



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

# NEWSLETTER

Volume 7 No. 42

July 1997

**TO:** Providers of Transportation Services  
HMOs - For Information

**SUBJECT:** Frequently Asked Questions - Invalid Coach Service

**EFFECTIVE:** Immediately

**PURPOSE:** This Newsletter is intended to assist providers in their understanding of the Medicaid program's rules that must be followed when transporting fee-for-service Medicaid beneficiaries by the invalid coach mode of service.

**NOTE: The information contained in this Newsletter is designed to reinforce, not replace, the Medicaid program's rules as set forth in N.J.A.C. 10:49 and 10:50.**

**ACTION:** Immediate steps must be taken by providers of invalid coach services to ensure that they are in full compliance with the rules for the provision of invalid coach service as indicated at N.J.A.C. 8:40 and N.J.A.C. 10:50. The questions/responses in this Newsletter are organized as follows: provider enrollment, authorization, places of destination, service provision, responsibilities of a driver, and billing.

## **PROVIDER ENROLLMENT**

1. Question: Now that my company is licensed by the State to provide invalid coach services, when may I start providing invalid coach services to Medicaid beneficiaries?

**Response:** An invalid coach license from the Department of Health and Senior Services means that your company may provide invalid coach service in the State of New Jersey. However, you must submit an application to the New Jersey Medicaid program and receive an approval letter which includes a seven-digit Medicaid provider number and an effective date of enrollment before you may provide services to Medicaid beneficiaries.

2. Question: As a provider of invalid coach services, what written material should I have received from the Medicaid program?

Response: A complete Transportation Services Manual should have been forwarded to your company from Unisys, the Medicaid program's fiscal agent. A complete Transportation Services Manual consists of five parts:

- 1) Administration (Chapter 49);
- 2) Policy (Chapter 50);
- 3) Billing (Transportation Services Fiscal Agent Billing Supplement);
- 4) Alerts; and
- 5) Newsletters

Reminders:

- *Your company's Medicaid claim(s) will NOT be reimbursed if invalid coach services are provided to Medicaid beneficiaries before your company's effective date of enrollment in the Medicaid program, as specified in your approval letter.*
- *Invalid coach service means the provision of non-emergency medical transportation in a vehicle that is licensed, equipped, and staffed in accord with New Jersey State Department of Health and Senior Services rules, as specified in N.J.A.C. 8:40.*

Helpful Hints:

- *Additional copies of Medicaid-related material (policy, Alerts, Newsletters, etc.) may be obtained by contacting Unisys' Provider Services Unit at 1-800-776-6334.*
- *Unisys' Provider Enrollment Unit must be notified in writing of changes of address. Forward address changes to: Unisys, Post Office Box 4804, Trenton, NJ 08650. Be sure to include your seven-digit Medicaid provider number on your correspondence.*

## AUTHORIZATION

3. Question: How do I obtain authorization for invalid coach services?

Response: The attached list contains the telephone and FAX numbers of the Medicaid District Offices (MDO) and the counties served by each. (Please see attached list.)

4. Question: When is prior authorization from the MDO required?

**Response:** Prior authorization from the MDO is required for all invalid coach services except when transporting a Medicaid beneficiary to or from a nursing facility or intermediate care facility for the mentally retarded.

5. Question: How do I obtain prior authorization for invalid coach services?

**Response:** A prior authorization form, MC-12(A) (REV. 9/91), must be forwarded to the appropriate MDO by your company.

6. Question: Do I have to request approval for mileage and the extra-crew allowance, etc.--on trips in which prior authorization is required?

**Response:** The prior authorization form must contain the appropriate HCPCS procedure code(s) in Item 17.B if authorization is required and if you are planning to bill for mileage and the extra-crew allowance. If the MDO approves a single-trip request, the respective codes will be entered by the MDO into the New Jersey Medicaid Management Information System (NJMMIS). If the MDO approves a request for an extended period of time, the code "TR-01" will be entered by the MDO into the NJMMIS.

7. Question: Can an invalid coach trip, including the extra-crew allowance, be approved after the service is provided?

**Response:** Under specific circumstances, the MDO may consider retroactive requests for invalid coach service if received within 10 working days from the date of service. Please consult the rule governing retroactive requests for authorization as indicated in the policy section of the Transportation Services Manual at N.J.A.C. 10:50-1.5(e).

