



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

NEWSLETTER

Volume 7 No. 21

April 1997

TO: Providers of Pharmaceutical Services

SUBJECT: Special Processing of Pharmacy Claims Requiring Metric
Quantity Adjustments Due to Error Code 607

EFFECTIVE: Certain pharmacy claims with payment dates between
December 1, 1991 and January 21, 1995

BACKGROUND: In June 1995, the New Jersey Division of Medical Assistance and Health Services (DMAHS) distributed a "Unit Adjustment" report to individual pharmacies which notified pharmacies regarding certain claims that would have been denied payments due to Error Code 607, "Low Variance Error". The Division determined that metric quantities reported by providers on these claims were inconsistent with their usual and customary charges, resulting in overpayments from the Medicaid and Pharmaceutical Assistance to the Aged and Disabled (PAAD) programs.

In order to provide pharmacies with the opportunity to correct the metric quantities initially reported on these claims, and to adjust these claims to determine appropriate Medicaid and PAAD payments, providers were requested to complete and return the Unit Adjustment report to the State. 2100 individual Unit Adjustment reports were distributed to pharmacies. These reports identified approximately 310,000 suspected claims with payment dates between December 1, 1991 to January 21, 1995, utilizing information provided on the returned reports. 35,000 pharmacy claims were successfully adjusted by the Division of Medical Assistance and Health Services.

ACTION: Based on the information provided by pharmacists on the Unit Adjustment reports, the Division identified thirty-nine (39) common drugs, by National Drug Code (NDC), which were properly paid by the Medicaid and PAAD programs. These drugs are described on the attachment to this Newsletter. Claims for these products have been excluded from the Unit Adjustment report, and Edit 607. Further, the claims processing system will be modified to ensure payment for these products on future pharmacy claims.

The remaining claims identified by these reports continue to remain outstanding and, as indicated in the Division's initial letter dated June 1, 1995, these claims will be voided by the State. The voided claims will be reported in the Remittance Advice (RA) statement of April 9, 1997.

To ensure that pharmacies receive a final opportunity to receive payment consideration for the voided claims, pharmacies may resubmit these claims on properly completed pharmacy claim forms (MC-6) directly to the Division. The pharmacist must report the phrase "Unit Adjustment" in Field 18 on the MC-6 claim form, and attach the RA statement of April 9, 1997, to indicate timely filing of the voided pharmacy claim(s). These claims must be returned no later than May 22, 1997, to:

Chief, Pharmaceutical Services
Unit #20
CN 712
Trenton, New Jersey 08625-0712

It is important to note that the return of these claims "directly" to Unisys will result in denied payments due to timely filing considerations. In addition, the Division will process these claims based on reference information currently available to the New Jersey Medicaid Management Information System (NJMMIS). The Division is unable to modify this information to accommodate further special processing of these claims by the NJMMIS.

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

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

ATTACHMENT

alprazolam 0.25mg
atenolol 25mg
atenolol 50mg
atenolol 100mg
apraclonidine 1% drops
captopril 12.5mg
captopril 25mg
chloral hydrate syrup 500mg/5ml.
codeine/iodinated glycerol
constulose
d-methophan/iodinated glycerol
digoxin 0.125mg
digoxin 0.25mg
duphalac syrup
electrolyte solution (oral)
electrolyte solution/PEG (oral)
erythromycin 250mg capsule-delayed action
flu vaccine
fluorouracil 50mg
furosemide 20mg
furosemide 40mg
furosemide 80mg
gemfibrozil 600mg
glipizide 10mg
glyburide 5mg
insulin syringes U100, 1/2cc
ketoprofen 75mg
lorazepam 0.5mg
lorazepam 1.0mg
lorazepam 2.0mg
metoclopropamide syrup
nitroglycerin capsules 6.5mg
nortriptyline 50mg
phenobarbital 15mg
phenobarbital 30mg
phenobarbital 60mg
prednisone 5mg
prednisone 10mg
salsalate 500mg

Please Note: Only certain drug products for the chemical entities described above are exempt from this adjustment, and Edit 607.