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# Newsletter

Volume 15 No. 10

August 2005

**TO:** Providers of Nursing Facility Services (NF), Hospice Providers-**For Action**

**SUBJECT:** **New Procedures for Applying PR-1 Deductions from NF and Hospice Claims**

**EFFECTIVE:** **Immediately**

**PURPOSE:** This Newsletter is intended to notify providers of nursing facility services and hospice providers of new procedures for deducting PR-1 amounts from NF and Hospice claims.

**BACKGROUND:** The PR-1 amount is calculated by county boards of social services upon admission of a Medicaid beneficiary to a nursing facility. The PR-1 is a budget built by the county for each beneficiary based on the beneficiary's income.

The PR-1 amount reflects the monthly financial obligation of each beneficiary for their nursing facility and hospice care. Medicaid requires that this amount be deducted from the cost of care which is performed during the processing of nursing facility and hospice claims. It is important to note that the PR-1 amount only applies to nursing facility room and board charges when hospice services are provided in a nursing facility.

The PR-1 amount is applied by nursing facilities within the scope of their turn-around (TAD) document. For hospice patients residing in nursing facilities, the PR-1 amount also applies and the hospice provider is responsible for deducting this amount on their hospice claim form.

This Newsletter will notify NF and hospice providers of changes in the Medicaid Management Information System (MMIS) designed to automatically deduct and exhaust any outstanding PR-1 amount on NF and hospice claims.

**ACTION:** Effective immediately, a PR-1 table maintained in the MMIS will be referenced during claims processing to determine the PR-1 amount to be deducted from NF and hospice claims during claims processing.

- Nursing facilities will continue to report PR-1 amounts on the TAD. **Error Code 0521** will post (for information only) to a hospice claim when no record of a nursing facility recipient is found in the State's files.
- Hospice providers will continue to bill for nursing facility room and board using the CMS 1500 claim form.
- PR-1 amounts not exhausted by NF costs will be applied to hospice claims for beneficiaries receiving hospice care in a nursing facility. **Error Code 0531** will post (for information only) to a hospice claim when no record of a PR-1 amount is found during claims processing.
- The monthly PR-1 amount must be applied and exhausted for all NF and hospice services provided to a beneficiary during a calendar month.
- Providers of hospice services must not span calendar months when reporting dates of service. The month and year for "service from" and "service thru" dates reported on claims must be the same. When the claim spans calendar months, **Error Code 0113**, "Claim spans months" will post causing the provider to receive a Claims Correction Form (CCF) or a denial for HIPAA hospice claims.
- Providers may experience only partial deductions of PR-1 amounts from NF and hospice claims.

The PR-1 amount will be deducted from the first claim received by Unisys for a calendar month. If a hospice claim for services provided in a NF is received first by Unisys, the PR-1 amount will be applied to the fullest extent possible. Any outstanding PR-1 amount for the calendar month will then be applied to the NF claim for the same calendar month.

- When the PR-1 amount is only partially deducted from a NF or hospice claim, **Error Code 1611** will post (for information only), indicating "Partial PR-1 deduction applied." Also, **Error Code 0915** will post (for information only) indicating "Multiple LTC claims were processed same month and year."
- Nursing facilities may report a Patient Payment Amount (PPA) on the TAD. The PR-1 amount is a component of the PPA. When deducting the amount of the beneficiary's financial obligation from claim payments, the PPA will be compared with the PR-1 amount to determine any additional deduction to be applied beyond the PR-1 amount. This additional deduction will be applied to claims after the PR-1 amount has been exhausted.

For example, assuming the PPA is \$300 and the PR-1 amount is \$100, the additional deduction from claim payments would be \$200. If the \$100 was already exhausted, reducing a \$900 NF claim payment to \$800, the additional deduction of \$200 would be applied, further reducing the NF claim payment to \$600. When the PPA is only partially deducted from an NF claim, **Error Code 1612** will post (for information only) indicating "Partial patient payment amount applied."

- **When hospice claim payments are reduced by the PR-1 amount, responsibility for requesting payment of the PR-1 amount from the nursing facility rests with the hospice provider.**
- **Hospice providers should not report any PR-1 amounts in the Third Party Liability (TPL) field on the hospice claim. Use of the TPL field is reserved for payments received from other insurance.**

If you have any questions regarding this Newsletter, please do not hesitate to contact Maribeth Robenolt, Office of Provider Relations, (609) 588-2739.

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB  
(BLUE TAB MARKED "5")**

**New Jersey Department of Health and Senior Services  
STATEMENT OF AVAILABLE INCOME FOR MEDICAID PAYMENT**

HSP (Medicaid) CASE NUMBER \_\_\_\_\_

LAST \_\_\_\_\_

FIRST \_\_\_\_\_

ELIG. EFF. DATE \_\_\_\_\_

PRINT DATE \_\_\_\_\_

SSA No.: \_\_\_\_\_

Redetermination Date: \_\_\_\_\_  
MM/YY

COUNTY CODE \_\_\_\_\_

Long-Term Care Facility: \_\_\_\_\_

Address: \_\_\_\_\_

LTCF Provider No. \_\_\_\_\_

	LTCF	#1	#2	#3	Remarks
Effective Date					Admit, Charge, Redetermination
Social Security Income					Claim #
Buy-In Amount					HIC #
Gross Social Security Benefit					
Railroad/Veteran					Claim #
Pension/Other Benefit					Specify
Indemnity					Specify
Total Other Income					Spouse's S.S.A.#
Total Gross Income					M= Married couple same LTCF N= Medically Needy F= Foreign Pension G= VA A+A P= VA Improved Pension
PNA					
Health Premium (Total \$)					*Policy #
Other					Specify
Maint./Home					Specify
Month of Adm./Disch. Exempt					Specify
Med. Needy Spend Down					Specify
Maint./Spouse Dependent					Specify
Discretionary Income					Specify
Total Exempt Income					
Available Income					R= Representative Payee
Resources Circle One Yes No	SPECIFY (i.e., address)				Additional Health Insurance Policy #s

Name and Address of Representative Payee: \_\_\_\_\_

Signature: \_\_\_\_\_ IM Worker: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

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