



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

NEWSLETTER

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TO: Physicians, Podiatrists, Nurse Practitioners, Midwives, Dentists, Medical Suppliers, Providers of Prosthetic and Orthotic, Vision Care and Transportation Services – **For Action**
 Health Maintenance Organizations – **For Information Only**

SUBJECT: (1) Reporting of “Patient Responsibility Amount” on Paper/WEB Healthcare Claims
 (2) Clarification of Medicaid/NJ FamilyCare Cost Sharing Responsibilities for Claims Eligible for Medicare or Other Insurance Payments

EFFECTIVE: Immediately

PURPOSE: To notify providers of professional services of (1) a change in billing procedures for reporting the “patient responsibility amount” on hard-copy or paper healthcare claims; and (2) a change to Medicaid/New Jersey FamilyCare (NJFC) cost sharing responsibilities for beneficiaries receiving healthcare benefits from Medicare HMO or other insurance.

BACKGROUND: The Medicaid Newsletter Volume 11, Number 47, dated June 2001, instructed providers regarding the reporting of “cost sharing copayment charges” for beneficiaries eligible to receive healthcare benefits under Medicare or other insurance plans. Providers were instructed to report (1) the term “copayment” on the claim; (2) the copayment amount in the “Charge” field; (3) the insurance carrier code; and (4) the “Explanation of Benefits.” Medicaid/New Jersey FamilyCare assumes cost sharing responsibilities for beneficiaries receiving healthcare benefits from Medicare HMO or other insurance. Copayments, co-insurance and/or deductibles are recognized as “patient responsibility amounts.”

ACTION:

1. **Effective immediately**, providers are required to report the “patient’s responsibility amount” at the following claim locations on hard-copy or paper claims or WEB:

Provider Type	Claim Form	Location
Physician, Podiatry, Nurse Practitioner, Midwife, Prosthetic & Orthotic & Medical Supply	CMS 1500	Block 19
Dentists	ADA Form	Block 35
Vision Care	MC-9	Block 19
Transportation	MC-12	Block 18

Important Reminders

- Providers should continue to report the “Other Insurance Payment” in the appropriate Field on the claim form (Physician, Podiatry, Nurse Practitioner, Midwife, Prosthetic & Orthotic, Medical Supply, Vision Care Providers: Block 29; Dentists: Block 35; and Transportation Providers: Block 21).
- Providers should no longer report the “patient responsibility amount” as their “claim charge” or “fee” as reported on the ADA claim form. Providers are required to report their usual and customary charge to the general public in the “Charge” field.
- In addition to reporting the “patient’s responsibility amount, an “Explanation of Benefits” from the other insurance must be attached to the paper claim. Claims with a “patient responsibility amount” may also be submitted via the WEB.
- Providers should no longer report the term “copayment” on the claim form.
- Providers should continue to report the appropriate Insurance Carrier Code on the claim form. Billing an incorrect carrier code may deny payments.

For providers submitting HIPAA 837 institutional claims, the “Coordination of Benefits (COB) Patient Responsibility Amount” must be entered in LOOP 2320 (Other Subscriber Information) with the appropriate qualifier in Field CAS02.

2. Medicaid/NJ FamilyCare cost sharing responsibilities for healthcare claims paid by Medicare HMO or other insurance **shall not exceed the lower of** (1) the Medicaid/NJ FamilyCare Payment Amount less any payments from Medicare HMO or other insurance; or (2) the patient responsibility amount calculated by Medicare HMO or the other insurer up to Medicaid allowable payment.

It is important to note that the claim form submitted to other insurance for payment may include multiple service lines. Each service line is considered a “claim.” In those instances where the other insurance reports an aggregate payment amount for all approved services, the State will continue to “spend down” the aggregate insurance payment and determine that portion of the patient responsibility amount to be paid by the State for each of the service lines reported in the claim form.

In situations where other insurance payments and/or the patient responsibility amount exceed the State’s payment responsibility for the claim form, one or more claims billed on the claim form will be paid at “zero.”

For information regarding electronic of adjustments, providers should consult the 837 Companion Guide, found at <https://www.njmmis.com/downloadDocuments/hipaaCompanionGuide.pdf>. For information regarding paper adjustments may be found at www.njmmis.com.

If changes to the insurance information on file with the State of New Jersey are required, the provider or beneficiary may contact the Office of the State Comptroller, Medicaid Fraud Division, Third Party Liability (TPL) Unit at (609) 826-4702 or (609) 826-4840. Also, hearing-impaired individuals may contact the TPL Unit by calling (609) 777-2753.

If you have any questions regarding this Newsletter, please contact Molina Medicaid Solutions (formerly Unisys) Provider Services at 1-800-776-6334.

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