

ASSEMBLY, No. 2483

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MAY 11, 2000

Sponsored by:

Assemblyman FRANCIS J. BLEE

District 2 (Atlantic)

Assemblyman LEONARD LANCE

District 23 (Warren, Hunterdon and Mercer)

Co-Sponsored by:

Assemblywoman Crecco, Assemblyman Malone and Assemblywoman Pou

SYNOPSIS

Authorizes State to establish intergovernmental transfer program in Medicaid program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/23/2000)

1 AN ACT authorizing an intergovernmental transfer program under the
2 Medicaid program, supplementing Title 30 of the Revised Statutes
3 and making an appropriation therefor.

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

7
8 1. The Legislature finds and declares that:

9 a. Federal law permits states to enhance existing federal financial
10 participation under the Medicaid program through the use of
11 intergovernmental transfers;

12 b. Participation in an intergovernmental transfer program by the
13 State and certain governmental entities will enhance the health and
14 welfare of the citizens of New Jersey by providing additional funds for
15 health-related services; and

16 c. In order to secure the additional federal funds under the
17 Medicaid program, it is the intent of this act to authorize and
18 implement an intergovernmental transfer program.

19
20 2. As used in this act:

21 "Bank" means a State or federally chartered bank, savings bank or
22 savings and loan association located in this State that is authorized to
23 receive public funds and that is selected by the participating
24 governmental entities to carry out the provisions of this act.

25 "Intergovernmental transfer" means the transfer of money to the
26 State account by a participating governmental entity as contemplated
27 by an intergovernmental transfer agreement.

28 "Intergovernmental transfer agreement" means an agreement among
29 the State Treasurer, the Commissioners of Human Services and Health
30 and Senior Services, and a participating governmental entity pertaining
31 to participation in and implementation of the intergovernmental
32 transfer program.

33 "Intergovernmental transfer program" or "program" means a
34 program to enhance federal financial participation under the Medicaid
35 program by using intergovernmental transfers.

36 "Medicaid" means the "New Jersey Medical Assistance and Health
37 Services Program" established pursuant to P.L.1968, c.413 (C.30:4D-
38 1 et seq.).

39 "Medicaid State plan" means the plan submitted by the State to the
40 federal Health Care Financing Administration in the Department of
41 Health and Human Services, including any amendments thereto.

42 "Participant accounts" means the accounts maintained at the bank
43 by each participating governmental entity for the purpose of
44 effectuating the intergovernmental transfer program.

45 "Participating governmental entity" means any governmental entity
46 that owns a nursing facility enrolled in the Medicaid program and

1 qualifies for a supplemental payment under the Medicaid State plan,
2 and which signs an intergovernmental transfer agreement.

3 "State account" means the account maintained at the bank by the
4 State Treasurer for the purpose of the intergovernmental transfer
5 program.

6 "Supplemental payment" means the Medicaid payment made by the
7 State to a participating governmental entity for a specified fiscal year,
8 as set forth and provided for in an intergovernmental transfer
9 agreement.

10
11 3. There is established an intergovernmental transfer program
12 subject to the provisions of this act.

13 a. Notwithstanding the provisions of any other law to the contrary,
14 a governmental entity eligible to receive a supplemental payment is
15 authorized to participate in the intergovernmental transfer program
16 and to take all actions necessary to effectuate completion of the
17 intergovernmental transfer program, including, but not limited to:

18 (1) entering into agreements, including an intergovernmental
19 transfer agreement, with any entity, including the State Treasurer, the
20 Commissioner of Human Services, the Commissioner of Health and
21 Senior Services and other participating governmental entities;

22 (2) cooperating with a bank in the execution of any additional
23 documentation required by the bank to effect the borrowing by any
24 participating governmental entity through the issuance of short-term
25 notes pursuant to N.J.S.40A:4-64, except that the short-term notes
26 shall not be subject to the provisions of N.J.S.40A:4-66, or in any
27 other manner permitted by law, and to pledge to the bank a security
28 interest in all of its right, title and interest in and to its participant
29 account for repayment of the short-term notes;

30 (3) transferring participating governmental entity funds to the State
31 account;

32 (4) executing certifications, letters of instruction or other
33 instruments necessary to effectuate the intergovernmental transfer
34 program; and

35 (5) receiving and utilizing supplemental payments received in
36 accordance with the Medicaid State plan, in the manner set forth under
37 the terms of an intergovernmental transfer agreement and as may be
38 necessary to achieve the purposes of the intergovernmental transfer
39 agreement.

