



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

NEWSLETTER

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TO: Providers of Laboratory Services - For Action
Health Maintenance Organizations - For Information Only

SUBJECT: **Changes to Medicaid/NJ FamilyCare Fee-for-Service Policy and Billing Procedures for Laboratory Services**

EFFECTIVE: Immediately

PURPOSE: To notify providers of laboratory services of a change in Medicaid/NJ FamilyCare (NJFC) fee-for-service (FFS) policy and billing procedures that will allow a servicing laboratory within the same corporate structure as a billing laboratory to receive direct Medicaid/NJFC FFS reimbursement for covered laboratory services provided by the servicing laboratory.

BACKGROUND: Current Medicaid/NJFC FFS policy requires that only the provider of a Medicaid/NJFC-covered service shall receive payments from the State for services directly provided. Based on current policy, when a servicing laboratory provides a Medicaid/NJFC-covered laboratory service and that laboratory is within the same corporate structure as the billing laboratory, only the servicing laboratory shall bill Medicaid/NJFC directly for the covered laboratory service provided.

The purpose of this policy change is to allow a billing laboratory in the same corporate structure as a servicing laboratory, to bill Medicaid/NJFC directly for a covered laboratory service provided by the servicing laboratory.

ACTION: Effective Immediately, a billing laboratory within the same corporate structure as a servicing laboratory may bill the Medicaid/NJFC FFS program directly for any covered laboratory service provided by their servicing laboratory.

To ensure appropriate Medicaid/NJFC FFS payments, the billing laboratory must report the Medicaid provider number for the servicing laboratory on the CMS 1500 claim form.

When all reported laboratory services on the CMS 1500 claim form are provided by a servicing laboratory within the same corporate structure as a billing laboratory, the billing laboratory must report the Medicaid provider number of the servicing laboratory as the PIN # in Field 33 on the CMS 1500 claim form, or in Field Locator 33 in the electronic claim format.

When the CMS 1500 claim form includes a mix of laboratory services, some of which were provided by a servicing laboratory within the same corporate structure as a billing laboratory, the billing laboratory must report the Medicaid provider number of the servicing laboratory in Field 24K on the CMS 1500 claim form, or Field Locator 24K in the electronic claim format.

If you have any questions concerning this Newsletter, please contact the Chief Laboratory Consultant, at (609) 588-4610

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