

TO: Anesthesiologists

SUBJECT: Medicaid Billing Instructions - Anesthesiology Services

EFFECTIVE: Immediately

BACKGROUND: The New Jersey Medicaid program reimburses anesthesiologists for anesthesia the anesthesia is administered.

ACTION: This is an IMPORTANT NEWSLETTER. Please read it carefully as it describes

1. The New Jersey Medicaid program requires that anesthesia services be billed on the 1500 N.J. claim form.
2. Claim forms must be completed as described in the Fiscal Agent Billing Supplement.
3. The use of a HCPCS procedure code for which there has been assigned anesthesia base unit(s) (ABU), requires that the AA modifier be utilized to allow your claim to be processed to adjudication. Enter the HCPCS procedure code and the AA modifier on the 1500 N.J. claim form in field 24D "PROCEDURE CODE".
4. For New Jersey Medicaid program purposes, an AA modifier may be utilized for either of the following two circumstances:
  - a) The services are performed by an anesthesiologist, or
  - b) The services are performed by a Certified Nurse-Anesthetist (CRNA), personally and directly supervised by an anesthesiologist. (Please refer to the Physicians Services Manual, Subchapter 4. HCPCS (10:54-4.1(d)3.v. under ANESTHESIA)
5. The anesthesia time is to be converted into units by the anesthesiologist. The number of unit(s) is to be entered in field 24E "DAYS OR UNITS" of the 1500 N.J. claim form. Each fifteen (15) minute increment of anesthesia time is equal to one (1) unit.
6. The anesthesia base units assigned to the HCPCS procedure code on the NJMMIS file will be automatically added to the number of units entered by the anesthesiologist in field 24F at the time your claim is processed. The total of ABUs plus the number of units in field 24F will be multiplied by the Medicaid fee per unit for the total Medicaid allowance. Do

not add anesthesia base unit to the units of services reported in field 24F.

7. Reimbursement for anesthesia services administered during a multiple surgery operative session is calculated by using the ABUs of the surgery with the highest anesthesia base units. The procedure with the highest base unit value should be used when billing anesthesia allowance.
8. Currently, the New Jersey Medicaid Management Information System (NJMMIS) does not recognize the CPT-4 anesthesia codes (00100 - 01999) as valid on the NJMMIS procedure code file. Therefore, claims submitted using these anesthesia codes, including automatic cross-over claims from the Medicare Carrier, will be suspended or denied. However, please be assured that the claims will be processed if a new 1500 N.J. claim form (as distinguished from the HCFA 1500 presently submitted to Medicare) is prepared as per the instruction in item #3 and directly submitted to the fiscal agent with the Explanation of Medicare Benefits (EOMB) Notice attached.

NOTE: The following HCPCS procedure codes do not require the AA modifier when the professional services are rendered by the anesthesiologist:

|       |       |       |       |       |        |
|-------|-------|-------|-------|-------|--------|
| 20500 | 36489 | 62280 | 62294 | 64418 | 64445  |
| 20501 | 36490 | 62281 | 64400 | 64420 | 64450  |
| 20550 | 36491 | 62282 | 64402 | 64421 | 64505  |
| 20600 | 62273 | 62284 | 64405 | 64425 | 64508  |
| 20605 | 62274 | 62287 | 64408 | 64430 | 64510  |
| 20610 | 62275 | 62288 | 64410 | 64435 | 64520  |
| 20615 | 62276 | 62289 | 64412 | 64440 | 64530  |
| 31500 | 62277 | 62290 | 64413 | 64441 | 99291* |
| 36415 | 62278 | 62291 | 64415 | 64442 | 99292* |
| 36488 | 62279 | 62292 | 64417 | 64443 |        |

Advice                   \*These HCPCS procedure codes were not listed in the Remittance message previously sent to anesthesiologists.

Please contact the Division of Medical Assistance and Health Services, Office of Medical Director, at (609) 588-2721, if you have any questions regarding this Newsletter.