



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

# NEWSLETTER

Volume 8 No. 72

December 1998

**TO:** Independent Clinic Providers of Mental Health Services - for Action  
Federally Qualified Health Centers - for Action  
Health Maintenance Organizations - for Information Only

**SUBJECT:** (1) **Change in Prior Authorization (PA) Procedures for Mental Health Services; and**  
(2) **Activation of the PA Threshold Edit for Mental Health Services**

**EFFECTIVE:** Claims with service dates on or after January 1, 1999

**PURPOSE:** To notify Independent Clinics and Federal Qualified Health Centers (FQHCs) which provide mental health services of (1) a change in procedures for requesting PA from the Division or the NJ KidCare fee-for-service program; and (2) the activation of the system PA threshold edit for these same services.

**BACKGROUND:** The New Jersey Division of Medical Assistance and Health Services (DMAHS) currently provides Medicaid and NJ KidCare fee-for-service reimbursement to Independent Clinics and FQHCs which provide mental health services, including Partial Care. Currently, PA from the Medicaid and NJ KidCare fee-for-service program is required when payments for these services to the same provider and the same beneficiary exceed \$6,000.00 in a twelve (12) month period. PA requests for these services are currently processed by the Office of Health Service Administration (OHSA), Quakerbridge Plaza, Hamilton, New Jersey.

**ACTION:** DMAHS is changing its procedures for processing PA requests for mental health clinic services. For requests for service dates on or after November 1, 1998, DMAHS is changing the location for processing PA requests for mental health services from the OHSA in Quakerbridge Plaza, Hamilton, New Jersey to five (5) Medicaid District Offices (MDOs), who will now be responsible for issuing PA.

For requests for service dates on or after November 1, 1998, providers must submit PA requests for mental health services using the "Request for Prior Authorization for Mental Health Services" form (FD-07) and/or the "Request for Prior Authorization Supplemental Information" form (FD-07A), to the assigned MDO identified below. The following table identifies the appropriate MDO based on location of the provider:

MEDICAID DISTRICT OFFICE	COUNTY OF PROVIDER
Burlington MDO 50 Rancocas Road Mt. Holly, NJ 08060 Phone: (609) 518-3045 Fax: (609) 518-3059	Burlington County Camden County Gloucester County Mercer County Salem County
Middlesex MDO 25 South Main Street Building B, Suites 5 & 6 Edison, NJ 08837 Phone: (732) 603-3151 Fax: (732) 603-5643	Essex County Hunterdon County Middlesex County Somerset County Union County
Monmouth MDO 1003 Highway 9 North Howell, NJ 07731-3301 Phone: (732) 308-1159 Fax: (732) 409-6446	Atlantic County Cape May County Cumberland County Monmouth County Ocean County
Morris MDO 10 Park Place, 4th Floor Morristown, NJ 07960 Phone: (973) 631-6440 Fax: (973) 631-6448	Bergen County Morris County Passaic County Sussex County Warren County
Hudson MDO 438 Summit Avenue Jersey City, NJ 07636-3186 Phone: (201) 217-7100 Fax: (201) 217-7122	Hudson County

**NOTE: Providers who previously sent a request for these dates do not need to resubmit a new request.** The Division has forwarded these requests to the MDOs.

**In addition, DMAHS is activating the system PA threshold edit for mental health services covered by the New Jersey Medicaid and NJ KidCare fee-for-service programs.**

This is not a new requirement. However, for claims with service dates on or after January 1, 1999 DMAHS is activating the claims processing edit which will monitor

compliance with the prior authorization requirements, as described in N.J.A.C. 10:66-1.4(c), for Independent Clinics.

Edit 763 will monitor the requirement for PA when payments for mental health services in a 12-month service period to the same provider for the same beneficiary exceed \$6,000.00 in the service period. **It is important to note that the first day of the 12-month service period is determined by the service date reported on the earliest paid claim for mental health services provided to a Medicaid or NJ KidCare beneficiary on or after March 31, 2000.**

**For example, if the service date reported on the earliest paid claim for services provided to a beneficiary on or after January 1, 1999, is April 1, 1999, the twelve-month service period is April 1, 1999, to March 31, 1999.**

**It is important to note that a prior authorization that may have been requested and received covering parts of the period when prior authorization (PA) is not required (i.e. the first \$6,000.00 reimbursed) does not relieve the provider from the responsibility to secure PA for services after the first \$6,000.00 of reimbursement in the twelve-month service period starting on or after January 1, 1999.**

**Again, it is important to note that it is the provider's responsibility to request prior authorization (PA) for mental health services when required. Failure to obtain PA when required will result in a claim denial or recoupment of payments for these claims. Edit 763 is only intended as a monitoring tool and does not relieve providers of this responsibility.**

If you have any questions concerning this Newsletter, please do not hesitate to contact the appropriate Medicaid District Office.

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