40 b. Notwithstanding any other law to the contrary, the State
41 Treasurer, the Commissioner of Human Services and the
42 Commissioner of Health and Senior Services, acting on behalf of the
43 State, are authorized to participate in the intergovernmental transfer
44 program and to take all actions and make payments in connection with
45 the completion of the intergovernmental transfer program, including,
46 but not limited to:

1 (1) entering into agreements, including the intergovernmental
2 transfer agreement, with any entity, including participating
3 governmental entities, upon such terms and conditions as the State
4 Treasurer deems necessary or desirable to allow for the entity's
5 participation in the intergovernmental transfer program;

6 (2) cooperating with any bank in the execution of any additional
7 documentation required by the bank to transfer supplemental payments
8 to the participant accounts and otherwise effectuate the
9 intergovernmental transfer program; and

10 (3) executing, approving or authorizing certifications, letters of
11 instruction, legal opinions or other instruments as the State Treasurer
12 deems necessary or desirable to effectuate the intergovernmental
13 transfer program.

14
15 4. a. There are appropriated to the Department of Health and
16 Senior Services such sums as are determined necessary by the Director
17 of the Division of Budget and Accounting in the Department of the
18 Treasury to make supplemental payments in accordance with the
19 Medicaid State plan under the intergovernmental transfer program.
20 The sums so appropriated shall be deposited in the State account and
21 used to make supplemental payments to the participant accounts
22 pursuant to this subsection and as set forth in an intergovernmental
23 transfer agreement.

24 b. There are appropriated to the Department of Health and Senior
25 Services and Department of the Treasury such additional sums as are
26 determined necessary by the Director of the Division of Budget and
27 Accounting in the Department of the Treasury to pay costs incurred
28 by the State in connection with the execution and delivery of any
29 agreements authorized hereunder, including the costs of professional
30 services, attorneys and any other costs necessary to complete the
31 intergovernmental transfer program.

32
33 5. This act shall take effect immediately.
34
35

36 STATEMENT
37

38 This bill authorizes the State to create and implement an
39 intergovernmental transfer program for the purpose of securing
40 additional federal funds under the State Medicaid program. The bill
41 authorizes the State Treasurer, the Commissioners of Human Services
42 and Health and Senior Services, and the eligible governmental entities
43 to enter into and complete the transaction.

[First Reprint]

ASSEMBLY, No. 2483

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MAY 11, 2000

Sponsored by:

Assemblyman FRANCIS J. BLEE

District 2 (Atlantic)

Assemblyman LEONARD LANCE

District 23 (Warren, Hunterdon and Mercer)

Co-Sponsored by:

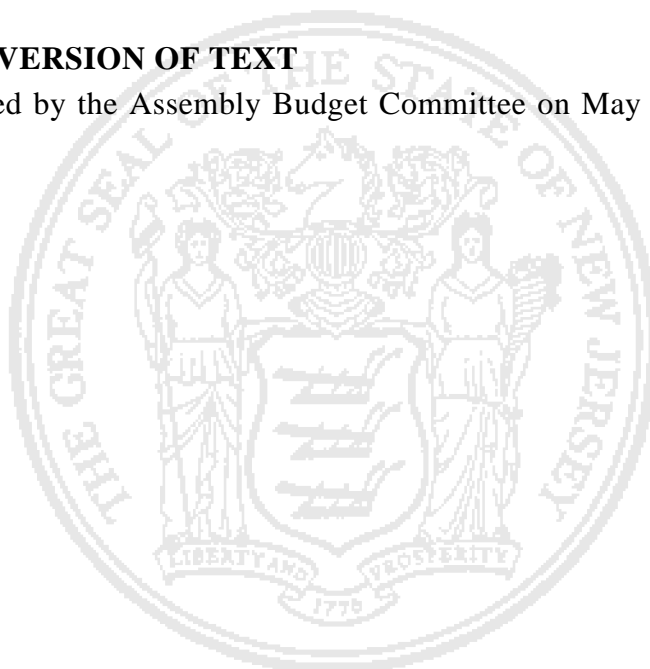
**Assemblywoman Crecco, Assemblyman Malone, Assemblywoman Pou,
Senators Bucco, Littell, McNamara and Kyrillos**

SYNOPSIS

Authorizes State to establish intergovernmental transfer program in Medicaid program.