8. Question: What should I do if an individual wants transportation to a destination that was not part of my original prior authorization request and approval from the MDO?

**Response:** First, it must be determined if the intended medical service at the place of destination is Medicaid covered. If so, and if the trip is within the time period as approved by the MDO, the invalid coach service may be provided.

N.J.A.C. 10:49, Subchapter 5, contains a list of services covered by the Medicaid program. However, certain exceptions do apply. For example, see questions

**#25-#28 in this Newsletter regarding transportation to pharmacies, WIC sites, vocational training or occupational centers, and medical day care centers.**

9. Question: What about individuals who need transportation to mental health facilities for partial care services?

**Response:** In many cases, individuals attending mental health facilities for routine services such as partial care are capable of receiving a livery-type, lower-mode transportation service. The need for invalid coach service must be established on a case-by-case basis. The MDO must be consulted to assist when questions arise.

10. Question: What about individuals who can walk by themselves and are physically O.K.--but need to be watched because they might wander away?

**Response:** In most cases, a fully ambulatory individual who is capable of walking unassisted has NOT demonstrated a need for invalid coach service. There are instances when no other mode of transport is appropriate and the MDO will approve the use of an invalid coach for ambulatory individuals who need to be supervised.

**Note:** Approvals in these instances will be granted by the MDO only when sufficient justification is provided that no alternative modes of transport are appropriate.

11. Question: What information should my company give the MDO when requesting prior authorization for invalid coach services?

**Response:** The prior authorization form must adequately describe the individual's current medical condition (Item 10.B.) and reason for transportation, i.e., impairment that justifies the use of an invalid coach (Item 12).

12. Question: If my company is contacted by a doctor or nurse who requests invalid coach service for a Medicaid beneficiary, do I still have to describe the person's medical condition on the prior authorization form?

**Response:** Yes. In all cases, you must provide a narrative description of the recipient's medical condition in Item 10.B of the prior authorization form.

13. Question: If a doctor or nurse specify the person's diagnosis, do I still have to describe the person's medical condition in Item 10.B of the prior authorization form?

**Response:** Yes. In most cases, it is unacceptable to simply enter a diagnosis as a substitute for a narrative description of the individual's current medical condition.

14. Question: What should be included in a narrative description in Item 10.B of the prior authorization form?

**Response:** A narrative must fully describe both the individual's current medical condition (impairment) and the individual's ability to function. A complete, detailed narrative is especially important when requesting approval to provide invalid coach service to an ambulatory individual.

15. Question: What information is required in Item 12 of the prior authorization form?

**Response:** Item 12 of the prior authorization form must include the specific reason for the transportation (invalid coach) service. The reason for transportation must explain why the individual's condition or impairment requires the use of invalid coach service. In other words, this is your opportunity to offer a justification for the use of an invalid coach vehicle.

16. Question: Is it sufficient to enter "examination and treatment," "doctor's appointment," or "medical condition" in Item 12 of the prior authorization form?

**Response:** No. Entries in Item 12 must include the specific reason for the use of an invalid coach vehicle as opposed to an alternative, lower mode of transportation service. It is unacceptable to enter "examination and treatment," "doctor's appointment," or "medical condition" as a reason for transportation.

17. Question: What information is required in Item 13 of the prior authorization form?

**Response:** Item 13 of the prior authorization form must contain the name, title, and telephone number of the individual who requested the transportation service.

18. Question: Why is this information (Item 13) required?

**Response:** This documentation, in its entirety, is necessary to enable MDO personnel or other individuals conducting pre-service or post-service reviews to confirm the information presented on the prior authorization form. This documentation will also assist the MDO in deciding if an extended period of authorization is justified.

19. Question: What information is required in Item 18 ("REMARKS") of the prior authorization form?

**Response:** The "REMARKS" section (Item 18) should be used to describe the type of office/facility to which the individual is being transported and the intended Medicaid-covered service to be provided.

20. Question: How do I notify the MDO of unusual circumstances or provide additional documentation?

**Response:** Any additional information that you wish to supply to the MDO may be provided in Item 18 ("REMARKS") or as an attachment to the prior authorization form if additional space is needed.

21. Question: What additional information might the MDO require my company to supply?

**Response:** Additional medical or other documentation may be required, including a certificate of medical necessity form or a physician's prescription, if deemed necessary by the MDO.

