact at the CWA.
8. Cooperate with the provider to establish reasonable procedures to accomplish the tasks described in this document.

B. The provider agrees to:

1. Designate the interviewer(s) and notify the CWA in writing of the name(s), title(s) and qualifications of that person(s) and the names of any backup(s) or replacement staff that will be performing eligibility interviews. All of the named persons will participate in training held by the CWA.
2. Have the designated person(s) interview patients who are inpatients or outpatients at the provider's facility.
3. Obtain necessary signed information release forms.

4. Conduct a face-to-face interview with the applicant or the applicant's representative and obtain as much documentation as possible to corroborate the statements on the application form. Notify the applicant of the required documentation that was not submitted with directions to mail the material to the CWA.
5. Refer any applicant who wants to apply for any other social service program to the CWA.
6. Submit the original application along with a photocopy of all required documentation to the CWA in accordance with agreed upon procedures.
7. Maintain a log showing the applicants name, date of interview and date on which the application was provided to the CWA.
8. Keep confidential all information obtained while acting on behalf the CWA in application processing. The unauthorized release of information collected can result in the termination of this agreement and possible legal action. All persons who are designated to perform Medicaid eligibility activities must sign a confidentiality agreement. All material related to clients must be maintained in a secure location and be unavailable to staff not engaged in Medicaid eligibility processing.

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9. This agreement may be terminated by the by the CWA if the provider consistently fails to meet minimum performance standards as determined by the CWA. In such instances procedures shall be developed to allow CWA staff to accept applications in the facility.

AGREEMENT OF UNDERSTANDING
FOR
OUTSTATIONING OF COUNTY WELFARE AGENCY STAFF

Agreement of Understanding between _____
County Welfare Agency (CWA) and _____ a
designated outstation site.

A. The CWA agrees:

1. To outstation ___ full-time equivalent (FTE) employee(s) to take Medicaid applications on behalf of patients of the facility during the normal working hours of the CWA.
2. That outstationed staff shall abide by the rules and regulations applicable to hospital employees.

B. The designated outstation site agrees to:

1. Provide appropriate accommodations and resources to enable the CWA employee(s) to conduct face-to-face interviews with Medicaid applicants.
These accommodations and resources shall include the following:

- a. Secure office space located at _____.
- b. Office furniture and equipment to include _____
_____.
- c. Reasonable access to other resources including:
- i. Communication equipment located at _____
_____.
- ii. Photocopy equipment located at _____
_____.
- iii. Other items as follow:
- d. Reasonable access to rest facilities, employee accommodations, and other public areas or facilities.
- e. Routine facility services including security of the CWA employee(s), maintenance of office space and equipment and housekeeping services.

2. Provide notification to the CWA employee of all potential applicants. Such notification shall include all patient information relevant to a determination including but not limited to:
 - a. Patient identification documentation.
 - b. Health insurance coverage documentation.
 - c. Other documentation relevant to the referral of the patient to the CWA.
3. Reimburse fifty percent of the cost of the CWA employee(s), including direct costs (salary, fringe benefits, etc.) and indirect costs (administrative, training, office expenses, etc.). All costs will be determined based upon specific employee assignment and the CWA's federally approved administrative cost allocation plan.

CONFIDENTIALITY AGREEMENT

I, _____ an employee at _____ have been designated to take Medicaid applications on behalf of the _____ (county welfare agency). I understand that all communications and information received by me in the course of or subsequent to the conduct of a Medicaid eligibility interview is confidential and may not be disclosed by me to unauthorized personnel or used for any purpose other than determining eligibility for Medicaid.

I understand that any violation of these provisions is unlawful and may subject me to fines as well as other penalties prescribed by law and may subject the provider to loss of status relating to the processing of Medicaid applications.

Name (printed)

Signature

Date

Witness