



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

MEDICAID ALERT

MAY 1993

- TO:** All Providers Billing On The 1500 N.J. Claim Form
- SUBJECT:** Introduction of Optical Character Recognition (OCR) to enhance processing of Medicaid claims.
- BACKGROUND:** The Division of Medical Assistance and Health Services and Paramax/Unisys are pleased to announce the use of new technology known as Optical Character Recognition or "OCR" to process computer-generated or typewritten claim forms.
- PURPOSE:** The purpose of this Medicaid Alert is to notify providers of the benefits of this new technology, which will result in improved accuracy and expedited claims processing. This is an interim step in the transition to the HCFA-1500.
- ACTION:** The introduction of OCR will perform the following:
- 1) Increase the volume of claims processed daily;
 - 2) Improve the overall quality of the work;
 - 3) Reduce data entry errors; and
 - 4) Provide a more rapid response to submitted claims.

The OCR equipment will scan specified fields on the claim form and transmit the data directly into the computer system. This will eliminate the need for manual keying of claim forms. (Currently, all paper claims submitted to Paramax/Unisys for processing are keyed by data entry operators.)

The 1500 N.J. claim form has been revised for use in optical scanning to enable you to participate and take advantage of this new technology. The revisions, however, are minor and should have little or no impact on existing print programs.

The revised form has been printed in red drop-out ink in order for printed characters to be easily recognized by the scanning equipment. An initial order of the revised 1500 N.J. claim forms will be automatically mailed to high volume providers who currently use computer-generated or typewritten claim forms.

All others may order the revised forms by completing the attached Form Request. The new forms may be used immediately upon receipt.

The following guidelines must be adhered to when submitting claims for optical scanning:

- 1) The claim must be computer generated or typewritten;
- 2) The claim form must be the newly revised MC-6 claim form printed in red drop-out ink;
- 3) All data must be printed in black ink;
- 4) Always use 8, 10, or 12 pitch print sizes. Do not use compressed or script print because they cannot be scanned. The block style font is best suited for the scanning equipment;
- 5) An alignment box has been placed in the upper left-hand corner of the revised claim form. Please use this alignment box to set your printer;
- 6) All data must be contained within the specified block. If not, critical data may be passed off into another block, thus delaying the processing of your claim; and
- 7) Do not use any special characters such as ditto marks, hyphens, periods, dollar signs, slashes (/), etc.

Please be reminded that OCR is only available to providers who produce computer-generated or typewritten claim forms. All other claims that do not qualify for scanning will continue to be processed in the normal manner.

Your Fiscal Agent Billing Supplement, Section 6, contains item-by-item instructions for the proper completion of each block on the claim form. A special newsletter emphasizing the requirements for OCR will follow this Medicaid Alert.

If you have any questions regarding this Medicaid Alert, please contact Provider Services, Paramax/Unisys, at 1-800-776-6334.

**RETAIN THIS MEDICAID ALERT CHRONOLOGICALLY BEHIND THE ALERTS TAB
(GREEN TAB MARKED "4")**