



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

MEDICAID ALERT

July 1992

TO: Independent Clinics

SUBJECT: Mental Health Services - Prior Authorization

ACTION: The purpose of this MEDICAID ALERT is to clarify for Independent Clinics the current Medicaid policy regarding prior authorization for mental health services. Currently, prior authorization is required when payments to an Independent Clinic for mental health services exceed \$6,000.00 in any 12-month period, commencing with the recipient's initial visit. The dollar threshold has been increased from \$800.00.

Therefore, claims for reimbursement of mental health services provided in an Independent Clinic do not require prior authorization from Medicaid until the \$6,000.00 threshold has been attained.

In addition...

- 1) Enter the prior authorization number in Field 23 B on the 1500 N.J. claim form after receiving a prior authorization notification letter (FD-360) from the Medicaid Fiscal Agent, or

Enter "Prior Authorization on File" in Field 34, REMARKS, if you are using the previous version of the prior authorization form (FD-07) that does not bear a prior authorization number.
- 2) Use the prior authorization form (FD-07 (Rev.9/91)) that bears a red prior authorization number, not the previous version, when submitting a new request for prior authorization. Discard previous versions (shelf stock) of the FD-07 that have not been used.
- 3) Do not forward the FD-07, previous or current version, to the Medicaid Fiscal Agent as an attachment to the 1500 N.J. claim form.

Questions regarding this MEDICAID ALERT may be directed to the Program's Psychiatric Consultant, Mental Health Services, at (609) 588-2749.

RETAIN THIS MEDICAID ALERT AT THE END OF YOUR FISCAL AGENT BILLING SUPPLEMENT