CURRENT VERSION OF TEXT

As reported by the Assembly Budget Committee on May 22, 2000, with amendments.



(Sponsorship Updated As Of: 6/9/2000)

1 AN ACT authorizing an intergovernmental transfer program under the
2 Medicaid program, supplementing Title 30 of the Revised Statutes
3 and making an appropriation therefor.

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

7
8 1. The Legislature finds and declares that:

9 a. Federal law permits states to enhance existing federal financial
10 participation under the Medicaid program through the use of
11 intergovernmental transfers;

12 b. Participation in an intergovernmental transfer program by the
13 State and certain governmental entities will enhance the health and
14 welfare of the citizens of New Jersey by providing additional funds for
15 health-related services; and

16 c. In order to secure the additional federal funds under the
17 Medicaid program, it is the intent of this act to authorize and
18 implement an intergovernmental transfer program.

19
20 2. As used in this act:

21 "Bank" means a State or federally chartered bank, savings bank or
22 savings and loan association located in this State that is authorized to
23 receive public funds and that is selected by the participating
24 governmental entities to carry out the provisions of this act.

25 "Intergovernmental transfer" means the transfer of money to the
26 State account by a participating governmental entity as contemplated
27 by an intergovernmental transfer agreement.

28 "Intergovernmental transfer agreement" means an agreement among
29 the State Treasurer, the Commissioners of Human Services and Health
30 and Senior Services, and a participating governmental entity pertaining
31 to participation in and implementation of the intergovernmental
32 transfer program.

33 "Intergovernmental transfer program" or "program" means a
34 program to enhance federal financial participation under the Medicaid
35 program by using intergovernmental transfers.

36 "Medicaid" means the "New Jersey Medical Assistance and Health
37 Services Program" established pursuant to P.L.1968, c.413 (C.30:4D-
38 1 et seq.).

39 "Medicaid State plan" means the plan submitted by the State to the
40 federal Health Care Financing Administration in the Department of
41 Health and Human Services, including any amendments thereto.

42 "Participant accounts" means the accounts maintained at the bank

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ABU committee amendments adopted May 22, 2000.

1 by each participating governmental entity for the purpose of
2 effectuating the intergovernmental transfer program.

3 "Participating governmental entity" means any governmental entity
4 that owns a nursing facility enrolled in the Medicaid program and
5 qualifies for a supplemental payment under the Medicaid State plan,
6 and which signs an intergovernmental transfer agreement.

7 "State account" means the account maintained at the bank by the
8 State Treasurer for the purpose of the intergovernmental transfer
9 program.

10 "Supplemental payment" means the Medicaid payment made by the
11 State to a participating governmental entity for a specified fiscal year,
12 as set forth and provided for in an intergovernmental transfer
13 agreement.

14

15 3. There is established an intergovernmental transfer program
16 subject to the provisions of this act.

17 a. Notwithstanding the provisions of any other law to the contrary,
18 a governmental entity eligible to receive a supplemental payment is
19 authorized to participate in the intergovernmental transfer program
20 and to take all actions necessary to effectuate completion of the
21 intergovernmental transfer program, including, but not limited to:

22 (1) entering into agreements, including an intergovernmental
23 transfer agreement, with any entity, including the State Treasurer, the
24 Commissioner of Human Services, the Commissioner of Health and
25 Senior Services and other participating governmental entities;

26 (2) cooperating with a bank in the execution of any additional
27 documentation required by the bank to effect the borrowing by any
28 participating governmental entity through the issuance of short-term
29 notes ¹in the manner prescribed for the issuance of tax anticipation
30 notes¹ pursuant to N.J.S.40A:4-64, except that the short-term notes
31 shall not be subject to the provisions of N.J.S.40A:4-66, or in any
32 other manner permitted by law, and to pledge to the bank a security
33 interest in all of its right, title and interest in and to its participant
34 account for repayment of short-term notes;

35 (3) transferring participating governmental entity funds to the State
36 account;

37 (4) executing certifications, letters of instruction or other
38 instruments necessary to effectuate the intergovernmental transfer
39 program; and

40 (5) receiving and utilizing supplemental payments received in
41 accordance with the Medicaid State plan, in the manner set forth under
42 the terms of an intergovernmental transfer agreement and as may be
43 necessary to achieve the purposes of the intergovernmental transfer
44 agreement.

