

TO: Medical Suppliers

SUBJECT: Reconciliation of Downgraded Medicare/Medicaid Claims

EFFECTIVE: Immediately

BACKGROUND: In certain situations, prior authorizations for medical equipment, such as m billed claim to a lower equipment level (for example, an electric hospital bed to a manual bed) may result in lower payments of these claims by the Medicaid program. The Medicaid claim adjustment procedure currently available to medical suppliers does not administratively accommodate a supplier's request for payment reconsideration.

ACTION: In order for medical suppliers to reconcile Medicare/Medicaid claim downgrades, the billing procedure described below must be used by medical suppliers to request payment reconsideration of these claims.

1. Complete the 1500 N.J. claim form (Health Insurance Claim Form) as described in the Fiscal Agent Billing Supplement.
2. Place the HCFA Common Procedure Coding System (HCPCS) code, X0003, and narrative, "Reconciliation of Downgraded Claim" in Field 24D, Procedure Code and Narrative Description, of the 1500 N.J. claim form. Do not enter the procedure code that was originally billed to Medicare.
3. Indicate the provider's usual and customary charge for the medical equipment in Field 24G, "Charge", of the 1500 N.J. claim form.
4. On claims for Garden State Health Plan members, include the physician case manager's prior authorization number in block 34 of the 1500 N.J. claim form.
5. Attach the following items to the 1500 N.J. claim form:
  - a. A copy of the Medicare "Explanation of Benefits" (EOB) statement which indicates the amount of Medicare payment towards the claim(s) to be reconsidered for payment.
  - b. A copy of the Medicaid Remittance Advice (RA) statement indicating previous Medicaid reimbursement for the claim under reconsideration.

- c. Evidence of prior authorization by the Medicaid District Office.
  - d. Invoice or price list if item being reconsidered is "B.R." (By Report).
6. Submit all reconciliation of downgraded Medicare/Medicaid claims to:

Paramax/Unisys Corporation  
CN 4808  
Trenton, NJ 08650

Attention: Department A

NOTE: Any Medicare/Medicaid claim received by Paramax/Unisys for payment reconsideration without all necessary pricing and Medicare payment documentation will be denied reconsideration and will delay proper payment to medical suppliers.

If you have any questions regarding this newsletter, please contact the Chief Pharmacy Consultant at (609) 588-2724.

RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB  
(BLUE TAB MARKED "5")