



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

NEWSLETTER

Volume 21 No. 31

December 2011

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 for inpatient hospital stays

EFFECTIVE: Immediately

PURPOSE: This Newsletter replaces Newsletter Volume 19, Number 56, published November 2009. To clarify billing procedures and reimbursement guidelines for Medicare/NJMedicaid, NJ FamilyCare and Third Party Liability (TPL)/NJ Medicaid, NJ FamilyCare claims.

BACKGROUND: The Division has revised the claim completion and reimbursement guidelines for Inpatient and Outpatient Hospital claims where New Jersey Medicaid / New Jersey FamilyCare 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, **exhausted** and / or Non-Covered charges). **The Division will consider supplemental payment of these claims only where the provider has demonstrated that every effort to maximize the primary insurance benefit has been made.**

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 **or Medicare Managed Care** 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, **Medicare managed care** benefits have been exhausted **or the service is not covered**, 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 **or charges were otherwise not covered**.

A3 Benefits Exhausted/**non-covered charges**

B3 Benefits Exhausted/**non-covered charges**

C3 Benefits Exhausted/**non-covered charges**

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

D3 – Patient Estimated Responsibility – The final patient responsibility after all primary payers have remitted payment as reported on the primary payer EOBs.

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.

When billing NJ Medicaid/NJ FamilyCare for Commercial TPL 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 the commercial TPL benefits have been exhausted **or the service is not covered**, 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 **or charges were otherwise not covered**.

A3 Benefits Exhausted/**non-covered charges**

B3 Benefits Exhausted/**non-covered charges**

C3 Benefits Exhausted/**non-covered charges**

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

D3 – Patient Estimated Responsibility- The final patient responsibility after all primary payers have remitted payment as reported on the primary payer EOBs.

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

A TPL By-pass Letter must be obtained and attached to hard copy claims where the primary insurance denies charges as ‘not covered’ or ‘not medically necessary’.

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 **or commercial TPL contract allowed** amount minus prior payments or patient liability (Deductible, Coinsurance, Co-pay, **exhausted** and/or non-covered charges).

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.

All claims submitted with value code 'D3' will be pended for review of the exhausted or non-covered charges.

All inquiries regarding claims that are pending for review of exhausted or non-covered charges, that have been paid an unexpected amount as a secondary claim or require a TPL By-pass letter attached should be directed to the Office of the State Comptroller, Bureau of Third Party Liability at 609-826-4718.

RETAIN THIS NEWSLETTER FOR FUTURE REFERENCE