

TO: Chief Executive Officer - Hospitals

APPLICABLE TO: HOSPITALS REIMBURSED THROUGH THE DRG METHODOLOGY ONLY

(ROUTE TO: Accounting, Billing and Finance Offices)

SUBJECT: Medicaid Reimbursement for Hospital Inpatient Claims
Involving Other Insurance Resources

EFFECTIVE: For Claims with Discharges On or After June 1, 1993

BACKGROUND: The Division of Medical Assistance and Health Services
DRG policies and procedures are contained in N.J.A.C. 10:52-5 through 9.

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ACTION: Hospital inpatient claims which involve MEDICAID as other than primary payer are subject to reimbursement in accordance with "other insurance distribution principles." When MEDICAID is other than primary payer (sole payer), the combined payments from all other payers, including MEDICARE, plus any payment by Medicaid as other than primary payer, cannot exceed what Medicaid would have paid in the absence of other insurance.

Prorating of hospital inpatient claims to determine MEDICAID's payment as a percentage of the total charges will be discontinued for discharges on or after June 1, 1993. Reimbursement will be calculated on the basis of what MEDICAID would have paid in the absence of other insurance minus all other insurance payments, including MEDICARE, to determine MEDICAID'S payment.

INSTRUCTIONS FOR BILLING:

When completing the UB-82 claim form, use the following instructions:

- (a) FIELD 53 - (TOTAL CHARGES)
Enter the amount charged for each revenue center code listed on the UB-82 claim form. The last entry must be the TOTAL CHARGES (Revenue Center Code 001).

- (b) FIELD 54, 55, and 56 - (UNLABELED)
Enter the charges covered by each payer. Charges in these fields must be entered in the order in which the PAYER CODES are entered in FIELD 57 A, B, and C.

- (c) FIELD 57 A, B, and C - (PAYER)
Enter the PAYER CODE on the UB-82 claim form in FIELD 57 A, B, and C respective to the payer's covered charges entered in FIELD 54, 55, and 56, as follows:
 - Primary payer - Field 54/Field 57A
 - Secondary payer - Field 55/Field 57B
 - Tertiary payer - Field 56/Field 57C

- (d) FIELD 63 A, B, and C - (PRIOR PAYMENTS)
Enter the amounts already paid by all health insurance payers, including any payment made by MEDICARE on the line respective to the payer.

- (e) If more than three payers are involved, submit a second claim form (UB-82) and complete the second claim form in its entirety. Staple the first and second claims together and include all Explanation of Benefits (EOB) statements and other MEDICAID required attachments. Claims with more than three payers must be mailed to:

Paramax/Unisys
CN 4801
Trenton, New Jersey 08650-4801

Garden State Health Plan policies and procedures will remain in effect.

Please direct any questions to the Medicaid fiscal agent, Paramax/Unisys, Provider Services Unit at 1-800-776-6334.

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