



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

NEWSLETTER

Volume 7 No. 53

September 1997

TO: Chief Executive Officer - Hospitals

APPLICABLE TO: New Jersey Hospitals ONLY

SUBJECT: Criteria for approval of a hospital offsite location to be reimbursed as hospital-based.

EFFECTIVE: For dates of service on or after September 15, 1997

BACKGROUND: As proposed in the New Jersey Register (29 N.J.R. 1003) published on April 7, 1997, and effective when published as an adoption in the N.J.R. on September 15, 1997, all hospitals located in New Jersey will be required to submit to the Division of Medical Assistance and Health Services (Division) information on each of the hospital's offsite locations demonstrating that the location has met the requirements for reimbursement as hospital-based as defined in the adopted regulations. This rule does not apply to a freestanding hospital affiliated narcotic and drug abuse treatment center. This type of facility will continue to be reimbursed in accordance with N.J.A.C. 10:52-2.7.

PURPOSE: To provide hospitals with a standard form which shall be used when submitting information to the Division when this proposal is adopted on September 15, 1997.

ACTION: This information must be submitted no later than October 15, 1997. Each hospital is required to submit and request approval from the Division of any existing offsite location(s) and any new offsite location(s) after September 15, 1997.

Please complete the attached form entitled "**Offsite Location (Entity) Certification Form**" for each offsite location and include **two (2) copies** of all supporting documentation demonstrating that the offsite location should be reimbursed as hospital-based. The attached form indicates the **minimum** required information that must be

submitted with supporting documentation. However, the burden of proof is on the hospital to submit all documentation necessary to demonstrate that the offsite location meets the proposed requirements. Therefore, a hospital must submit sufficient documentation, in addition to the minimum requirements, to ensure that the Division will have all necessary documentation to make its determination as to whether or not the offsite location will be reimbursed as hospital-based.

All forms must be certified and dated by the appropriate hospital personnel. As noted in the adoption, all approvals given by the Division are subject to subsequent detailed reviews which may occur at any time at the Division's discretion.

As indicated in the Division's adoption, a hospital may only request an exception to Criterion #1. The last page of the attached form entitled "**Exceptions to Criterion #1**" must be completed with all supporting documentation attached if an exception is requested.

After the detailed review, the Division will issue a determination letter which will approve or deny the reimbursement for the services. Consistent with the adoption, effective 20 days after the date on the determination letter, the offsite location will not be reimbursed as hospital-based if:

1. The form was not completed in accordance with the requirements as set forth herein; and/or
2. The submission was lacking documentation; and/or
3. The hospital had failed to adequately demonstrate why the offsite location met the criteria indicated in the adoption.

If the services provided at the entity are not approved by the Division as an outpatient hospital service, the entity may apply as a provider of another type of service(s) to the Division of Medical Assistance and Health Services, Provider Enrollment Unit, P.O.Box 712, Mail Code #9, Trenton, N.J. 08625-0712, or the fiscal agent, as appropriate, consistent with N.J.A.C. 10:49-3 and 4, and the procedures for Provider Enrollment as indicated in the appropriate provider service manuals, such as in N.J.A.C. 10:66, Independent Clinic Services, or in N.J.A.C. 10:54, Physician Services.

For further information or questions, please contact the Division of Medical Assistance and Health Services, Hospital Reimbursement, Robert Shusko or Jacqueline Cantlin, at (609) 588-2693.

Attachment: "Offsite Location (Entity) Certification Form - (FD-392 (6/97))"

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

OFFSITE LOCATION (ENTITY) CERTIFICATION FORM

(Complete one certification for EACH offsite location)

Name of Hospital _____

Location _____

Is this a certification for an
existing location or service? _____

New Jersey Medicaid Provider No. _____

Is this a certification for a
new location or service? _____

Date location/service first
began operations. _____

Name of Offsite Location (Entity) _____

Planned operation start date
if not commenced. _____

Type of Service(s) Provided _____

Date of service of first
Medicaid billing. _____

Does the clinic provide drug and/or alcohol treatment? (Yes/No) _____

% related to drug treatment: _____

% related to alcohol treatment: _____

% related to other: _____

Address of Offsite Location (Entity) _____

Please answer the following questions with yes or no and attach the required documentation and any additional information submitted.

