



State of New Jersey  
Department of Human Services  
Division of Medical Assistance & Health Services

# NEWSLETTER

---

Volume 19 No. 06

March 2009

---

**To:** Federally Qualified Health Centers (FQHCs)

**Subject:** Reimbursement for Deliveries and Specified Ob/Gyn Surgeries

**Effective:** For Dates of Service on and after July 11, 2008

**Purpose:** Revision to Newsletter Volume 18, No. 16 Issued October 2008

**To inform FQHCs of the revised reimbursement method for deliveries and specified Ob/Gyn surgeries performed by qualified FQHC employees and the associated FQHC reporting requirements**

**Background:** All Medicaid covered services that are provided by an FQHC are reimbursed by an all-inclusive Prospective Payment System (PPS) rate. There was a one-time exception made at the inception of the PPS methodology (January 1, 2001) to allow FQHCs to exclude deliveries from the all-inclusive PPS rate. Only two FQHCs chose to exclude deliveries. FQHCs that did not choose to exclude deliveries may no longer be able to afford to provide necessary delivery services to Medicaid beneficiaries due to limited reimbursement.

**Action:** The Division of Medical Assistance and Health Services (DMAHS) is modifying the payment methodology for deliveries, specified Ob/Gyn surgeries and surgical assistants.

DMAHS is responding to existing disparities in reimbursement for deliveries because some FQHCs may no longer choose to provide deliveries to Medicaid beneficiaries. Additionally, DMAHS is modifying the reimbursement to FQHCs for the provision of specified Ob/Gyn surgical services by qualified FQHC practitioners in order to encourage FQHCs to perform these services. There will be no adjustment made to each FQHC's PPS rate as a result of the reimbursement policy indicated below.

## **Reimbursement for Medicaid Fee-for Service Beneficiaries**

The fee-for-service procedure codes affected by this change in reimbursement policy are listed on the New Jersey Medicaid Management Information System website <http://www.njmmis.com>. Once on the website, FQHCs may click on the menu listing of Rate Information to view the delivery and Ob/Gyn procedures codes affected by this change in reimbursement policy.

For service dates beginning July 11, 2008, DMAHS, through its fiscal agent, will reimburse all FQHCs at the higher of the FQHC's PPS rate or the delivery and Ob/Gyn fee-for-service rates for NJ FamilyCare/Medicaid fee-for-service beneficiaries. Surgical assistant services will be reimbursed at the NJ FamilyCare/Medicaid fee-for-service rate.

Effective for dates of service beginning July 11, 2008, DMAHS is implementing a new encounter procedure code T1015 with modifier HD for FQHC deliveries and Ob/Gyn surgical encounters. For new claims submitted for service dates on or after July 11, 2008, FQHCs are required to bill procedure code T1015 HD in addition to each delivery and Ob/Gyn surgical encounter in order to obtain Medicaid fee-for-service reimbursement.

FQHC claims for fee-for-service deliveries and specified Ob/Gyn surgeries already reimbursed will be recycled and reimbursed in compliance with this newsletter. FQHCs will be notified under a separate cover letter once the recycle has been completed.

### **Reimbursement for Medicaid Managed Care Beneficiaries**

FQHCs negotiate their payments with managed care organizations for NJ FamilyCare/Medicaid managed care beneficiaries. For wraparound reporting, all services provided to Medicaid managed care beneficiaries prior to July 11, 2008 and the associated revenues received from the managed care organizations must be reported on Worksheet 2, Support Schedules A and B. Therefore, for the month of July 2008, there will be separate wraparound reports required for service dates July 1 through July 10, 2008.

In addition, adjustments for prior period encounters and receipts for all periods prior to July 11, 2008 service dates, must be reported on Worksheet 2, Support Schedules A and B.

Effective for dates of service beginning July 11, 2008, managed care wraparound reimbursement will no longer be provided to FQHCs for deliveries and Ob/Gyn surgeries on the approved list of procedure codes listed on the New Jersey Medicaid Management Information System website <http://www.njmms.com>.

Effective for dates of service beginning July 11, 2008, FQHCs are required to complete additional quarterly managed care wraparound reports. FQHCs will be required to separately report the managed care deliveries and Ob/Gyn surgeries contained on the approved list of procedure codes provided during the quarter and separately report the managed care payments received during the quarter for deliveries and Ob/Gyn surgeries contained on the approved list of procedure codes.

Effective for dates of service beginning July 11, 2008, FQHCs will be required to file two quarterly managed care wraparound reports. The first report is comprised of Worksheet 2, Support Schedules A and B. The second report is comprised of Worksheet 2, Support Schedules C, D, E and F.

Worksheet 2, Support Schedule A must contain managed care encounters (excluding encounters for deliveries and specified Ob/Gyn surgeries) for Medicaid managed care beneficiaries as required by Newsletter Vol. 8 No. 60, Quarterly Wrap-around Reporting Instructions and Annual Medicaid Cost Report Requirements.

