



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

NEWSLETTER

Volume 13 No. 58

August 2003

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

SUBJECT: **Change in NJ FamilyCare/Medicaid Fee-for-Service Reimbursement for Ambulance Services Provided to Dually-Eligible Beneficiaries**

EFFECTIVE: Claims with service dates on or after July 8, 2003

PURPOSE: To notify providers of transportation services of a fee-for-service (FFS) policy change, in accordance with P.L 2003, c. 122, State Fiscal Year 2004 Appropriations Act, requiring NJ FamilyCare/Medicaid to reimburse providers of ambulance services provided to dually-eligible beneficiaries in the Medicaid FFS program the Medicaid fee allowance or the Medicare allowable amount, whichever is greater.

BACKGROUND: Currently, providers of transportation services are reimbursed the lower of the Medicaid fee schedule or the Medicare allowable amount for ambulance services provided to beneficiaries eligible for both Medicaid and Medicare (i.e. dual eligibles) coverage. Based on current policy, the Medicare payment, deductible and co-insurance amounts are compared to the Medicaid fee schedule to ensure that NJ FamilyCare/Medicaid FFS payments do not exceed the Medicaid fee allowance for the ambulance service provided.

In accordance with P.L 2003, c. 122, State Fiscal Year 2004 Appropriations Act, the New Jersey Division of Medical Assistance and Health Services is changing this policy to allow maximum payments for ambulance services provided to dually-eligible beneficiaries to not exceed the Medicare allowable amount for a covered ambulance service.

ACTION: Effective for claims with service dates on or after July 8, 2003, FFS reimbursement for ambulance services provided to dually-eligible beneficiaries shall be based on the Medicaid fee schedule or the Medicare allowable amount, whichever is greater. For dually-eligible beneficiaries, the maximum payment amount shall not exceed the Medicare allowable amount for a covered ambulance service. Based on the current Medicaid fee schedule for ambulance services, payments shall be based on the deductible or co-insurance amount calculated by Medicare.

Please be advised that the Division of Medical Assistance and Health Services will reprocess claims with service dates on or after July 8, 2003 that require adjustment to ensure payment based on this policy change. Providers will be advised further regarding when the adjustments will take place. Providers may also choose to submit adjustments for individual claims to request payments based on this policy change.

If you have any questions concerning this Newsletter, please do not hesitate to contact the Office of Utilization Management, at (609) 588-4485.

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