



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

NEWSLETTER

Vol. 11 No. 63

JULY 2001

TO: Providers of Partial Hospitalization (PH) Services

SUBJECT: **Billing Procedures and Prior Authorization (PA) Requirements for PH services**

EFFECTIVE: Claims with service dates on or after July 15, 2001

PURPOSE: To notify providers of PH services of changes in billing procedures and PA requirements for PH services provided to Medicaid and NJ FamilyCare fee-for-service beneficiaries.

BACKGROUND: N.J.A.C. 10:52-2.10 describes Medicaid and NJ FamilyCare FFS requirements for coverage of PH services. PH services are billed under Revenue Codes 912 (daytime) and 913 (evening). See Medicaid Newsletter Volume 9, No. 23, dated April 1999 for additional information.

On February 15, 2001, the Division of Medical Assistance and Health Services (DMAHS) broadened the application of PA for PH services to include Revenue Codes 910 to 919. This action was taken after experience indicated that hospital providers were billing independent outpatient mental health services as PH services under this range of Revenue Codes, and it became necessary to ensure that PH services were being provided when medically necessary.

Due to provider concerns, DMAHS is amending its PA procedures for PH services to be consistent with N.J.A.C. 10:52-2.10. In addition, DMAHS is announcing measures intended to ensure that hospital providers appropriately bill PH services under Revenue Codes 912 and 913.

ACTION: **Effective for PH claims with service dates on or after July 15, 2001**, the following changes shall apply:

- 1) Hospital providers shall bill daytime PH services and evening PH services to the Medicaid and NJ FamilyCare FFS programs using only Revenue Codes 912 and 913, respectively.

- 2) PA for PH services shall be required after the first ninety (90) days (not units) of initial treatment.
- 3) Consistent with N.J.A.C. 10:52-2.10(d), PA shall be required for a recipient's lifetime after ninety (90) days of initial treatment has been received from the same hospital provider.

Hospital providers with outstanding claims for independent outpatient mental health services with service dates on or after February 15, 2001, and prior to July 15, 2001, that do not require PA may be resubmitted for payment consideration. **Inappropriate claims for PH services must be re-billed using Revenue Codes 912 and 913.**

It is important to note that DMAHS intends to audit hospital claims for mental health services to determine if these services are medically necessary and appropriately billed to the Medicaid and NJ FamilyCare FFS programs. Claims for PH services paid under Revenue Codes other than 912 and 913 that comply with N.J.A.C. 10:52-2.10 shall be subject to recoupment by DMAHS.

If you have any questions concerning this Newsletter, please contact the Mental Health Unit, Office of Utilization Management, DMAHS, at (609) 588-2749.

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