

TO: Chief Executive Officer - Hospitals

(ROUTE TO: Accounting, Finance and Billing Offices)

SUBJECT: Medicaid Reimbursement Policy: UB-82 Payer 017 (Title XVIII)

EFFECTIVE: For inpatient hospital claims with dates of discharge on and

PURPOSE: To clarify the policy of the New Jersey Medicaid program provided to a dually eligible Medicare/Medicaid individual in the hospital's inpatient or outpatient setting. Payer Code 017 is used to identify the deductible and/or coinsurance liability to be considered for reimbursement by MEDICAID.

BACKGROUND: Under current MEDICARE policy, professional component services provided by physicians (M.D. or D.O.) who are compensated by the hospital must be billed by the hospital to the Medicare Part B Carrier, not to the Medicare Part A Intermediary. Hospitals use the HCFA-1500 claim form and HCPCS procedure codes when billing the Carrier, Pennsylvania Blue Shield, which reimburses the hospital directly for these professional component services provided by physicians. The Carrier may apply a deductible and/or coinsurance liability to these claims. The hospital may then pursue reimbursement from Medicaid for the professional component deductible and coinsurance. Under current MEDICAID policy, MEDICAID may consider reimbursement to the hospital for the professional component deductible or coinsurance.

ACTION: In order for MEDICAID to consider reimbursing a hospital for the professional component deductible and/or coinsurance applied by the Medicare Carrier:

1. The hospital must submit its claim for the applied professional component deductible/coinsurance on a hard-copy, UB-82 (HCFA-1450) claim form.

2. Hospitals must submit claims for deductible(s) and/or coinsurance(s) with Payer Codes 011, 015, and/or 017 on one UB-82 claim form in order to avoid potential duplicate claim denial.
3. All appropriate attachments including Medicare Part B, Explanation of Medicare Benefits (EOMBs) must be attached to the claim form.
4. Payer Code 017 must be entered in FIELD 57A or B or C in
5. The deductible applied by Medicare Part B must be entered in FIELD 60A or B or C; the coinsurance applied by Medicare Part B must be entered in FIELD 61A or B or C, respective to the line on which Payer Code 017 appears in FIELD 57.
6. For any claim previously denied for error codes 983 or 986 which reflected Payer Code 017, providers must resubmit the claim according to the instructions in Items 2 through 5 above.
7. For those claims previously paid, but for which the deductible and/or coinsurance associated with Payer Code 017 was not billed, providers must submit an FD-999 (Adjustment Request Form) and attach to it:
  - a) A newly completed UB-82 claim form;
  - b) Explanation of Medicare Benefits (EOMB) for Part B Phy-
  - c) The Medicaid Remittance Advice on which the previously paid claim appeared.
8. In the event providers are billing Medicaid for claims with more than three payers identified on the claim form, a second claim form, completed in its entirety, must be stapled to the first claim form along with all required attachments.

NOTE: Hospitals are precluded from being reimbursed for physician services billed under the HCFA 1500 (1500 N.J.) claim form when submitted under any of the hospital's provider numbers.

Garden State Health Plan policies and procedures remain in effect.

Please direct questions on this issue to the Paramax/Unisys Provider Services Unit at 1-800-776-6334.

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

