



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

NEWSLETTER

Volume 8 No. 47

July 1998

TO: Hospitals - Chief Executive Officer

APPLICABLE ONLY TO: Hospitals Which
Provide Partial Hospitalization Services

ROUTE TO: Hospital Billing, Accounting,
and Finance Offices

SUBJECT: Billing Procedures for Outpatient Partial
Hospitalization Services

EFFECTIVE: Immediately

BACKGROUND: As providers were advised by a recent Remittance Advice message, partial hospitalization claims were recently returned to hospitals by Unisys, the Division's fiscal agent, for insufficient Explanation of Medicare Benefits (EOMB) documentation.

ACTION: For those hospitals which had partial hospitalization service claims recently returned by Unisys for insufficient EOMB documentation, providers should resubmit these claims immediately with all the needed documentation as required by Newsletter Volume 5, No. 30, dated May 1995 which is attached. Please be advised that a demand denial is considered an appropriate Medicare EOMB for services not covered by Medicare.

Post-payment reviews will be conducted and if the Division's review determines that the provider should have pursued Medicare reimbursement for Medicare-covered services or components, the provider will be subject to all recovery and provider sanctions contained in N.J.S.A. 30:4D et seq. and N.J.A.C. 10:49 et seq.

Providers are also reminded that all claims continue to be subject to all timely filing requirements.

Questions regarding proper billing procedures are to be directed to Unisys, Provider Services Unit, at 1-800-776-6334.

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SUBJECT: Billing Procedures for Outpatient Partial
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BACKGROUND: The Division of Medical Assistance and Health Services is currently considering developing procedures to expedite processing of MEDICARE/MEDICAID claims for partial hospitalization services. In the interim, hospitals must use the instructions below when submitting claims for additional Medicaid reimbursement for partial hospitalization services rendered to patients who are both MEDICARE and MEDICAID eligible.

ACTION: For recipients who have BOTH MEDICARE and MEDICAID coverage, but are not covered by any other insurance, hospitals must first submit the claim to MEDICARE for reimbursement, using MEDICARE's instructions for the appropriate procedure for billing for partial hospitalization services. The MEDICARE Fiscal Intermediary will forward only the paid claims to the MEDICAID fiscal agent, Unisys, for consideration of MEDICAID payments of the deductible and coinsurance. In the event the MEDICARE/MEDICAID crossover claim does not appear on the Medicaid Remittance Advice (RA) within 45 days of receipt of the MEDICARE "Explanation of Medicare Benefits"(EOMB), the hospital should submit a UB-92 "hard copy" claim along with the EOMB to Medicaid for consideration of deductible and coinsurance charges. Hospitals will then be notified of any MEDICAID reimbursement via the Remittance Advice.

In instances where no other payers have been identified on a MEDICARE/MEDICAID partial hospitalization claim, but the MEDICAID third-party liability (TPL) file reflects additional insurance in effect on the date of service, the claim will be denied by MEDICAID for TPL. Providers must submit such claims to the appropriate TPL payer before submitting any requests to MEDICAID for additional reimbursement.

NOTE: Claims for additional Medicaid reimbursement must meet all timely filing requirements outlined in N.J.A.C. 10:49-7.2.

If, at the end of this process, hospitals find that the total reimbursement received from all payers, including Medicaid, is less than the amount which would have been received had the beneficiary not been Medicare eligible, hospitals may submit these claims to MEDICAID for consideration of any possible remaining balance. (See instructions below)

INSTRUCTIONS FOR BALANCE BILLING

The following instructions pertain to the submission of claims to Medicaid for MEDICARE balance bill charges:

1. Submit a correctly completed NEW UB-92 claim form;
2. Indicate Bill Type 131 in Form Locator #04;
3. Indicate Condition Codes 41 and 85 in Form Locator #24-30;
4. Use Revenue Code 912 in Form Locator #42, for all partial hospitalization charges;
5. Indicate Clinic Code 28 (Partial Hospitalization) in Form Locator #43;
6. Form Locator #45 should contain the same dates of service as originally submitted on the claim to MEDICARE;
7. Enter total charges pertaining to related Revenue Codes in Form Locator #47;
8. Enter the total amount paid by MEDICARE, MEDICAID, and any TPL payers for this claim in Form Locator #54A, 54B, and 54C to correspond to the Payer Identification Code entered on Line(s) # 50A, 50B, and 50C;

9. Attach Medicare's "Explanation of Medicare Benefits" (EOMB) and/or Medicare's letter of denial, plus any other applicable third-party "Explanation of Benefits"(EOB) statements; and the Medicaid (Unisys) Remittance Advice (RA) for payment of coinsurance and deductible.

Claims which have been denied by Unisys for any deductible, coinsurance, non-covered and/or non-reimbursable charges with dates of service within the past 12 months, may be resubmitted by a hospital to Unisys with a copy of the "Explanation of Medicare Benefits (EOMB)" Part A and Part B, or Medicare's letter of denial (if applicable) and the MEDICAID Remittance Advice (RA).

Claims which have been denied by Unisys with dates of service greater than 12 months old, the hospital may submit the same material to the Division of Medical Assistance and Health Services, Fair Hearing Unit, Mail Code #3, CN 712, Trenton, New Jersey 08625-0712, for further consideration and/or Administrative Hearing.

Questions regarding proper billing procedures are to be directed to Unisys, the Medicaid fiscal agent, Provider Services Unit, at 1-800-776-6334.

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