Hospital Name _____
 Hospital No. _____
 Entity Name _____
 Entity Address _____

A hospital is required to submit the minimum documentation plus any other additional documentation to support the answer to each criterion. If the documentation supporting the criterion is insufficient and/or inadequate, the hospital will be deemed not to meet the criterion. It is the hospital's responsibility to ensure that necessary supporting documentation is submitted to supplement the required information. All submitted documentation should be labeled and the corresponding reference numbers noted in the Ref. No. box on the FD-392(6/97).

CRITERION NO.	DESCRIPTION	YES NO		MINIMUM REQUIRED INFORMATION	REF. NO.	ADDITIONAL INFORMATION	REF. NO.	STATE USE ONLY
		YES	NO					
1	Is the Entity located in close proximity to the Hospital?			- Entity's distance from the Hospital in miles _____ - Municipality of Entity _____				
1a	Does the Hospital and the Entity serve the same patient population?			- Schedule indicating the city in which the Entity's patients live by percentage				
2	Does the Entity operate as part of the Hospital by common licensure by the Department of Health and Senior Services, or under the certification of the appropriate State agency?			- Copy of license or certification				

Hospital Name _____
 Hospital No. _____
 Entity Name _____
 Entity Address _____

CRITERION NO.	DESCRIPTION	YES NO		MINIMUM REQUIRED INFORMATION	REF. NO.	ADDITIONAL INFORMATION	REF. NO.	STATE USE ONLY
		YES	NO					
3	Is the Entity recognized as part of the Hospital under the Hospital's accreditation issued by the accrediting body?			- Copy of accreditation				
4	Is the Entity subject to the bylaws and operating decisions of the governing body of the Hospital?			- Copy of relevant Board minutes - Copy of contracts with the Entity				
4a	Does the Hospital have final responsibility for administrative decisions, personnel actions and medical staff appointments?			- Copy of relevant Board minutes - Copy of policy and procedure manual or job descriptions of hospital personnel demonstrating these functions				
4b	Does the Entity utilize significant resources of the Hospital on a daily basis related to buildings, equipment, and service personnel?			- Description of the Hospital's resources that the Entity utilizes - Relevant portions of Plant Ledger if applicable				

Hospital Name _____
 Hospital No. _____
 Entity Name _____
 Entity Address _____

CRITERION NO.	DESCRIPTION	YES NO		MINIMUM REQUIRED INFORMATION	REF. NO.	ADDITIONAL INFORMATION	REF. NO.	STATE USE ONLY
		YES	NO					
5	Is the Director of the Entity under the direct daily supervision of the Hospital CEO?			- Copy of the Hospital and the Entity organizational charts showing reporting responsibilities				
5a	Are administrative and general type services of the Entity integrated with those of the Hospital?			- Description of the Entity's administrative and general services integrated with the Hospital				
6	Does the professional staff of the Entity have clinical privileges in the Hospital?			- Copy of relevant Board minutes				
6a	Does the Medical Director of the Entity have a daily reporting relationship with the Chief Medical Officer or similar official of the Hospital?			- Copy of the Hospital and the Entity organizational charts showing reporting responsibilities				

Hospital Name _____
 Hospital No. _____
 Entity Name _____
 Entity Address _____

CRITERION NO.	DESCRIPTION	YES NO		MINIMUM REQUIRED INFORMATION	REF. NO.	ADDITIONAL INFORMATION	REF. NO.	STATE USE ONLY
		YES	NO					
6b	Are medical staff committees or other professional committees of the Hospital responsible for the medical activities of the Entity?			- Listing of Entity's personnel on medical committee and listing of medical staff committees that oversee the Entity				
6c	Are the medical records of the Entity integrated into the unified record system of the Hospital?			- Copy of relevant Board minutes - Description of patient account number designations for hospital and offsite facility showing unified numbering				
6d	Are patients of the Entity considered patients of the Hospital and have full access to all Hospital services?			- Demonstrate where patients have utilized both the Hospital and Entity				
6e	Are patient services in the Entity integrated in the corresponding outpatient services by the Hospital?			- Demonstrate how outpatient services provided at the Hospital are integrated with the Entity				

Hospital Name _____
Hospital No. _____
Entity Name _____
Entity Address _____

NOTE:

If a Hospital has checked NO to any of the above criteria, then the entity will not be reimbursed as Hospital-Based. Instead, the Entity may request to be reimbursed as another type of facility such as a Freestanding Clinic. Please forward these requests to the following address:

Division of Medical Assistance and Health Services
Provider Enrollment Unit
Mail Code # 9
P. O. Box 712
Trenton, New Jersey 08625 - 0712

A Hospital may request an exception to the criterion # 1 only by completing Page 8 entitled "Exceptions to Criterion # 1"

