

DEPARTMENTAL GRANT APPEALS BOARD

Department of Health and Human Services

SUBJECT: New Jersey Department of Human Services
Docket No. 86-56
Decision No. 740

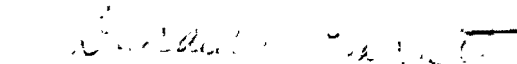
DATE: April 10, 1986

DECISION

The New Jersey Department of Human Services (State) appealed the disallowance of \$25,236 in federal financial participation by the Health Care Financing Administration (HCFA) under Title XIX (Medicaid) of the Social Security Act. The disallowance was based on the State's Quarterly Statement of Expenditures for the quarter ended June 30, 1985. The basis for the disallowance was that the State had not credited the federal government for any part of the "penalty interest" the State received when it recovered overpayments from providers of Medicaid services. HCFA contended that such interest constituted an applicable credit within the meaning of Office of Management and Budget Circular A-87 and that, accordingly, the federal government was entitled to its share in the interest.

The State acknowledged that this identical issue was addressed in Board Docket No. 83-115, decided in New Jersey Department of Human Services, Decision No. 480, November 30, 1983. The State is currently appealing Decision No. 480 in United States District Court, and appealed this case to preserve its rights in the event Decision No. 480 should be reversed. The State admitted that this case does not present any material issues of fact which distinguish it from Board Docket No. 83-115 and raised no objection to the Board's proposal to issue a summary decision in this appeal. The State submitted no new argument why Decision No. 480 was wrong.

We therefore sustain the disallowance of \$25,236, based on Decision No. 480, which we incorporate herein.


Donald F. Garrett


Norval D. (John) Settle


Alexander G. Teitz
Presiding Board Member