



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

# NEWSLETTER

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**TO:** Physicians – **For Action**  
Health Maintenance Organizations – **For Information Only**

**SUBJECT:** **Review of Billing Procedures for Anesthesia Services**

**EFFECTIVE:** Immediately

**PURPOSE:** To review billing procedures for anesthesia services provided to NJ FamilyCare (NJFC)/Medicaid fee-for-service (FFS) beneficiaries.

**BACKGROUND:** Anesthesiologists receive reimbursement for anesthesia services provided to NJFC/Medicaid FFS beneficiaries based on anesthesia base units or ABUs assigned to an anesthesia procedure code and modifier 'AA' and the actual **Anesthesia Time**.

The actual **Anesthesia Time** is counted from the moment that the practitioner, having completed the pre-operative evaluation, starts an intravenous line, places monitors, administers pre-anesthesia sedation, or otherwise physically begins to prepare the patient for anesthesia. The **Anesthesia Time** continues throughout the case and while the practitioner accompanies the patient to the Post-Anesthesia Recovery Unit (PARU). The **Anesthesia Time** stops when the practitioner releases the patient to the care of the PARU personnel.

For anesthesia administered during labor, the **Anesthesia Time** reported is related to the actual labor time which begins upon insertion of the catheter for epidural or spinal anesthesia.

This Newsletter is intended to emphasize the billing procedures for requesting payment of anesthesia services. The New Jersey Division of Medical Assistance and Health Services (DMAHS) is concerned that claims for anesthesia services are being overpaid due to misreporting of "**Anesthesia Time**" on anesthesia claims. Providers should be aware of State's intentions to monitor payment of these claims through a medical record review process.

**ACTION:**

**Direct Data Entry (DDE) Claims**

The Anesthesia Base Unit (ABU) value assigned to a HCPCS procedure code by DMAHS is **automatically added** to the number of units entered by the anesthesiologist in Field 24G on the DDE screen when submitting an anesthesia claim. The ABU value

**plus** the number of units entered in Field 24G are multiplied by the Medicaid Fee Allowance per unit to determine the NJFC/Medicaid payment amount.

The units entered in Field 24G represent the actual **Anesthesia Time** provided a patient by an anesthesiologist.

**Do not include the ABU value for the billed procedure code in Field 24G. The reporting of an ABU value in Field 24G shall cause a claim to be overpaid.**

The **Anesthesia Time** must be reported in fifteen (15) minute increments. For example, an **Anesthesia Time** of 2 hours and 45 minutes must be reported as 11 units (2 hours and 45 minutes = 165 minutes/15 = 11 units) in **Field 24G**. In this example, 11 units are reported in **Field 24G**. The claims system will automatically add the appropriate ABU value to the units reported in Field 24G and the total payment will equal the number of units reported in **Field 24G** plus the ABU value X the Medicaid Fee Allowance per unit for a specialist or non-specialist.

#### **Electronic Claims (837/HIPAA - 5010 Transactions)**

The Anesthesia Base Unit (ABU) value assigned to a HCPCS procedure code by DMAHS is **automatically added** to the **number of minutes** entered by the anesthesiologist in Field SV104 in Loop 2400 of the 5010 Transaction. The ABU value **plus** the **number of minutes** entered in Field SV104 will be multiplied by the Medicaid Fee Allowance per unit to determine the total Medicaid payment. **Providers must also report in Field SV103 in Loop 2400 the value 'MJ' to denote 'minutes' being reported in Field SV104.**

**Do not include the ABU value for the billed procedure code in Field SV104. The reporting of an ABU value in Field SV104 shall cause a claim to be overpaid.**

**When submitting electronic claims, DO NOT report Anesthesia Time in fifteen (15) minute increments. ONLY REPORT in Field SV104 the Anesthesia Time IN MINUTES, NOT 15-MINUTE INCREMENTS.**

**It is important to note that overpayments for claims that misreport the Anesthesia Time may be subject to recapture by DMAHS.**

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

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