Worksheet 2, Support Schedule B must contain managed care revenues (excluding revenues received for deliveries and specified Ob/Gyn surgeries) received for Medicaid managed care beneficiaries during the reporting period as required by Newsletter Vol. 8

No. 60, Quarterly Wrap-around Reporting Instructions and Annual Medicaid Cost Report Requirements.

Worksheet 2 Support Schedule C must contain delivery encounters by month and year of service for Medicaid managed care beneficiaries, for all deliveries contained on the approved list of procedure codes, including the procedure code for the service as well as the number of encounters for each procedure code. Attached is a copy of Worksheet 2, Support Schedule C and instructions to complete the report.

Worksheet 2, Support Schedule D must contain managed care revenues received for all deliveries on the approved list of procedure codes that were provided for Medicaid managed care beneficiaries during the reporting period. Attached is a copy of Worksheet 2, Support Schedule D and instructions to complete the report.

Worksheet 2 Support Schedule E, must contain the specified Ob/Gyn surgical encounters by month and year of service for Medicaid managed care beneficiaries, for all ob/gyn surgeries contained on the approved list of procedure codes including the procedure code for the service as well as the number of encounters for each procedure code. Attached is a copy of Worksheet 2, Support Schedule E and instructions to complete the report.

Worksheet 2, Support Schedule F must contain managed care revenues received for specified Ob/Gyn surgeries on the approved list of procedure codes that were provided for Medicaid managed care beneficiaries during the reporting period. Attached is a copy of Worksheet 2, Support Schedule F and instructions to complete the report.

Global maternity codes are not included on the approved list of procedure codes and must not be reported on Worksheet 2, Support Schedules C, D, E and F. In the event that an FQHC is reimbursed for a global maternity code, the encounters and revenues for the global maternity services must be reported on Worksheet 2, Support Schedules A and B.

In summary, effective for dates of service beginning July 11, 2008, the quarterly wraparound payment calculated by DMAHS will exclude encounters for deliveries and specified Ob/Gyn surgeries contained on the approved list of procedure codes and managed care revenues received by the FQHC for deliveries and specified Ob/Gyn surgeries contained on the approved list of procedure codes. The FQHCs must submit the following reports for the quarter ending September 30, 2008:

Service Dates Jul. 1 - 10, 2008:	Worksheet 2, Support Schedules A and B
Service Dates Jul. 11 - 31, 2008:	Worksheet 2, Support Schedules A, B, C, D, E, F
Service Dates Aug. 1 - 31, 2008:	Worksheet 2, Support Schedules A, B, C, D, E, F
Service Dates Sept. 1- 30, 2008:	Worksheet 2, Support Schedules A, B, C, D, E, F

For dates of service beginning October 1, 2008 and thereafter, all wraparound reports should contain Worksheet 2, Support Schedules A, B, C, D, E, and F for each month of service.

For questions on the content of this newsletter, please contact the DMAHS Office of Reimbursement at 609-588-3747.

**RETAIN THIS NEWSLETTER FOR FUTURE REFERENCE**

**Federally Qualified Health Center  
Medicaid Managed Care Delivery Encounters**

**Instructions for Completing Worksheet 2, Support Schedule C – Medicaid Managed Care Delivery Encounters**

Effective for dates of service beginning July 11, 2008, Medicaid managed care encounters for delivery encounters provided by Federally Qualified Health Center practitioners must be segregated by calendar month of service.

Line 1: Enter the name and provider number of the Federally Qualified Health Center.

Line 3: Enter the month and year in which services were rendered.

Line 4: Enter the name of the Health Maintenance Organization in columns B through F.

Lines 5 - 30, Column A: Enter the procedure code(s) for delivery encounters provided during the service month and year.

Lines 5 – 30, Columns B through F: Enter all delivery encounters by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The encounters must be segregated by month of service. If the FQHC receives an all inclusive payment from an HMO for a Medicaid managed care beneficiary, that includes prenatal visits, delivery, and post partum visits or a combination thereof, all related encounters should be reported.

Any corrections to prior period encounter reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 11, 2008 must be reported on Worksheet 2, Support Schedule A.

Lines 5 – 30, Column G: Enter the sum of Columns B through F for each line.

Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

**Federally Qualified Health Center  
Medicaid Managed Care Delivery Receipts**

**Instructions for Completing Worksheet 2, Support Schedule D – Medicaid Managed Care Delivery Receipts**

Effective for dates of service beginning July 11, 2008, Medicaid managed care receipts received during the quarter for delivery encounters provided by Federally Qualified Health Center practitioners to Medicaid/NJ FamilyCare beneficiaries, must be segregated by calendar month of service.

Line 1: Enter the name and provider number of the Federally Qualified Health Center.

Line 3: Enter the month and year in which services were rendered.

Line 4: Enter the name of the Health Maintenance Organization in columns B through F.

Lines 5 - 30, Column A: Enter each procedure code for which delivery receipts have been received during the quarter.

