



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

NEWSLETTER

Volume 15 No. 14

September 2005

TO: Hospitals - Chief Financial Officers of New Jersey Acute Care Hospitals - For Action
Route to: Patient Account Managers and Medical Records.

SUBJECT: DRG Assignment and Trauma/TPL Claims Audits

EFFECTIVE: Immediately

PURPOSE: To notify hospital providers of compliance requirements regarding planned DRG assignment and trauma/TPL claims audits

BACKGROUND: Horizon Blue Cross Blue Shield of New Jersey (BCBSNJ) has been awarded the State contract to perform audits for DRG assignment and trauma/TPL claims. The contract period is from August 1, 2004 through July 31, 2007.

For DRG assignment claims, all New Jersey acute care hospitals will be audited at least once a year. Twenty percent (20%) of all Medicaid fee-for-service paid claims will be audited on-site. All hospitals will be notified in advance by BCBSNJ of the specific claims to be audited and the date the audit will be performed.

For trauma/TPL claims, all New Jersey acute care hospitals will be audited at least once a year. One hundred percent (100%) of all TPL Medicaid fee-for-service paid claims will be audited on-site.

ACTION: Items that hospitals **must** make available to the BCBSNJ auditor at the time of a DRG assignment audit shall include, but shall not be limited to:

- 1) Complete Medical Record;
- 2) UB-92;
- 3) Medicaid Remittance Advice;
- 4) Third Party Payer Explanation of Benefits (E.O.B.) information;
- 5) Liability information; and
- 6) U.R. Certificate Slip.

All information, with the exception of the Complete Medical Record, shall be copied by the hospital prior to the audit and shall be ready for the auditor at the beginning of the audit. Parts of the Complete Medical Record may need to be copied at the end of the audit. BCBSNJ will identify these parts of the Complete Medical Record at the time of the audit.

At the time of a DRG assignment audit, BCBSNJ will present information, on a Preliminary Results form, to the hospital representatives regarding all claims in which the DRG assignment and/or payment should be changed. **The hospital must respond to BCBSNJ concerning these claim changes within the time period stated on the Preliminary Results form (usually 30 days).** If the hospital does not respond within the required time period, BCBSNJ will forward the claims to the Division of Medical Assistance and Health Services (Division) to be adjusted or voided.

Items that hospitals **must** make available to the BCBSNJ auditor at the time of a trauma/TPL claims audit shall include, but shall not be limited to:

- 1) Complete Medical Record;
- 2) UB-92;
- 3) Medicaid Remittance Advice;
- 4) Third Party Payer Explanation of Benefits (E.O.B.) information and Explanation of Medicare Benefits (E.O.M.B.) information; and
- 5) Liability information.

All information, with the exception of the Complete Medical Record, shall be copied by the hospital prior to the audit and shall be ready for the auditor at the beginning of the audit. Parts of the Complete Medical Record may need to be copied at the end of the audit. BCBSNJ will identify these parts of the Complete Medical Record at the time of the audit.

At the time of a trauma/TPL claims audit, BCBSNJ will present claims that will be sent to the Division for Third Party Investigation. No response will be required from the hospital, unless additional information is needed.

If you have any questions concerning this Newsletter, please contact Hospital Reimbursement Services at (609) 588-2693.

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(BLUE TAB MARKED "5")**