



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

# MEDICAID ALERT

June 1995

**TO:** Case Management/Mental Health Providers

**SUBJECT:** Case Management Program/Mental Health (CMP/MH): Financial Accounts Reconciliation Process

**EFFECTIVE:** Immediately

**PURPOSE:** The purpose of this Medicaid Alert is to give CMP/MH providers additional information they may need to reconcile payments received for services rendered for CMP/MH service recipients.

**BACKGROUND:** The Case Management Program/Mental Health (CMP/MH) implemented on July 1, 1991 and administered jointly by the Division of Mental Health Services (DMHS) and the Division of Medical Assistance and Health Services (DMAHS), is a distinct program to provide case management services. The program offers targeted case management services to seriously mentally ill individuals (adults and children) who do not accept or engage in community mental health programs and/or have multiple service needs and require extensive service coordination.

The Department of Human Services recently amended the New Jersey Administrative Code to change the billing unit for case management programs for mental health from one month to a fifteen (15)-minute period. While the basis for reimbursement will continue to be fee-for-service, this change will allow providers to bill for units of service provided and eliminate the necessity to reconcile payments received on a prospective basis with actual services provided.

Since the onset of this program, providers have been asked to reconcile payments received with actual services provided on a six-month schedule. This Division is now reminding providers who have not already done so to take the final step in the reconciliation process, that being the return of any payments required as a result of this reconciliation process.

**ACTION:** The MMIS Claim Adjustment Request Form (FD 999) is used to adjust payments received. The fiscal agent will debit your future payments in the amount of the required reconciliation.

Using your most recent Remittance Advice statement, you are to reconcile your payments by creating an adjustment to the most recent claim(s) payment in the amount(s) necessary to balance the accounts.

Example 1: If, following reconciliation of your accounts, it is determined that your adjustment is in the amount of \$200.00, you are to adjust the most recently paid claim for that recipient in the amount of \$200.00. This can be accomplished by adjusting the charges of a claim paid \$350.00 downwards to \$150.00. This adjustment of \$200.00 will be reflected on a future Remittance Advice statement.

Example 2: You have the same overpayment of \$200.00. The most recent remittance advice statement indicates payment of four claims at \$100.00 per claim for that recipient. Of these four claims, charges on the two most recent claims should be adjusted downwards to \$25.00 each; the charge on the third claim should be adjusted downwards to \$50.00. The net result will be an adjustment of \$200.00. As in the first example, the adjustment will be reflected on a future Remittance Advice statement.

No claim charge should be corrected to an amount less than \$25.00.

This type of adjustment should continue in a chronologically backwards sequence from the most recently paid claim until a full reconciliation of funds has been accomplished.

Attached for your convenience is a copy of an MMIS Claim Adjustment Request Form (FD 999) and instructions for completing the adjustment request form. Please note that all attachments submitted with the original claim must be submitted with this adjustment request (FD 999). The charge field on the copy of the original claim should be changed to reflect the amount which should be paid after the claim adjustment is taken into consideration. For the first requirement (a copy of the original claim), providers are to indicate that the correction is to charges by crossing out the original amount billed and writing in the corrected amount.

If there are any questions regarding this Medicaid Alert, please contact Unisys at 1-800-776-6334 or 609-587-1955.

Attachment

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