22. Question: For example?

**Response:** For example, additional documentation may be required if the information presented on the prior authorization form is incomplete or insufficient to determine an individual's need for invalid coach service. Additional documentation may also be required if a description of the type of office/facility to which the individual is being transported or the intended Medicaid-covered service to be provided are incomplete.

### REMINDERS:

- A request for authorization will NOT be approved by the MDO if the requested dates of service span another provider's previously approved dates of service. Exceptions may be made on a case-by-case basis upon the MDO's investigation of the specific circumstances involved.
- Invalid coach service may be used if the individual is unable to use an alternate form of transportation, such as taxicab, bus, other public conveyance or private vehicle, without creating a serious risk to the individual's life and health. (N.J.S.A. 30:4D-6.1)
- An individual's need for assistance is NOT established solely by the fact that the driver will simply escort or accompany an individual who has no mobility related problem, is not of full legal age (minor), or is unable to communicate in the English language.
- An approval for invalid coach service by the MDO is NOT a guarantee of payment or that an individual is Medicaid eligible. Drivers must check ID cards at the time the service is provided.
- The least expensive mode of transportation suitable to the individual's needs should be used. (N.J.A.C. 10:50-1.6(a))

### Helpful Hints:

- The "Reason for Transportation" (Item 12) is especially important when requesting approval to provide invalid coach service to an ambulatory individual.
- Prior authorization forms will be returned or denied by the MDO if the prescribing individual's name, title, and telephone number are incomplete or inaccurate (Item 13).
- Prior authorization forms, and other forms that are necessary for claims processing, may be obtained from Unisys. To request a supply of forms, see Section 11, Ordering Forms, in your Transportation Services Fiscal Agent Billing Supplement or contact Unisys' Provider Services Unit at 1-800-776-6334.

## **PLACES OF DESTINATION**

23. Question: What destinations are appropriate and payable by Medicaid?

**Response:** In general, a Medicaid-eligible individual may be transported when the purpose of the trip is for the individual to obtain a Medicaid-covered service. However, certain exceptions do apply. (See questions #25-#28.)

**Note:** The use of Medicaid-funded transportation for any other purpose is fraudulent activity subject to criminal prosecution and civil and administrative sanctions.

24. Question: How do I know if a service is Medicaid covered?

**Response:** A list of Medicaid-covered services is located in the administrative chapter (N.J.A.C. 10:49) of your Transportation Services Manual.

25. Question: Is an invalid coach trip to a pharmacy Medicaid covered?

**Response:** Invalid coach service is generally **NOT** authorized when provided solely for the purpose of dropping off or filling a prescription. Therefore, the MDO will not approve transportation to a pharmacy unless there are no alternative means to receive the service. Contact the appropriate MDO when questions arise on a case-by-case basis.

**Note:** There may be instances when an individual must fill a prescription after receiving treatment at a medical facility. If the pharmacy is en route to the individual's destination, and a driver's time and schedule permit, a pharmacy visit may be justified.

26. Question: Is an invalid coach trip to a WIC site Medicaid covered?

**Response:** Invalid coach service is **NOT** permitted when provided solely for the purpose of picking up WIC food supplements. Contact the appropriate MDO when questions arise on a case-by-case basis.

27. Question: Is an invalid coach trip to a vocational training site or an occupational center Medicaid covered?

**Response:** Invalid coach service is NOT permitted when the place of destination is a vocational training site or an occupational center.

28. Question: Is an invalid coach trip to a medical day care center Medicaid covered?

**Response:** Invalid coach service is NOT permitted when the place of destination is a medical day care center or any service provided indirectly by a medical day care center. (N.J.A.C. 10:50-1.6(g))

**REMINDERS:**

- *Invalid coach service is NOT permitted when a Medicaid individual is transported for the purpose of obtaining a non-Medicaid-covered service, such as a service that is primarily educational, vocational, or social in nature. (N.J.A.C. 10:50-1.6(g))*
- *Eligible transportation costs for individuals who are required to make regular visits to medical facilities outside the immediate community are reimbursable only if the required services are not available within the community. (N.J.A.C. 10:50-1.6(o))*
- *Contact the appropriate MDO when questions arise on a case-by-case basis.*

**SERVICE PROVISION**

29. Question: What happens if a Medicaid beneficiary is enrolled in an HMO in New Jersey Care 2000?

**Response:** Invalid coach service is an HMO-covered service. Therefore, a claim submitted to Unisys will be denied if it represents an invalid coach service provided to a beneficiary enrolled in an HMO.

