



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

# MEDICAID ALERT

February 1994

**TO:** Anesthesiologists

**SUBJECT:** Clarification of Billing Procedures for Anesthesiology Services

**EFFECTIVE:** Immediately

**PURPOSE:** To clarify the proper procedure for billing anesthesia units.

**BACKGROUND:** The Division of Medical Assistance and Health Services (DMAHS) reimburses anesthesiologists for anesthesia services provided to Medicaid recipients. Unlike Medicare which requires the reporting of anesthesia in minutes, Medicaid still requires the reporting of anesthesia services in "units" with each "unit" equal to one fifteen-minute increment of anesthesia time. The Medicaid policy includes reimbursement for anesthesia base units (ABUs) plus anesthesia time, i.e., the time accrued while the anesthesia is administered. (Also, please refer to Newsletter, Volume 2, No. 48, September, 1992, Medicaid Billing Instructions - Anesthesiology Services.)

**ACTION:** The Division is aware of the inappropriate billing of the "UNITS" for anesthesia services which has resulted in an overpayment by Medicaid for these services. The following instructions clarify the proper procedure for billing anesthesia units.

1. All HCPCS procedure codes for which there have been assigned anesthesia base unit(s) (ABUs) require that the **AA** modifier be utilized to allow your claim to be processed.
2. The anesthesia time for these codes is to be converted into units in FIELD 24F. Each fifteen-minute (15) increment of anesthesia time is equal to one (1) unit. **DO NOT ENTER THE TIME (HOURS AND/OR MINUTES) IN THE "UNITS" FIELD. INDICATE THE ANESTHESIA TIME (HOURS AND/OR MINUTES) AT THE BOTTOM OF THE CLAIM FORM IN "FIELD 34 - REMARKS".**
3. **DO NOT** include the anesthesia base units (ABUs) when recording the "units" on the claim form. The Unisys claims processing system will automatically add the ABUs.

EXAMPLE: A two-hour (2) long operative procedure equals eight (8) "units". Record "8" units in FIELD 24F - "DAYS OR UNITS" and 2 hours in FIELD 34 - REMARKS on the 1500 N.J. claim form. Payment to the anesthesiology will be based on "8" units plus the ABUs.

Claims are subject to payment recapture if they were billed to the fiscal agent for anesthesia services where the "units" FIELD reflect the addition of the ABUs, or the time is recorded in hours and/or minutes. Therefore, providers should **IMMEDIATELY** submit claim adjustments to correct the billed units by using the MMIS Claim Adjustment Request Form (FD-999) for "hard copy" claims or by following the adjustment procedure for EMC claims.

Any claims submitted for anesthesia services with potentially excess units will be suspended for further review. A "Claim Correction Form" (CCF) will be sent to you to correct the "units" FIELD if you have failed to complete the claim properly.

Garden State Health Plan prior authorization policies and procedures remain in effect.

For information or questions about this Medicaid Alert, please contact Provider Services Unit, Unisys, at 1-800-776-6334.

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(GREEN TAB MARKED "4").