



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

# NEWSLETTER

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**TO:** All Independent Laboratories, Physicians, Nurse Practitioners, Outpatient Hospitals, and FQHCs

**SUBJECT:** Change in Billing Procedures and Reimbursement for CPT Code

**EFFECTIVE:** Immediately

**BACKGROUND:** The CPT code 86003 is currently used by providers of laboratory services to bill "Quantitative Allergen Tests, Specific for IgE" to the New Jersey Medicaid program. Current billing procedures require laboratories to report CPT code 86003 service units as the number of "panels" where one unit is a panel of up to 12 allergen tests. Reimbursement is, therefore, by panel, not by individual allergen test.

The 1996 CPT changed the units to be reported by laboratories when requesting Medicaid reimbursement for "Quantitative Allergen Tests, Specific for IgE", and has changed the description of this laboratory service to also include "semi-quantitative" allergen testing. For services provided on or after June 1, 1996, the new CPT definition for code 86003 shall apply. The 1996 CPT discontinues the use of panels and identifies a service unit as a single allergen test. Reimbursement for services rendered on or after June 1, 1996, will follow the 1996 CPT definition.

**PURPOSE:**

- (1) To clarify billing procedures for CPT code 86003 services rendered prior to June 1, 1996.
- (2) To notify providers of a change in billing procedures and Medicaid reimbursement for CPT code 86003 services rendered on or after June 1, 1996.

**ACTION:**

- (1) The service units reported on claims for CPT code 86003 with service dates prior to June 1, 1996 must reflect the number of test panels performed by a laboratory. Each panel includes up to 12 allergens and the maximum fee allowance for each panel is \$20.00.

The table below describes the correct billing procedures for reporting these service units.

<u>Number Allergen Tests Performed</u>	<u>Number Service Units Reported</u>
1 through 12	1
13 through 24	2
25 through 36	3
37 through 48	4
49 through 60	5
61 through 72	6

It is important to note that laboratory providers who reported an incorrect number of service units on claims for CPT code 86003 with service dates prior to June 1, 1996 must adjust these claims to correct claim overpayments from the Medicaid program.

(2) Claims with service dates on or after June 1, 1996:

1. The 1996 CPT Physicians' Current Procedure Manual makes changes in the billing procedures and fee allowances for CPT code 86003, and Medicaid has altered its billing procedure and fee allowance accordingly.
2. Services billed under the CPT code 86003 shall include quantitative or semi-quantitative allergen testing, specific for IgE.
3. The service units reported on these claims for CPT code 86003 must reflect the actual number of allergen tests performed. For example, 12 allergen tests shall be reported as 12 claim service units. Service units reported as the number of "panels" is discontinued.
4. The maximum fee allowance for services billed under CPT code 86003 will be based on single allergen tests. The new fee allowance is \$4.00 per allergen test. Reimbursement based on the number of "panels" is discontinued.

If you have any questions regarding this Newsletter, please contact Phyllis Valeri-Bruschini, SMRA, Office of Health Service Administration at (609) 588-2739.

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