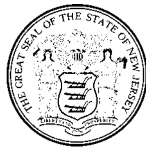

State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 13 No. 25 **May 2003**

TO: Medical Suppliers, Podiatrists, Prosthetic and Orthotic Providers - **For Action**
Health Maintenance Organizations **- For Information Only**

SUBJECT: **Changes in Billing Procedures for Orthotics and Shoes**

EFFECTIVE: Fee-for-service (FFS) claims with service dates on or after April 15, 2003

PURPOSE: To notify providers of changes to FFS billing procedures for orthotics and shoes. These changes are intended to expedite service delivery and enhance the review process used by the Division of Medical Assistance and Health Services (DMAHS) to monitor utilization of these services.

BACKGROUND: Current DMAHS policy requires medical suppliers and podiatrists to request prior authorization for orthotics and shoes. As part of the prior authorization process, decisions concerning medical necessity include careful consideration of the utilization of orthotics and/or shoes by a beneficiary. Authorization guidelines include (1) no more than four (4) orthotics or castings per year; and (2) no more than two (2) pairs of shoes per year. Exceptions to these guidelines do exist and are based on medical record review and special circumstances. Orthotics and shoes that exceed these thresholds will be considered for Medicaid coverage. These services must be submitted to the Division of Medical Assistance and Health Services using the appropriate Prior Authorization Request form.

Due to provider concerns regarding delays in processing prior authorization requests, DMAHS is changing its billing procedures for orthotics and shoes to expedite service delivery and implement a more effective utilization review process for these services.

ACTION: **Effective for claims with service dates on or after April 15, 2003,** the following changes in billing procedures shall apply to claims for orthotics and shoes:

1) HCPCS procedure codes L3001, L3002, L3003, L3010, L3020, L3030, L3040, L3050, L3060, L3070, L3080, L3090, L3215 through L3223, and L3201 through L3207 no longer require prior authorization when these services are provided for the following diagnosis codes:

343.0 to 343.9
707.0 to 707.9
711.0 to 712.9
715.0 to 722.9
724.0 to 728.9
730.0 to 737.9
754.2 to 754.79
755.0 to 755.39
755.6 to 755.69
756.1 to 756.19
756.8 to 756.89
892.0 to 897.7

- Claims submitted with an inappropriate diagnosis will be denied by Error Code 251, "Deny for Diagnosis." The prior authorization process can not be used to over-ride this payment denial.

- Effective immediately, all claims for orthotics and shoes will be subject to a post-payment review process to ensure the appropriate reporting of diagnosis code on claims. As part of this process, medical record documentation may be requested from providers to validate the diagnosis code reported on orthotics and shoe claims.

- **The reporting of an invalid diagnosis code on claims may result in recoupment of payments and further audit actions by the New Jersey Division of Medical Assistance and Health Services.**

2) Authorization guidelines currently used by the Division of Medical Assistance and Health Services to determine medical necessity for orthotics and shoes shall be applied by the New Jersey Medicaid Management Information System (NJMMIS).

- For procedure codes L3001 through L3003; L3010, L3020, L3030, L3040, L3050, L3060, L3070, L3080, and L3090, up to four (4) units of orthotics may be provided by the same provider to the same beneficiary during a twelve (12) month period.

- For procedure codes L3201 through L3207; L3215 through L3217; L3219, L3221, and L3222, up to two (2) units may be provided by the same provider to the same beneficiary during a twelve (12) month period.

- For procedure codes L3218 and L3223, up to four (4) units may be provided by the same provider to the same beneficiary during a twelve (12) month period.

- For procedure codes X4890 through X4892, up to four (4) units may be provided by the same provider to the same beneficiary during a twelve (12) month period.

- **Exceptions to these guidelines do exist and are based on medical record review and special circumstances. Orthotics and shoes that exceed the established thresholds will be considered for Medicaid coverage. Requests for coverage of these services must be submitted to the Division of Medical Assistance and Health Services using the appropriate Prior Authorization Request form.**

If you have any questions, please do not hesitate to contact the Office of Utilization Management, DMAHS, at (609) 588-2739.

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