

TO: All In-State and Out-of-State Nursing Facilities

SUBJECT: Edit Code 521

EFFECTIVE: For Claims with Dates of Service on or after August 1, 1993

BACKGROUND: N.J.A.C. 10:63-1.6 mandates that a Medicaid-participating Nursing Facility (NF) shall obtain authorization from the Medicaid District Office (MDO) prior to the admission of a Medicaid-eligible or potentially Medicaid-eligible patient, in accordance with the Pre-Admission Screening (PAS). The Long Term Care (LTC) billing system is designed to preclude payment to a NF for persons who are subject to Pre-Admission Screening and for whom no PAS record exists on the LTC Master File. This denial of payment is designated by edit code 521.

Edit code 521 had been temporarily suspended to allow NFs a smooth transition to the new billing system. In instances when a NF submitted a Turnaround Document (TAD) for an individual for whom no PAS record existed, the NF's Remittance Advice listed the edit code 521 and noted the instruction to disregard the edit code.

ACTION: Effective August 1, 1993, for dates of service after July 31, 1993, edit code 521 will be activated. The purpose of this edit is to deny payment to a NF if a Pre-Admission Screening Record is not on the LTC Master File. NF providers may admit only those Medicaid-eligible individuals (and those who will become eligible within 180 days of admission) who have received a PAS authorization from the MDO. It is the responsibility of the NF to ascertain that the patient has an approval letter (PAS-7) from the MDO approving the NF placement. If a NF admits a patient who does not have a Pre-Admission Screening, claims for services beginning with the month of August 1993 will be denied with edit code 521, "No PAS Assessment On File", and will appear as such on the Remittance Advice.

Existing Medicaid policy (N.J.A.C. 10:63-1.6 and 1.16) requires NFs to submit an MCNH-33 form (NOTIFICATION FROM LONG-TERM CARE FACILITY OF ADMISSION OR TERMINATION OF MEDICAID PATIENT) within 48 hours of a patient's admission or conversion from private pay to Medicaid status. In activating edit code 521 on August 1, 1993, the submission of the MCNH-33 form to the MDO takes on a greater significance for the NF. Accordingly, based on the HSP (Medicaid) Case Number recorded on the MCNH-33 form, the MDO will input this number into the PAS subfile at Paramax/Unisys. Unless the PAS subfile contains a correct HSP (Medicaid) Case Number at the time the NF submits a Turnaround Document (TAD), the NF claim will be denied with the edit code 521 "No PAS Assessment On File".

- NOTE: 1. For individuals converting from private pay to Medicaid, the NF is required to submit an MCNH-33 form at least six months before the individual converts to Medicaid status. This notice will serve to comply with Pre-Admission Screening requirements. As noted above, an MCNH-33 form must also be sent to the MDO at the actual time of conversion to Medicaid status.
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2. If the Medicaid recipient is also enrolled in the Garden State Plan (GSHP) or a private Health Maintenance Organization (HMO), of the following actions must be taken:
- a.If a GSHP member, contact the GSHP at 1-800-525-0047. The member must be disenrolled from the GSHP in order for claims to be paid. (See the GSHP Subchapter of the Administration Chapter (10:49).) Admission to a NF precludes continued GSHP membership.
  - b.If a member of another HMO, contact that HMO for authorization for admission and service provision.

If you have questions regarding this Newsletter, please contact the MDO in your area or GSHP at 1-800-525-0047. Attached is a copy of the MDO directory.

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

MEDICAID DISTRICT OFFICE	DIRECTOR & PHONE NUMBER	ADDRESS
(01) Atlantic Floor (05) Cape May (06) Cumberland Fax #1-609-441-3152	Barbara Dils, Director Tel. 609-441-3620	1601 Atlantic Avenue, 7th Atlantic City, NJ 08401
(02) Bergen Fax #1-201-996-8084	Kate Buckley-Straussl Director Tel. 201-996-8060	171-173 Main Street Hackensack, NJ 07601
(03) Burlington (11) Mercer Fax #1-609-265-0095	Eileen Calabro, Director Tel. 609-261-0448	50 Rancocas Road Mt. Holly, NJ 08060
(04) Camden (08) Gloucester (17) Salem Fax #1-609-757-4626	Daniel Cooperson, Director Tel. 609-757-2870 Ronald Coppola, Regional Director Tel. 609-757-2699	101 Haddon Avenue, 5th Floor Camden, NJ 08103
(07) Essex Fax #1-201-642-6468	Kate Buckley-Straussl Director Tel. 201-648-2470 201-648-3700 John Russell, Regional Director Tel. 201-648-7186	153 Halsey Street, 4th Floor Newark, NJ 07101
(09) Hudson Floor Fax #1-201-433-7544	William Underland, Director Tel. 201-433-8011	2815 Kennedy Boulevard, 2nd Jersey City, NJ 07306
(12) Middlesex (10) Hunterdon (18) Somerset (20) Union Fax #1-908-603-5643	Colleen DeMarks, Director Tel. 908-603-3151	25 S. Main Street Building B, Suites 5 & 6 Edison, NJ 08837
(13) Monmouth Fax #1-908-409-6446	Frances Garrett, Director Tel. 908-308-1159	1003 Highway 9 North Howell, NJ 07731-3301
(14) Morris (19) Sussex (21) Warren Fax #1-201-631-6448	Marie Grubin, Director Tel. 201-631-6440	10 Park Place, 4th Floor Morristown, NJ 07960
(15) Ocean Fax #1-908-255-0743	Gail Dempsey, Director Tel. 908-255-0731	1510 Hooper Avenue, Suite 130 Toms River, NJ 08753
(16) Passaic Fax #1-201-684-8182	Kathleen Lohrey, Director Tel. 201-977-4077	66 Hamilton Street Paterson, NJ 07505