45 b. Notwithstanding any other law to the contrary, the State
46 Treasurer, the Commissioner of Human Services and the

1 Commissioner of Health and Senior Services, acting on behalf of the
2 State, are authorized to participate in the intergovernmental transfer
3 program and to take all actions and make payments in connection with
4 the completion of the intergovernmental transfer program, including,
5 but not limited to;

6 (1) entering into agreements, including the intergovernmental
7 transfer agreement, with any entity, including participating
8 governmental entities, upon such terms and conditions as the State
9 Treasure deems necessary or desirable to allow for the entity's
10 participation in the intergovernmental transfer program;

11 (2) cooperating with any bank in the execution of any additional
12 documentation required by the bank to transfer supplemental payments
13 to the participant accounts and otherwise effectuate the
14 intergovernmental transfer program; and

15 (3) executing, approving and authorizing certifications, letters of
16 instruction, legal opinions or other instruments as the State Treasurer
17 deems necessary or desirable to effectuate the intergovernmental
18 transfer program.

19

20 4. a. There are appropriated to the Department of Health and
21 Senior Services such sums as are determined necessary by the Director
22 of the Division of Budget and Accounting in the Department of the
23 Treasury to make supplemental payments in accordance with the
24 Medicaid State plan under the intergovernmental transfer program.
25 The sums so appropriated shall be deposited in the State account and
26 used to make supplemental payments to the participant accounts
27 pursuant to this subsection and as set forth in an intergovernmental
28 transfer agreement.

29 b. There are appropriated to the Department of Health and Senior
30 Services and Department of the Treasury such additional sums as are
31 determined necessary by the Director of the Division of Budget and
32 Accounting in the Department of the Treasury to pay costs incurred
33 by the State in connection with the execution and delivery of any
34 agreements authorized hereunder, including the costs of professional
35 services, attorneys and any other costs necessary to complete the
36 intergovernmental transfer program.

37

38 5. This act shall take effect immediately.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2483

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 22, 2000

The Assembly Budget Committee reports favorably Assembly Bill No. 2483 with committee amendments.

Assembly Bill No. 2483, as amended, authorizes the State to create and implement an Intergovernmental Transfer program for the purpose of securing additional federal funds under the State Medicaid program. The bill authorizes the State Treasurer, the Commissioners of Human Services and Health and Senior Services, and the eligible governmental entities to enter into and complete the transaction.

Intergovernmental transfer or "upper payment limit" transactions are currently allowable under federal law and in rules adopted by the federal Health Care Financing Administration (HCFA).

Information provided by the Executive Branch to accompany the FY 2001 budget discusses the Medicaid Intergovernmental Transfer process and indicates that:

- C An Intergovernmental Transfer can occur when a state has county-owned and operated nursing homes and it is used to maximize federal Medicaid reimbursement.
- C Instead of transferring funds to the State to be used for Medicaid payments, county funds paid to a county nursing home are considered as State payments and qualify for federal reimbursement.
- C Maximization of federal funds occurs when the county transfers a sum of money to the State which is then reimbursed to the county nursing home through Medicaid.
- C The amount of Medicaid reimbursement for nursing facilities cannot exceed the aggregate that the federal Medicare program would pay for nursing services for the same population. Since the Medicare rate for nursing services is greater than the comparable Medicaid rate, additional federal funds can be generated.
- C A state must submit a State Plan Amendment to HCFA for review and approval before federal Medicaid funds through the Intergovernmental Transfer can be received.

FISCAL IMPACT:

The State has filed an amendment to its Medicaid Plan with HCFA that would, if approved, draw down through these transfers up to \$900 million in additional federal Medicaid reimbursement for expenses claimed in fiscal years 2000 and 2001. The Administration has indicated that claims totaling \$450 million will be filed for each year based on allowable State expenses of twice that amount. The federal government pays for 50 percent of eligible Medicaid expenditures.

The Governor's FY 2001 budget recommendation reflects only \$250 million of this enhanced Medicaid reimbursement amount. The budget contains a corresponding reduction in State General Fund appropriations for nursing homes under Medicaid. None of the claims for FY 2000 federal reimbursement are reflected in anticipated State budget savings.

Any additional amounts received by the State above the \$250 million reflected in the budget would be treated as unanticipated revenues and will be available for subsequent appropriation by the Legislature. Since the State is claiming \$900 million over the two years, this additional revenue could total as much as \$650 million, assuming approval of the full State claim.

