



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

NEWSLETTER

Volume 11 No. 45

June 2001

TO: All Hospitals

SUBJECT: Payment of Cost Sharing Copayment Charges for Medicaid and NJ FamilyCare Plan A Beneficiaries Enrolled in Medicare or Commercial Managed Care Coverage Programs

EFFECTIVE: Immediately

PURPOSE: To inform providers of the New Jersey Medicaid/NJ FamilyCare Plan A program policy regarding reimbursement to providers for copayment amounts resulting from primary participation in Medicare or commercial HMO programs.

ACTION: The New Jersey Medicaid/NJ FamilyCare Plan A programs are clarifying policy regarding the reimbursement to providers for copayment amounts on behalf of beneficiaries participating in Medicare or commercial HMO plans.

This policy applies to Medicaid/NJ KidCare/NJ FamilyCare-eligible beneficiaries who are not enrolled in a Medicaid/NJ KidCare/NJ FamilyCare managed care program, but who are accessing covered services on a fee-for-service basis and are also enrolled in a Medicare or a commercial HMO program.

Reimbursement will be based upon submission of satisfactory documentation to substantiate a Medicaid-covered service and Medicaid's responsibility as secondary payer. Reimbursement will be based on the remaining beneficiary or program liability.

GENERAL REQUIREMENTS:

1. Claims must be received by Medicaid within current timely filing limitations in order to be considered for payment.

Claims sent to Unisys prior to the receipt of this Newsletter have been reviewed by the Division and Unisys. Claims for beneficiaries enrolled in Medicare or Commercial HMO coverage where there is remaining beneficiary or program liability will be processed and paid assuming no other errors are identified. These claims will be identified on your remittance advice. Claims where there is no remaining beneficiary or program liability will be denied with edit code 880 – No program liability for copayment.

Medicare HMO claims with remaining beneficiary or program liability will be processed as crossover claims and all lines on outpatient claims will be combined. You will receive one copayment amount. Commercial HMO claims with remaining beneficiary or program liability will be processed as Third Party Liability (TPL) claims and each line on an outpatient claim will be adjudicated separately with one line paying the copayment amount. All other lines will pay at zero with an error code of 876 -- Copayment for this service date paid. The remittance advice will also show the conflicting ICN for the line that paid.

2. Each claim for reimbursement of copayment charges must be accompanied by an "Explanation of Benefits" from the HMO/Managed Care Organization indicating the disposition of the claim by the HMO/MCO.
3. To assure accurate processing of your claim please include the word "copayment" on your UB-92 claim form in field number 84, "remark".
4. Please note that when billing for copayment amounts, be sure to list the amount of the copayment in field number 55 on the claim. Do not include any other value in this field on the claim except the actual copayment amount.
5. Also, you must include the appropriate insurance payer code on your UB-92 claim form in the field number 50. Please use Medicare Payer Code 015 for outpatient claims with a Medicare HMO as the primary payer. Use Medicare Payer Code 011 for inpatient claims with a Medicare HMO as the primary payer, Medicare Payer Code 017 for professional component. And finally, use the appropriate TPL payer codes for the commercial HMO's.

If you have any questions in regard to this Newsletter please call Unisys Provider Services at 1-800-776-6334.

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(BLUE TAB MARKED "5")**