

To: All Providers except Long-Term Care Facilities

Subject: Medicaid Payment Advances During January 1992

The Division of Medical Assistance and Health Services (DMAHS) has been carefully monitoring the implementation of the new Medicaid Management Information System (MMIS). While significant progress has been made in the first 6 weeks of operation, considering the enormous scope and complexity of the undertaking, inevitable start-up problems persist. Those problems related to the new MMIS are being promptly addressed by Unisys and the Division.

Providers are also reminded to adhere to all new billing procedures. Many claims could be processed on a more timely basis if those procedures are carefully followed. A newsletter describing the most common provider billing errors will be issued shortly.

As a result of these transition related problems, reimbursement to many Medicaid providers has been significantly impacted during this early implementation period. In recognition of the need to assure adequate cash flow to providers while corrective actions are being implemented, the Division is announcing a temporary plan for interim payments to providers who receive substantial routine payments.

To ensure that providers continue to receive adequate revenues, consistent with claims payments received prior to the transition, the Division has instructed Unisys to provide interim payments during January 1992. The estimated dates that the funds will be received are as follow:

January 17, 1992: Payment advance amounting to two (2) weeks' average payment level will be issued to the providers addressed in this announcement.\* This interim payment will be reflected as a financial transaction on your remittance advice and will be included in your regular claims payment from Unisys.

\*Providers of medical supplies and equipment will receive a different special

January 24, 1992: Payment advance amounting to one (1) week's average payment level will be issued to all providers addressed in this announcement.

January 31, 1992: Payment advance amounting to one (1) week's average payment level will be issued to all providers addressed in this announcement.

Recovery of these interim payments will commence four weeks after issuance of such payments. Recapture shall be limited to 10% of approved payments for each advance. For most providers, thus, claims payments from Unisys will be reduced by 10% beginning with the February 14 claims payment. The withholding level will increase to a cumulative total of 30% by February 28. Recoveries will continue until each advance is repaid.

Additional measures are also being taken to improve services to providers. Changes have been made to the telephone system at Unisys to improve response time to provider inquiries. Providers who have questions concerning billing may also address them in writing to: Providers Services, Unisys, CN 4801, Trenton, NJ 08650. Each inquiry will be personally responded to by either Unisys or State staff.

The Division is undertaking this initiative to help providers meet their financial requirements and to assure that services continue to be available to our Medicaid and PAAD recipients. Your patience and support during this difficult transition is appreciated. Please be assured that the State and Unisys are working diligently to iron out the start-up problems. Your diligent efforts to adhere to all new billing procedures are required, however, to assure the successful completion of this transition.