New Jersey Adult Medical Day Care Providers Improperly Billed Medicaid



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On October 31, 2023, the New Jersey Office of the State Comptroller (OSC) released a report identifying 21 New Jersey adult medical day care providers (AMDCs) that improperly billed New Jersey Medicaid in an amount totaling $946,087.

The AMDCs violated Medicaid regulations by billing for more than five days in a week (Medicaid allows billing for only 5 days per week), billing for services for a beneficiary who was an inpatient at a different facility, and billing for services provided to a beneficiary when another AMDC also billed for the identical service on the same date. The report stated that these billing errors impacted the AMDC's quality of care. If AMDCs cannot maintain accurate records showing when a patient is at a facility, there is risk that the AMDC does not know what services are being rendered or whether a patient is receiving medically necessary services. The report concluded that these overpayments were avoidable if AMDCs (1) carefully reviewed their documentation prior to submitting claims for payment to ensure they submit claims for services actually rendered and do not exceed the five day per week limit and (2) the New Jersey Division of Medical Assistance and Health Services and managed care organizations implement claim processing/payment edits or procedures to ensure they do not make payments for duplicate claims or claims that exceed the five day per week limit.

The OSC has so far recovered $839,000 of the $946,087 in Medicaid funds that were improperly paid to the AMDCs. The OSC is continuing to pursue recovery from the AMDCs who have not repaid the funds.

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