

TO: Medical Suppliers

SUBJECT: Change in Medicaid Reimbursement for Medical Suppliers and Durable Medical Equipment (DME) Priced "By Report"

EFFECTIVE: Claims with Service Dates on or after July 25, 1995

BACKGROUND: The New Jersey Division of Medical Assistance and

1. A supplier's usual and customary charge to the general public; or
2. A maximum fee allowance assigned or calculated by DMAHS for supplies and DME priced By Report (B.R.). This calculation is based on 150% of a supplier's invoice cost or 90% of a manufacturer's list price for these supplies and equipment.

This policy applies to medical supply services provided by the Medicaid program and the General Assistance (GA) program. This policy applies to medical supply services provided in the community and in nursing facilities when reimbursement is based on a fee-for-service arrangement.

Based on the adoption which appeared at 27 N.J.R. 2687 (a) on July 17, 1995 as R. 1995 d.403 the Division is changing its current policy regarding reimbursement for certain covered medical supply services which are priced by report. The adoption shall not change current Medicaid reimbursement for medical supply services assigned maximum fee allowances by the Division.

ACTION: For claims priced **by report** with service dates on or after July 25, 1995, Medicaid reimbursement shall be based on the lower of:

1. A supplier's usual and customary charge to the general public; or
2. A calculated reimbursement based on 130% of a supplier's invoice cost or 80% of the manufacturer's list price for these supplies and equipment.

The Division shall continue to require medical suppliers to attach an unaltered supplier's invoice or manufacturer's price list to claims for medical supplies and equipment which are priced by report and submitted to Medicaid for payment consideration.

If you have any questions regarding this Newsletter, please contact the Chief, Pharmaceutical Services, New Jersey Medicaid program at (609)588-2724.

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