You may assist an HMO-enrolled beneficiary by contacting the respective HMO on the beneficiary's behalf or by referring the beneficiary to their HMO.

30. Question: When is invalid coach service appropriate?

**Response:** Invalid coach service may be used if the individual is unable to use an alternate form of transportation, such as taxicab, bus, other public conveyance or private vehicle, without creating a serious risk to the individual's life and health. (N.J.S.A. 30:4D-6.1)

31. Question: Who is responsible for deciding who qualifies for invalid coach service?

**Response:** When prior authorization is required, the MDO authorizes the service based on information supplied by the provider. However, it is the invalid coach company's responsibility to take necessary and conclusive steps to substantiate the individual's need for invalid coach service prior to providing the service.

32. Question: What if an individual's condition changes after the MDO approves my company's request for invalid coach authorization?

**Response:** Regardless of a previously obtained approval from the MDO, the individual's condition at the time of the transport must meet the Medicaid program's medical necessity requirements before invalid coach service may be provided.

33. Question: What is expected of my company when an individual's condition changes?

**Response:** It is the invalid coach company's responsibility to notify the appropriate MDO when it appears that an individual's condition has improved to the extent that invalid coach service is no longer necessary so that the previously obtained authorization may be reevaluated. For example, a driver must so notify the invalid coach company and the invalid coach company must so notify the MDO.

**REMINDERS:**

- *Invalid coach service is NOT Medicaid reimbursable when it is used simply for convenience.*
- *Invalid coach service is NOT Medicaid reimbursable when similar service is free and available in the community.*

REMINDERS (Continued):

- *Invalid coach service IS Medicaid reimbursable only when it is the least expensive mode of transportation suitable to the individual's needs. (N.J.A.C. 10:50-1.6(a))*
- *Invalid coach service IS Medicaid reimbursable only when it is provided as specified in the rules of the New Jersey State Department of Health and Senior Services at N.J.A.C. 8:40-4, "Specific Invalid Coach Requirements."*

## RESPONSIBILITIES OF A DRIVER

34. Question: What is expected of a driver in terms of providing assistance or supervision?

**Response:** The invalid coach driver and/or crew must provide (a) door-through-door assistance at the individual's place of departure and destination, and (b) assistance in the placement and removal of the individual into and out of the vehicle at his or her place of departure and destination. (N.J.A.C. 10:50-1.4(b)2)

35. Question: What does this mean?

**Response:** This means that a driver must physically help (assist) each patient entering into and alighting from an invalid coach vehicle; this does NOT mean that a driver will simply open and close the vehicle's door.

36. Question: What if the Medicaid beneficiary does not want or need to be assisted?

**Response:** As indicated previously, the driver must so notify the company so that the individual's condition and the authorization can be reevaluated.

37. Question: What is a driver required to do when more than one person is being transported to the same place of destination?

**Response:** A driver must provide "portal-through-portal" (door-through-door) assistance at the patient's place of departure and destination. This means that a driver must (a) accompany and assist each patient individually to and from the invalid coach vehicle and to or from the custody of a responsible member of

the receiving/sending provider's staff, and (b) direct and supervise the actions of each patient alighting/entering an invalid coach vehicle and entering/exiting into/from the receiving provider's custody.

38. Question: What happens when several individuals are transported at the same time to a mental health facility? Can the driver escort them together as a group?

Response: First, to qualify for invalid coach service, an individual must have a need to be assisted and escorted. Second, an invalid coach driver must provide assistance and must escort each person, either individually or as part of a group.

A driver must NOT simply open the door of the vehicle and watch a group of people as they walk to/from a facility. If this occurs, the need for invalid coach service is NOT established and the service is NOT being provided in accordance with the Program's rules.

#### REMINDERS:

- *Only four Medicaid individuals are permitted in an invalid coach vehicle at the same time. (N.J.A.C. 10:50-1.4(b)4)*
- *Consult N.J.A.C. 8:40-3.7, 4.11, 4.12, and 4.13 for the rules of the New Jersey State Department of Health and Senior Services governing the personnel, staffing, training, and duties of each person who staffs an invalid coach vehicle.*
- *Each driver must complete a certification form at the time the transportation service is provided. The following signatures must be obtained: (a) the individual who received the ride; (b) the driver who provided the ride; and (c) a representative of the medical facility at the point of destination.*

## BILLING

39. Question: When will Medicaid pay for an extra-crew person?

Response: The rules contain specific criteria that must be followed. Please consult the policy section, N.J.A.C. 10:50-1.4(b)5, of the Transportation Services Manual before billing the Program for the use of an extra-crew person on an invalid coach vehicle.

