



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

NEWSLETTER

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TO: Providers of Pharmaceutical Services
SUBJECT: Expansion of the Medically Needy Program
EFFECTIVE: Claims with services dates on and after July 1, 1995

BACKGROUND: Under the Medically Needy program, the New Jersey Division of Medical Assistance and Health Services (DMAHS) currently only provides coverage of pharmacy services to certain individuals, including pregnant women and needy children under 21 years of age, who reside in the community and are ineligible for Medicaid coverage. Aged, blind or disabled Medically Needy beneficiaries are currently ineligible for coverage of pharmacy services under the Medically Needy program.

PURPOSE: The purpose of this Newsletter is to notify providers that the Division is expanding Medically Needy coverage to also include nursing facility and related pharmacy services for eligible individuals residing in Medicaid participating facilities. As a result of this policy change, specified individuals, including aged, blind, or disabled beneficiaries residing in nursing facilities may now qualify for Medically Needy coverage. These beneficiaries are identified by the program codes 15, 25, 35, or 55 in the third and fourth positions of their Medically Needy identification number.

It is important to note that pharmacy services provided to aged, blind or disabled Medically Needy beneficiaries residing in the community or in other long-term care settings such as ICFs/MR are non-covered services under the Medically Needy program. However, these beneficiaries may be eligible for pharmacy coverage under the Pharmaceutical Assistance for the Aged and Disabled (PAAD) program.

ACTION: Claims with service dates on and after July 1, 1995 for pharmacy services provided to Medically Needy beneficiaries residing in Medicaid nursing facilities are eligible for Medicaid reimbursement. These beneficiaries include former General Assistance (GA) clients and new Medically Needy beneficiaries determined eligible by county welfare agencies. For these beneficiaries, pharmacies should note the following:

- (1) Medicaid reimbursement is based on current Medicaid policy, as described in the Medicaid Pharmaceutical Services manual, N.J.A.C. 10:51, Subchapter 2, regarding nursing facility reimbursement.

- (2) To request payment consideration, providers must submit a properly completed pharmacy claim (MC-6), or an Electronic Medium Claim (EMC) to the Medicaid fiscal agent (Unisys). In Field 7 on the claim or related field in the EMC claim format, providers must indicate "Yes" to report the resident status of an aged, blind or disabled Medically Needy beneficiary in a nursing facility.

With the implementation of the Medically Needy program expansion, GA clients residing in non-Medicaid participating facilities as of June 30, 1995 shall continue to receive nursing facility benefits from the GA program. In these situations, pharmacies should note the following:

- (1) GA reimbursement for these pharmacy services is based on current Medicaid policy, as described in N.J.A.C. 10:51, Subchapter 1, regarding fee-for-service reimbursement. In addition, these services shall continue to be processed by Unisys.
- (2) Pharmacies must submit a properly completed claim and indicate the resident status of a beneficiary in a nursing facility, as described in (2) above.

Pharmacies will be notified directly by Medicaid participating nursing facilities regarding the new Medically Needy identification numbers of eligible beneficiaries. These numbers replace former GA identification numbers used for those GA clients residing in nursing facilities. These new identification numbers must be reported for claims with service dates on and after July 1, 1995. During the transition period, some services will have been billed under GA identification numbers and payment for these services will be allowed. However, pharmacies must submit claims with service dates on and after July 1, 1995, if not previously billed to Medicaid, using the new Medically Needy identification numbers as soon as they are available. The Division will closely monitor Medicaid payments for claims submitted during the transition period to ensure that duplicate payments are not received for pharmacy services.

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

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