



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

NEWSLETTER

Volume 10 No. 78

November 2000

TO: Medical Suppliers – For Action
Health Maintenance Organizations – For Information Only

SUBJECT: Revised Parenteral Therapy Reimbursement Standards and
New HCFA Common Procedure Coding System (HCPCS)
Procedure Codes

EFFECTIVE: October 15, 2000

PURPOSE: This Newsletter is intended to inform providers of medical supplies and pharmaceutical services of amendments to the Medical Suppliers Services Manual (N.J.A.C.10:59) related to the provision of parenteral therapy and new HCPCS procedure codes.

BACKGROUND: The Division of Medical Assistance and Health Services recently adopted several amendments to the Medical Suppliers Services Manual (N.J.A.C.10:59) related to parenteral therapy services. (See 32 N.J.R. 3568(a))

These amendments reflect the following changes:

- (a) Limiting reimbursement for parenteral therapy drugs and equipment to providers who are licensed pharmacies;
- (b) Changing the Division's policy regarding reimbursement of parenteral therapy from purchase to rental status for specified Total Parenteral Nutrition (TPN) equipment;
- (c) Implementing a per diem reimbursement methodology for parenteral services;
- (d) Reflecting the Division's policy that reimbursement for parenteral therapy services includes the equipment, related supplies and base solutions; and

- (e) Clearly stating that all supplies and DME costs which are used for the administration of parenteral therapy and TPN solutions are components of the nursing facility rate, and are not eligible for separate reimbursement from the New Jersey Medicaid or NJ KidCare/FamilyCare programs.

ACTION: Providers shall replace section N.J.A.C. 10:59-1.12 in their manuals with Attachment A to this Newsletter and retain Attachment B with their manuals at N.J.A.C. 10:59-2.3.

ATTACHMENT A N.J.A.C.10:59-1.12; Parenteral Therapy

ATTACHMENT B N.J.A.C.10:59-2.3; HCPCS Procedure Codes and Maximum Fee Allowance Schedule for medical supplies and durable medical equipment

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB
(BLUE TAB MARKED "5")**

ATTACHMENT A

SUBCHAPTER 1. MEDICAL SUPPLIES AND DURABLE MEDICAL EQUIPMENT

10:59-1.12 Parenteral therapy

- (a) Parenteral therapy refers to the administration of a drug by the intravenous or subcutaneous route of administration.
- (b) Total Parenteral Nutrition (TPN) means the administration of a patient's total daily nutritional needs via the parenteral route of administration.
- (c) All parenteral therapy services, including total parenteral nutrition (TPN), require prior authorization (see N.J.A.C. 10:59-1.6).
- (d) For parenteral therapy other than TPN, coverage through the medical supplier shall be limited to supplies and equipment. Medicaid and NJ KidCare fee-for-service maximum fee allowances for drug costs related to TPN solutions shall only be reimbursed to medical suppliers who are also licensed as providers of pharmaceutical services.
 - 1. Coverage for all medical supplies and DME related to TPN therapy shall be based on monthly fee allowances as established by the Division (See N.J.A.C. 10:59-2.3 for monthly fee allowances and unit descriptions).
- (e) All drugs related to parenteral therapy shall be covered as pharmaceutical services (see N.J.A.C. 10:51-1.11) and shall only be billed to the Division by providers of pharmaceutical services (see N.J.A.C. 10:51-1.2(d));
 - 1. Reimbursement of all DME base solutions and supplies related to parenteral therapy shall be based on the mode of parenteral administration;
 - 2. Medicaid and NJ KidCare fee-for-service maximum fee allowances for parenteral therapy-related DME shall be based on all-inclusive per diem rates established by the

Division (see N.J.A.C.10:59-2.3 for daily allowances and unit descriptions). The per diem rate includes the cost of the base solution.

- (f) When the beneficiary is a nursing facility resident, all parenteral therapy drugs and TPN solutions shall be billed by the Medicaid or NJ KidCare pharmacy provider that is under contract with the nursing facility to provide pharmaceutical services;
1. The contracted provider of pharmaceutical services must be licensed to provide parenteral therapy (see N.J.A.C. 10:51-1.2(d)) and approved as a medical supplier by the Division (see N.J.A.C. 10:59-1.3);
 2. All costs for supplies and DME which are used for the administration of parenteral therapy and TPN solutions, shall be components of the nursing facility per diem rate and shall not be eligible for fee-for-service reimbursement from the New Jersey Medicaid or NJ KidCare programs.

ATTACHMENT B

SUBCHAPTER 2. HCFA COMMON PROCEDURE CODING SYSTEM (HCPCS)

10:59-2.3 HCPCS Procedure Codes and Maximum Fee Allowance Schedule for medical supplies and durable medical equipment

<u>HCPCS CODE</u>	<u>DESCRIPTION</u>	<u>MAXIMUM FEE ALLOWANCE</u>
B9004	Parenteral nutrition infusion pump, portable	\$227.40 per month
B9006	Parenteral nutrition infusion pump, stationary	\$227.40 per month
X8334	Parenteral infusion by gravity (includes parenteral therapy supplies and base solution cost)	\$39.00/day
X8335	Parenteral infusion by disposable pump (includes supplies and base solution cost)	\$39.00/day
X8336	Parenteral infusion with external ambulatory infusion pump and administration equipment (includes pump, supplies and base solution cost)	\$60.00/day
X8337	Parenteral line maintenance (includes all supplies necessary)	\$8.00/day
X8434	Parenteral infusion with external stationary pump and administration equipment (includes pump, supplies and base solution cost)	\$39.00/day