40. Question: How should my company bill for mileage when more than one person is transported at the same time?

**Response:** In a multiple-load situation, you may bill a load charge for each individual transported. However, you may bill mileage for ONE person only. (N.J.A.C. 10:50-1.6(c))

41. Question: If a request for authorization is denied by the MDO, can my company bill for mileage only?

**Response:** No. A denial by the MDO of a request for invalid coach service means that the entire service (load charge, mileage, etc.) is denied.

42. Question: When can I use the "XA" modifier?

**Response:** The "XA" modifier may ONLY be used when billing for invalid coach services provided to a beneficiary who was transported to or from a nursing facility or intermediate care facility for the mentally retarded.

43. Question: Can my company bill the actual distance traveled when a driver encounters a detour or when it is faster to take a longer route?

**Response:** Mileage must be measured by odometer from the point at which the passenger enters the vehicle to the point at which the passenger exits the vehicle, as indicated in N.J.A.C. 10:50-1.6(b).

It is recognized that there may be an occasional need to use a longer route because of road construction, detours, or to pick up additional passengers, etc. However, in most cases, the distance traveled must result in the shortest distance between the point of pick up and the point of destination.

In all cases, mileage measurement must be accurate and must reflect the actual distance traveled.

**REMINDERS:**

- *Claims for invalid coach service must be received by Unisys within one year of the date of service.*
- *Hard-copy billers: enter the vehicle's fleet number in Item 18 of the MC-12 Claim Form.*
- *The State will not honor claims for services provided to persons who were not Medicaid eligible on the date the service was rendered.*

**CAUTION**

The Division of Medical Assistance and Health Services will continue to review and evaluate the care and services provided to Medicaid beneficiaries to ensure compliance with the provisions of Federal and State law as indicated at N.J.A.C. 10:49-13.1. Post-payment reviews, satisfaction surveys, and spot checks of vehicles and service delivery will continue to be conducted on a regular basis.

The Division of Medical Assistance and Health Services will seek recovery of incorrectly paid claims, including interest and other penalties, and will immediately move for the provider's suspension from the Medicaid program if it is discovered that an invalid coach company has not complied with the understandings set forth in this Newsletter, the Medicaid program's rules as indicated at N.J.A.C. 10:49 and 10:50, and the rules of the New Jersey State Department of Health and Senior Services as indicated at N.J.A.C. 8:40. Criminal prosecution and other civil and administrative sanctions will also be pursued if fraudulent activity is confirmed.

Questions concerning this Newsletter may be directed to the Medicaid District Office that serves your area or to Pamela Seward and Peter K. Rosswaag at (609) 588-2629.

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

INVALID COACH AUTHORIZATION  
MDO - COUNTY

ATTACHMENT

<u>MDO</u>	<u>DIRECTOR</u>	<u>TELEPHONE</u>	<u>FAX</u>	<u>COUNTY</u>
ATLANTIC	Barbara L. Smith	(609) 441-3620	(609) 441-3152	ATLANTIC, Cape May, Cumberland
BURLINGTON	Eileen Calabro	(609) 261-0448	(609) 265-0095	BURLINGTON, Mercer
CAMDEN	William Underland	(609) 757-2870	(609) 757-4626	CAMDEN, Gloucester, Salem
ESSEX	Kathleen Buckley-Straussl	(973) 648-2470 1-800-315-5278	(973) 642-6468 (973) 648-4786	ESSEX, Passaic, Bergen, Hudson (Livery Unit)
MIDDLESEX	Colleen C. DeMarks	(732) 603-3151	(732) 603-5643	MIDDLESEX, Hunterdon, Somerset, Union
MONMOUTH	Frances Garrett	(732) 308-1159	(732) 409-6446	MONMOUTH
MORRIS	Marie Grubin	(973) 631-6440	(973) 631-6448	MORRIS, Sussex, Warren
OCEAN	Gail Dempsey	(732) 255-0731	(732) 255-0743	OCEAN