Lines 5 – 30, Columns B through F: Enter all delivery receipts by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The receipts must be segregated by month of service. If the FQHC receives an all inclusive payment from an HMO for a Medicaid managed care beneficiary, that includes prenatal visits, delivery, and post partum visits or a combination thereof, the full payment should be reported.

Any corrections to prior period receipts reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 11, 2008 must be reported on Worksheet 2, Support Schedule B.

Lines 5 – 30, Column G: Enter the sum of Columns B through F for each line.

Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

**Federally Qualified Health Center  
Medicaid Managed Care Ob/Gyn Surgical Encounters**

**Instructions for Completing Worksheet 2, Support Schedule E – Medicaid Managed Care Ob/Gyn Surgical Encounters**

Effective for dates of service beginning July 11, 2008, Medicaid managed care encounters for Ob/Gyn surgical encounters provided by Federally Qualified Health Center practitioners must be segregated by calendar month of service.

Line 1: Enter the name and provider number of the Federally Qualified Health Center.

Line 3: Enter the month and year in which services were rendered.

Line 4: Enter the name of the Health Maintenance Organization in columns B through F.

Lines 5 - 30, Column A: Enter the procedure code(s) for Ob/Gyn surgical encounters provided during the service month and year.

Lines 5 – 30, Columns B through F: Enter all Ob/Gyn surgical encounters by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The encounters must be segregated by month of service. Any corrections to prior period encounter reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 11, 2008 must be reported on Worksheet 2, Support Schedule A.

Lines 5 – 30, Column G: Enter the sum of Columns B through F for each line.

Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

**Federally Qualified Health Center  
Medicaid Managed Care Ob/Gyn Surgical Receipts**

**Instructions for Completing Worksheet 2, Support Schedule F – Medicaid Managed Care Ob/Gyn Surgical Receipts**

Effective for dates of service beginning July 11, 2008, Medicaid managed care receipts received during the quarter for Ob/Gyn surgical encounters provided by Federally Qualified Health Center practitioners to Medicaid/NJ FamilyCare beneficiaries, must be segregated by calendar month of service.

Line 1: Enter the name and provider number of the Federally Qualified Health Center.

Line 3: Enter the month and year in which services were rendered.

Line 4: Enter the name of the Health Maintenance Organization in columns B through F.

Lines 5 - 30, Column A: Enter each procedure code for which Ob/Gyn surgical receipts have been received during the quarter.

Lines 5 – 30, Columns B through F: Enter all Ob/Gyn surgical receipts by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The receipts must be segregated by month of service. Any corrections to prior period receipts reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 11, 2008 must be reported on Worksheet 2, Support Schedule B.

Lines 5 – 30, Column G: Enter the sum of Columns B through F for each line.

Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

1	Federally Qualified Health Center Name _____ FQHC Number _____						Worksheet 2 Support Schedule F
2	Medicaid Managed Care Ob/Gyn Surgical Receipts						
3	Service Month/Year _____						
	A	B	C	D	E	F	G
		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid OB/GYN Surgical Receipts
4	HMO Name	Americhoice	Amerigroup	Horizon	PHS	UHP	
	Ob/Gyn Surgical Procedure Code						
5							0
6							0
7							0
8							0
9							0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							
31	Total (Lines 5 through 30)	0	0	0	0	0	0



1	Federally Qualified Health Center Name _____ FQHC Number _____						Worksheet 2 Support Schedule E
2	Medicaid Managed Care Ob/Gyn Surgical Encounters Detail						
3	Service Month/Year _____						
	A	B	C	D	E	F	G
		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid OB/GYN
4	HMO Name	Americhoice	Amerigroup	Horizon	PHS	UHP	Surgical Encounters
	Ob/Gyn Surgical Procedure Code						
5							0
6							0
7							0
8							0
9							0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							0
31	Total (Lines 5 through 30)	0	0	0	0	0	0

1	Federally Qualified Health Center Name _____ FQHC Number _____						Worksheet 2 Support Schedule D
2	Medicaid Managed Care Delivery Receipts						
3	Service Month/Year _____						
	A	B	C	D	E	F	G
		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid Delivery Receipts
4	HMO Name	Americhoice	Amerigroup	Horizon	PHS	UHP	
	Delivery Procedure Code						
5							0
6							0
7							0
8							0
9							0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							0
31	Total (Lines 5 through 30)	0	0	0	0	0	0

1	Federally Qualified Health Center Name _____ FQHC Number _____						Worksheet 2 Support Schedule C
2	Medicaid Managed Care Delivery Encounters Detail						
3	Service Month/Year _____						
	A	B	C	D	E	F	G
		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid Delivery Encounters
4	HMO Name	Americhoice	Amerigroup	Horizon	PHS	UHP	
	Delivery Procedure Code						
5							0
6							0
7							0
8							0
9							0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							0
31	Total (Lines 5 through 30)	0	0	0	0	0	0