

To: Medical Suppliers

Subject: Provision of Medical Supplies and Durable Medical Equipment to Medicaid Recipients by Medical Suppliers

Effective: Immediately

Purpose: This Newsletter is to clarify the policy and procedures of the New Jersey Medicaid Program relevant to the provision of medical supplies and durable medical equipment to Medicaid recipients and the reimbursement to the Medical Suppliers.

Please read this Newsletter very carefully. It supersedes previous documentation distributed to providers in advance of the operation of the New Jersey Medicaid Management Information System (NJMMIS) by the new Fiscal Agent, Unisys, on November 29, 1991. These changes to policy and procedure result from a series of meetings attended by representative of both the Division of Medical Assistance and Health Services and the JAMES Association.

Current New Jersey Medicaid Program policy regarding services eligible for reimbursement, prior authorization, and restrictions on covered services remain in effect. While it is anticipated that certain changes may occur in the near future, providers are instructed to abide by current Medicaid policy and procedure.

All claims for medical supplies and durable medical equipment provided to Medicaid recipients must be sent on the 1500 N.J. claim form to Unisys, CN-4808, Trenton, New Jersey 08650-4808. Instructions for the completion of this form are contained in the Fiscal Agent Billing Supplement, previously distributed to all providers. Please read the Supplement carefully as claims not properly completed will be returned to the provider, or suspended, or denied.

Please note the following items of particular concern:

1. The adoption of the "Medicare Six Point Plan" for use by Medicaid has been deferred.
2. Prior authorization will continue to be mandatory for those items which have required prior authorization in the past. When the charge to the Medicaid program is \$30.00 or more, prior authorization is required from the Medicaid District Office (MDO) for any medical supplies, any rental of durable medical equipment, and any purchase of durable medical equipment. (See attached N.J.A.C. 10:59-1.7.)

3. Providers must use the newly developed FD-354 Form (Medical Supplies and E Prior Authorization) when requesting prior authorization from the MDO. If the provider has not yet received a supply of the FD-354 Form, the provider may use the claim form as the prior authorization request form (on an interim basis). The claim form then serves as both the prior authorization form and the actual claim form, and must be completed accurately and in the detail as defined in Section 5. of the Fiscal Agent Billing Supplement.
 4. A copy of the FD-354 or 1500 N.J., signed by the MDO, will be returned to the provider for all requests for prior authorization.
 5. For authorized services, providers must submit a 1500 N.J. claim form only. The prior authorization document (i.e. FD-354 or 1500 N.J.) that supports the service/claim must be maintained in the recipient file at the provider's location. In the event of a post-payment audit, the prior authorization document must be made available for audit purposes. At this time the instruction to place the prior authorization number in Field 23B on the 1500 N.J. claim form is deferred. However, enter "Prior Authorization File" in Field 34 (Remarks) on the 1500 N.J. claim form.
 6. All medical supplies and durable medical equipment for use by the Medicaid recipient must be prescribed by the individual's attending physician.
 - . Providers must continue to send the prescription to the MDO.
 - . Providers must keep the prescription at their place of business and place it in the respective recipient's file.
 7. For services provided to Medicare/Medicaid recipients, prior authorization must be obtained, in accord with current policy on prior authorization. In Field 10 (REMARKS), enter "Medicare/Medicaid Client."
 - . Providers must use the FD-354 or 1500 N.J. (see item #3).
 - . Form FD-354 or 1500 N.J. will be returned, signed by the MDO.
 - . Bill Medicare as primary payor.
 - . Claims for deductible and/or coinsurance will crossover automatically from the Medicare Carrier to the Medicaid Carrier.
- Fiscal Agent.
- . Hard copy claims submitted to Medicaid as secondary payor must be submitted to Unisys with the Medicare EOMB and the MDO signed FD-354 or 1500 N.J.

8. Pricing of claims for medical supplies and durable medical equipment will con based upon
 - . invoice cost plus 50% or
 - . list price minus 10% or
 - . Medicaid Fee Allowance.
 - . Rentals:
 - ten months at 12% per month or
 - six months at 20% per month (depending upon and based upon purchase price).

9. For services/items not already identified by their own respective proce providers should use procedure code E1399 when requesting prior authorizatio MDO, as well as when submitting a claim for payment to the Fiscal Agent.
 - . Enter E1399 only once on the FD-354 or 1500 N.J. A narrative c of all items to be prior authorized with the use of E1399 must the FD-354 or 1500 N.J. when sent to the MDO.
 - . The MDO will cross out any item which is determined to be modified and so specify denial or modified/reduced services on or 1500 N.J.
 - . Enter E1399 on the 1500 NJ claim form when submitting to the Fi for reimbursement. Enter one composite charge amount on the claim detail line for E1399.
 - . Attach a copy of the list of dispensed supplies/equipment ide E1399 along with respective price lists to allow the Fiscal reimburse all items accordingly.

10. For claims completion purposes:
 - . Enter 9, "OTHER" for Type of Service in Field 24C.
 - . Use the following modifiers respectively:
 - . NU - new equipment
 - . UE - used equipment
 - . RP - repair/replace equipment
 - . RR - rent equipment

Refer to your Fiscal Agent Billing Supplement for other billing requirements not su by this Newsletter. Additional meetings with the providers of medical supplies and medical equipment are anticipated in the near future. Direct any questions to your M