



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

NEWSLETTER

Volume 5 No. 20

APRIL, 1995

TO: All Providers

SUBJECT: Payment of Medicare Part B Coinsurance and Deductible for Qualified Medicare Beneficiaries (QMB) and Persons Eligible for Both Medicare and Medicaid

EFFECTIVE: For services rendered on or after February 10, 1995

BACKGROUND: In accordance with the approved New Jersey Medicaid State Plan and N.J.A.C. 10:49-7.3(e)1i, for persons eligible for both Medicare Part B and New Jersey Medicaid (dual eligibles), responsibility for payment by the New Jersey Medicaid program has been limited to the unsatisfied deductible and/or coinsurance to the extent that the combined Medicare and Medicaid payments did not exceed the maximum allowable under the Medicaid program in the absence of other coverage.

In accordance with the decision of the United States Court of Appeals for the Third Circuit in Pennsylvania Medical Society v. Snider and a directive received by the federal Health Care Financing Administration (HCFA), the New Jersey Medicaid program will be submitting an amendment to the New Jersey Medicaid State Plan to eliminate the limit on payment of the unsatisfied Part B deductible and coinsurance.

ACTION: For services rendered on or after February 10, 1995 to beneficiaries eligible for both Medicare Part B and Medicaid, including Qualified Medicare Beneficiaries, the Division of Medical Assistance and Health Services will reimburse enrolled providers the Medicare Part B coinsurance and deductible amount or the Medicaid maximum allowable (less any third party payments including Medicare reimbursement), whichever is greater.

Please be advised that changes to the claims processing system necessary to implement the new policy are underway. Therefore, any claims for services meeting the above requirements that are not paid for the entire amount of the unsatisfied Medicare Part B coinsurance and deductible will be reprocessed after the necessary system modifications have been completed. If any additional action is required on the part of providers in order to receive full payment for these claims, you will be notified under separate cover.

Questions concerning this Newsletter may be addressed in writing to Deborah C. Bradley, Chief of Staff, CN 712, Unit Code #26, Trenton, New Jersey, 08625-0712.

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