Under the criteria in the State Plan Amendment, four counties have agreed to participate with the State in the Intergovernmental Transfer transaction. Regardless of the federal disposition of the State's claim, each participating county will receive a payment from the State for the portion of Medicaid eligible costs that the counties are now paying. The total amount of this payment is estimated to be around \$17 million. In addition, the State will pay any transaction costs associated with the Intergovernmental Transfer (e.g., legal fees, consultants, bank service charges), which are estimated to be \$2 million in FY 2000 and another \$2 million in FY 2001.

COMMITTEE AMENDMENTS:

The amendment is technical in nature to insert language which was inadvertently omitted.

P.L. 2000, CHAPTER 28, *approved June 9, 2000*
Assembly, No. 2483 (*First Reprint*)

1 **AN ACT** authorizing an intergovernmental transfer program under the
2 Medicaid program, supplementing Title 30 of the Revised Statutes
3 and making an appropriation therefor.

4

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

7

8 1. The Legislature finds and declares that:

9 a. Federal law permits states to enhance existing federal financial
10 participation under the Medicaid program through the use of
11 intergovernmental transfers;

12 b. Participation in an intergovernmental transfer program by the
13 State and certain governmental entities will enhance the health and
14 welfare of the citizens of New Jersey by providing additional funds for
15 health-related services; and

16 c. In order to secure the additional federal funds under the
17 Medicaid program, it is the intent of this act to authorize and
18 implement an intergovernmental transfer program.

19

20 2. As used in this act:

21 "Bank" means a State or federally chartered bank, savings bank or
22 savings and loan association located in this State that is authorized to
23 receive public funds and that is selected by the participating
24 governmental entities to carry out the provisions of this act.

25 "Intergovernmental transfer" means the transfer of money to the
26 State account by a participating governmental entity as contemplated
27 by an intergovernmental transfer agreement.

28 "Intergovernmental transfer agreement" means an agreement among
29 the State Treasurer, the Commissioners of Human Services and Health
30 and Senior Services, and a participating governmental entity pertaining
31 to participation in and implementation of the intergovernmental
32 transfer program.

33 "Intergovernmental transfer program" or "program" means a
34 program to enhance federal financial participation under the Medicaid
35 program by using intergovernmental transfers.

36 "Medicaid" means the "New Jersey Medical Assistance and Health
37 Services Program" established pursuant to P.L.1968, c.413 (C.30:4D-
38 1 et seq.).

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ABU committee amendments adopted May 22, 2000.

1 "Medicaid State plan" means the plan submitted by the State to the
2 federal Health Care Financing Administration in the Department of
3 Health and Human Services, including any amendments thereto.

4 "Participant accounts" means the accounts maintained at the bank
5 by each participating governmental entity for the purpose of
6 effectuating the intergovernmental transfer program.

7 "Participating governmental entity" means any governmental entity
8 that owns a nursing facility enrolled in the Medicaid program and
9 qualifies for a supplemental payment under the Medicaid State plan,
10 and which signs an intergovernmental transfer agreement.

11 "State account" means the account maintained at the bank by the
12 State Treasurer for the purpose of the intergovernmental transfer
13 program.

14 "Supplemental payment" means the Medicaid payment made by the
15 State to a participating governmental entity for a specified fiscal year,
16 as set forth and provided for in an intergovernmental transfer
17 agreement.

18

19 3. There is established an intergovernmental transfer program
20 subject to the provisions of this act.

21 a. Notwithstanding the provisions of any other law to the contrary,
22 a governmental entity eligible to receive a supplemental payment is
23 authorized to participate in the intergovernmental transfer program
24 and to take all actions necessary to effectuate completion of the
25 intergovernmental transfer program, including, but not limited to:

26 (1) entering into agreements, including an intergovernmental
27 transfer agreement, with any entity, including the State Treasurer, the
28 Commissioner of Human Services, the Commissioner of Health and
29 Senior Services and other participating governmental entities;

30 (2) cooperating with a bank in the execution of any additional
31 documentation required by the bank to effect the borrowing by any
32 participating governmental entity through the issuance of short-term
33 notes ¹in the manner prescribed for the issuance of tax anticipation
34 notes¹ pursuant to N.J.S.40A:4-64, except that the short-term notes
35 shall not be subject to the provisions of N.J.S.40A:4-66, or in any
36 other manner permitted by law, and to pledge to the bank a security
37 interest in all of its right, title and interest in and to its participant
38 account for repayment of short-term notes;

39 (3) transferring participating governmental entity funds to the State
40 account;

41 (4) executing certifications, letters of instruction or other
42 instruments necessary to effectuate the intergovernmental transfer
43 program; and

44 (5) receiving and utilizing supplemental payments received in
45 accordance with the Medicaid State plan, in the manner set forth under
46 the terms of an intergovernmental transfer agreement and as may be

1 necessary to achieve the purposes of the intergovernmental transfer
2 agreement.

