



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

# NEWSLETTER

Volume 8 No. 51

July 1998

**TO:** All Providers (Except Hospitals, Nursing Facilities and HMOs) -  
**For Action**  
Health Maintenance Organizations (HMOs) - **For Information Only**

**SUBJECT:** Limitation on Part B Co-Insurance and Deductible

**EFFECTIVE:** For claims with service dates on or after July 20, 1998

**PURPOSE:** The purpose of this Newsletter is to notify Medicaid and NJ KidCare participating providers of a change in Medicaid and NJ KidCare fee-for-service (FFS) policy concerning deductible and coinsurance payments for health care claims when provided to beneficiaries dually-eligible for Medicare and either Medicaid or NJ KidCare.

**BACKGROUND:** The Division of Medical Assistance and Health Services (DMAHS) is implementing an option available under the Balanced Budget Act of 1997, Section 4714, which amends Section 1902(n) of the Social Security Act, 42 U.S.C. 1396a(n). DMAHS is exercising this option **for claims with service dates on or after July 20, 1998.** The implementation of this option will be effective with the publication of the adoption in the July 20, 1998, New Jersey Register.

**ACTION:** For any Medicaid or NJ KidCare beneficiary who is covered under Medicare, responsibility for payments by the New Jersey Medicaid or NJ KidCare program for non-hospital-based, Medicare Part B services shall be limited to the unsatisfied deductible and/or co-insurance amount to the extent that the combined total of these payments does not exceed the maximum fee allowance for the same or similar service provided by the Medicaid or NJ KidCare program in the absence of other coverage. This limitation shall apply **for claims with service dates on or after July 20, 1998.**

If you have any questions regarding this Newsletter, please do not hesitate to contact Edward J. Vaccaro, R.Ph., Assistant Director, Office of Health Services Administration, at (609) 588-2721.

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