



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

# NEWSLETTER

Volume 19 No. 56

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**TO:** Hospitals and Home Health Providers – Chief Financial Officers,  
 Route to – Patient Account Managers, Billers and Medical  
 Records

**SUBJECT:** Claim Completion and Reimbursement of NJ Medicaid / NJ  
 FamilyCare Secondary Claims

**EFFECTIVE:** Immediately

**PURPOSE:** To clarify billing procedures and reimbursement for Medicare/NJ  
 Medicaid, NJ FamilyCare and Third Party Liability (TPL)/NJ Medicaid,  
 NJ FamilyCare claims.

**BACKGROUND:** The Division has revised the claim completion and reimbursement for  
 Inpatient and Outpatient Hospital claims where New Jersey Medicaid / New Jersey Family  
 Care are not the primary payer. Reimbursement for these claims will be made at the lesser  
 of Medicaid allowed amount minus the prior payments or the patient liability (Deductible,  
 Coinsurance, Co-Pay and / or Non-Covered charges).

**ACTION:** For submission of claims to NJ Medicaid / NJ FamilyCare where NJ  
 Medicaid / NJ FamilyCare are not the primary payer the following values must be used to  
 ensure accurate reimbursement.

**NOTE:** The alpha portion of the values listed e.g.: A, B, C corresponds to the  
 line on which the payer is listed in form locator 50.

## Claim Completion

When billing NJ Medicaid/NJ FamilyCare for Medicare Deductible, Coinsurance and/or Co-  
 pay the following values must be used in form locators 39, A, B, C, D thru 41 A, B, C, D.

A1	Cash Deductible	A2	Coinsurance	A7	Co-Pay
B1	Cash Deductible	B2	Coinsurance	B7	Co-Pay
C1	Cash Deductible	C2	Coinsurance	C7	Co-Pay

For claims where Medicare benefits have been exhausted the following values must be  
 used in the occurrence code field (form locators 31 A and B thru 34 A and B) along with  
 the date when the benefits exhausted.

A3	Benefits Exhausted
B3	Benefits Exhausted
C3	Benefits Exhausted

Exhausted benefits occurrence code also requires non-covered charges and value codes in form locators 39 - 41 A, B, C or D.

- A3 Non-covered charges
- B3 Non-covered charges
- C3 Non-covered charges

When billing NJ Medicaid/NJ FamilyCare for Third Party Deductible, Coinsurance and/or co-pay the following values must be used in form locators 39 A,B,C,D thru 41 A,B,C,D

- |    |            |    |             |    |        |
|----|------------|----|-------------|----|--------|
| A1 | Deductible | A2 | Coinsurance | A7 | Co-pay |
| B1 | Deductible | B2 | Coinsurance | B7 | Co-pay |
| C1 | Deductible | C2 | Coinsurance | C7 | Co-pay |

For Medicare replacement plans (Medicare Managed Care) providers are instructed to use payer code "082".

All prior payments must be listed in form locator 54 on the UB-04 claim form.

Reimbursement

Reimbursement of Medicare/NJ Medicaid, NJ FamilyCare and Third Party Liability (TPL)/NJ Medicaid, NJ FamilyCare will be made at the lesser of Medicaid allowed amount minus prior payments or patient liability (Deductible, Coinsurance, Co-pay and/or non-covered charges).

**Note:** On inpatient claims where Medicare part "A" benefits exhaust, part "B" covered charges are subtracted from the part "A" patient liability prior to the lesser of calculation.

**RETAIN THIS NEWSLETTER FOR FUTURE REFERENCE**