3 b. Notwithstanding any other law to the contrary, the State
4 Treasurer, the Commissioner of Human Services and the
5 Commissioner of Health and Senior Services, acting on behalf of the
6 State, are authorized to participate in the intergovernmental transfer
7 program and to take all actions and make payments in connection with
8 the completion of the intergovernmental transfer program, including,
9 but not limited to;

10 (1) entering into agreements, including the intergovernmental
11 transfer agreement, with any entity, including participating
12 governmental entities, upon such terms and conditions as the State
13 Treasurer deems necessary or desirable to allow for the entity's
14 participation in the intergovernmental transfer program;

15 (2) cooperating with any bank in the execution of any additional
16 documentation required by the bank to transfer supplemental payments
17 to the participant accounts and otherwise effectuate the
18 intergovernmental transfer program; and

19 (3) executing, approving and authorizing certifications, letters of
20 instruction, legal opinions or other instruments as the State Treasurer
21 deems necessary or desirable to effectuate the intergovernmental
22 transfer program.

23

24 4. a. There are appropriated to the Department of Health and
25 Senior Services such sums as are determined necessary by the Director
26 of the Division of Budget and Accounting in the Department of the
27 Treasury to make supplemental payments in accordance with the
28 Medicaid State plan under the intergovernmental transfer program.
29 The sums so appropriated shall be deposited in the State account and
30 used to make supplemental payments to the participant accounts
31 pursuant to this subsection and as set forth in an intergovernmental
32 transfer agreement.

33 b. There are appropriated to the Department of Health and Senior
34 Services and Department of the Treasury such additional sums as are
35 determined necessary by the Director of the Division of Budget and
36 Accounting in the Department of the Treasury to pay costs incurred
37 by the State in connection with the execution and delivery of any
38 agreements authorized hereunder, including the costs of professional
39 services, attorneys and any other costs necessary to complete the
40 intergovernmental transfer program.

41

42 5. This act shall take effect immediately.

43

44

45

46 Authorizes State to establish intergovernmental transfer program in
47 Medicaid program.

CHAPTER 28

AN ACT authorizing an intergovernmental transfer program under the Medicaid program, supplementing Title 30 of the Revised Statutes and making an appropriation therefor.

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

C.30:4D-19.2 Findings, declarations relative to intergovernmental transfer program under Medicaid.

1. The Legislature finds and declares that:

a. Federal law permits states to enhance existing federal financial participation under the Medicaid program through the use of intergovernmental transfers;

b. Participation in an intergovernmental transfer program by the State and certain governmental entities will enhance the health and welfare of the citizens of New Jersey by providing additional funds for health-related services; and

c. In order to secure the additional federal funds under the Medicaid program, it is the intent of this act to authorize and implement an intergovernmental transfer program.

C.30:4D-19.3 Definitions relative to intergovernmental transfer program under Medicaid.

2. As used in this act:

"Bank" means a State or federally chartered bank, savings bank or savings and loan association located in this State that is authorized to receive public funds and that is selected by the participating governmental entities to carry out the provisions of this act.

"Intergovernmental transfer" means the transfer of money to the State account by a participating governmental entity as contemplated by an intergovernmental transfer agreement.

"Intergovernmental transfer agreement" means an agreement among the State Treasurer, the Commissioners of Human Services and Health and Senior Services, and a participating governmental entity pertaining to participation in and implementation of the intergovernmental transfer program.

"Intergovernmental transfer program" or "program" means a program to enhance federal financial participation under the Medicaid program by using intergovernmental transfers.

"Medicaid" means the "New Jersey Medical Assistance and Health Services Program" established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.).

"Medicaid State plan" means the plan submitted by the State to the federal Health Care Financing Administration in the Department of Health and Human Services, including any amendments thereto.

"Participant accounts" means the accounts maintained at the bank by each participating governmental entity for the purpose of effectuating the intergovernmental transfer program.

"Participating governmental entity" means any governmental entity that owns a nursing facility enrolled in the Medicaid program and qualifies for a supplemental payment under the Medicaid State plan, and which signs an intergovernmental transfer agreement.

"State account" means the account maintained at the bank by the State Treasurer for the purpose of the intergovernmental transfer program.

"Supplemental payment" means the Medicaid payment made by the State to a participating governmental entity for a specified fiscal year, as set forth and provided for in an intergovernmental transfer agreement.

C.30:4D-19.4 Intergovernmental transfer programs established.

3. There is established an intergovernmental transfer program subject to the provisions of this act.

a. Notwithstanding the provisions of any other law to the contrary, a governmental entity eligible to receive a supplemental payment is authorized to participate in the intergovernmental transfer program and to take all actions necessary to effectuate completion of the intergovernmental transfer program, including, but not limited to:

(1) entering into agreements, including an intergovernmental transfer agreement, with any entity, including the State Treasurer, the Commissioner of Human Services, the Commissioner of Health and Senior Services and other participating governmental entities;

(2) cooperating with a bank in the execution of any additional documentation required by the bank to effect the borrowing by any participating governmental entity through the issuance of

short-term notes in the manner prescribed for the issuance of tax anticipation notes pursuant to N.J.S.40A:4-64, except that the short-term notes shall not be subject to the provisions of N.J.S.40A:4-66, or in any other manner permitted by law, and to pledge to the bank a security interest in all of its right, title and interest in and to its participant account for repayment of short-term notes;

(3) transferring participating governmental entity funds to the State account;

(4) executing certifications, letters of instruction or other instruments necessary to effectuate the intergovernmental transfer program; and

(5) receiving and utilizing supplemental payments received in accordance with the Medicaid State plan, in the manner set forth under the terms of an intergovernmental transfer agreement and as may be necessary to achieve the purposes of the intergovernmental transfer agreement.

b. Notwithstanding any other law to the contrary, the State Treasurer, the Commissioner of Human Services and the Commissioner of Health and Senior Services, acting on behalf of the State, are authorized to participate in the intergovernmental transfer program and to take all actions and make payments in connection with the completion of the intergovernmental transfer program, including, but not limited to:

(1) entering into agreements, including the intergovernmental transfer agreement, with any entity, including participating governmental entities, upon such terms and conditions as the State Treasurer deems necessary or desirable to allow for the entity's participation in the intergovernmental transfer program;

(2) cooperating with any bank in the execution of any additional documentation required by the bank to transfer supplemental payments to the participant accounts and otherwise effectuate the intergovernmental transfer program; and

(3) executing, approving and authorizing certifications, letters of instruction, legal opinions or other instruments as the State Treasurer deems necessary or desirable to effectuate the intergovernmental transfer program.

C.30:4D-19.5 Appropriations for supplemental payments under intergovernmental transfer program; costs.

4. a. There are appropriated to the Department of Health and Senior Services such sums as are determined necessary by the Director of the Division of Budget and Accounting in the Department of the Treasury to make supplemental payments in accordance with the Medicaid State plan under the intergovernmental transfer program. The sums so appropriated shall be deposited in the State account and used to make supplemental payments to the participant accounts pursuant to this subsection and as set forth in an intergovernmental transfer agreement.

b. There are appropriated to the Department of Health and Senior Services and Department of the Treasury such additional sums as are determined necessary by the Director of the Division of Budget and Accounting in the Department of the Treasury to pay costs incurred by the State in connection with the execution and delivery of any agreements authorized hereunder, including the costs of professional services, attorneys and any other costs necessary to complete the intergovernmental transfer program.

5. This act shall take effect immediately.

Approved June 9, 2000.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Gene Herman
609-777-2600

RELEASE: June 9, 2000

Gov. Christie Whitman today signed the following piece of legislation:

A-2483, sponsored by Assembly Members Francis J. Blee (R-Atlantic) and Leonard Lance (R-Warren/Hunterdon/Mercer) and Senators Anthony R. Bucco (R-Morris) and Robert E. Littell (R-Sussex/Hunterdon/Morris), authorizes the state to create and implement an intergovernmental transfer (IGT) program for the purpose of securing additional federal funds under the State Medicaid program. The bill authorizes the State Treasurer, the Commissioners of Human Services and Health and Senior Services, and the eligible governmental entities to enter into and complete the IGT transaction.