

CHAPTER 54

PHYSICIAN SERVICES

Authority

N.J.S.A. 30:4D-6a(5); 30:4D-7, 7a, b and c; 30:4D-12; 42 CFR 440.50.

Source and Effective Date

R.1996 d.66, effective February 5, 1996.
See: 27 N.J.R. 4576(a), 28 N.J.R. 902(b).

Executive Order No. 66(1978) Expiration Date

Chapter 54, Physician Services, expires on February 5, 2001.

Chapter Historical Note

Chapter 54, Manual for Physician's Services, originally was filed and became effective prior to September 1, 1969.

Chapter 54, Manual for Physician's Services, was readopted, pursuant to Executive Order No. 66(1978), by R.1991 d.136, effective February 15, 1991. See: 22 N.J.R. 3711(b), 23 N.J.R. 858(a). Subchapter 3, Procedure Code Manual, was repealed by R.1986 d.52 and Subchapter 4, HCFA Common Procedure Coding System (HCPCS), was adopted as new rules, effective March 3, 1986. See: 17 N.J.R. 1519(b), 18 N.J.R. 478(a).

Chapter 54, Manual for Physician's Services, was repealed, and Chapter 54, Physicians Services, was adopted as new rules by R.1996 d.66, effective February 5, 1996. See: Source and Effective Date.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL PROVISIONS

- 10:54-1.1 Purpose and scope
- 10:54-1.2 Definitions
- 10:54-1.3 Provider participation criteria
- 10:54-1.4 Reimbursement based on specialist designation
- 10:54-1.5 Certification of physician services
- 10:54-1.6 Provider signature requirements

SUBCHAPTER 2. PHYSICIAN SERVICES—GENERAL

- 10:54-2.1 Patient choice of physician
- 10:54-2.2 Direction of physicians services
- 10:54-2.3 Physician personal direction of Certified Registered Nurse Anesthetists (CRNA)
- 10:54-2.4 Physician collaboration with Certified Nurse Midwives
- 10:54-2.5 Physician collaboration with Certified Nurse Practitioner/Clinical Nurse Specialist (CNP/CNS)
- 10:54-2.6 Recordkeeping; general
- 10:54-2.7 Minimum documentation; initial visit; new patient
- 10:54-2.8 Minimum documentation; established patient
- 10:54-2.9 Minimum documentation; home visits and house calls
- 10:54-2.10 Minimum documentation; hospital or nursing facility
- 10:54-2.11 Minimum documentation; hospital discharge medical summary
- 10:54-2.12 Minimum documentation; mental health services

SUBCHAPTER 3. PROVISION OF SERVICES

- 10:54-3.1 Medical Justification Program
- 10:54-3.2 Prior authorization
- 10:54-3.3 Authorization of reimbursement for out-of-State hospital services
- 10:54-3.4 Out-of-State elective services
- 10:54-3.5 Out-of-State emergencies and interstate transfers

SUBCHAPTER 4. BASIS OF PAYMENT

- 10:54-4.1 General payment methodology
- 10:54-4.2 Personal contribution to care requirements for NJ Kid-Care-Plan C
- 10:54-4.3 Use of physician reimbursement codes
- 10:54-4.4 HCPCS codes for new patients visits
- 10:54-4.5 Use of HCPCS codes for established patient visits
- 10:54-4.6 Use of HCPCS codes for home visits and house calls
- 10:54-4.7 Use of HCPCS codes for emergency department services
- 10:54-4.8 Use of HCPCS codes for critical care services
- 10:54-4.9 Use of HCPCS codes for neonatal intensive care
- 10:54-4.10 Use of HCPCS codes for neonatal care; well baby
- 10:54-4.11 Use of HCPCS codes for neonatal care; sick newborn
- 10:54-4.12 Physician reimbursement in special situations
- 10:54-4.13 HCPCS codes for surgical procedures; general
- 10:54-4.14 Pre-surgery consultation and evaluation
- 10:54-4.15 Simultaneous visit and other procedures
- 10:54-4.16 Multiple surgical procedures; same session
- 10:54-4.17 Repeat or revisitation of the surgical procedure
- 10:54-4.18 Ligation or transection of fallopian tubes
- 10:54-4.19 Anesthesiology
- 10:54-4.20 Radiology; general
- 10:54-4.21 Radiology; diagnostic imaging and ultrasound
- 10:54-4.22 Radiology; Computerized Tomography (CT), Magnetic Resonance Imaging (MRI) and Ultrasound
- 10:54-4.23 Nuclear medicine; diagnostic and therapeutic radiopharmaceuticals
- 10:54-4.24 Radiation oncology; treatment planning and therapy
- 10:54-4.25 Radiology; portable and mobile diagnostic
- 10:54-4.26 Consultation services; general
- 10:54-4.27 Consultation; limited
- 10:54-4.28 Consultation; comprehensive
- 10:54-4.29 Consultation; follow-up
- 10:54-4.30 Consultation; use of all consultation codes
- 10:54-4.31 Concurrent care; physicians
- 10:54-4.32 Concurrent care/collaboration with a CNP/CNS
- 10:54-4.33 Services provided in a birthing center

SUBCHAPTER 5. POLICIES AND PROCEDURES FOR PROVISION OF SERVICES PRESCRIBED OR RENDERED BY A PHYSICIAN

- 10:54-5.1 Apnea monitors; home
- 10:54-5.2 Clinical laboratory services
- 10:54-5.3 Cosmetic surgery
- 10:54-5.4 Diagnostic endoscopic procedures; general
- 10:54-5.5 Diagnostic endoscopic procedures; without biopsies
- 10:54-5.6 Diagnostic endoscopic procedures; with biopsy
- 10:54-5.7 Early and Periodic Screening, Diagnosis and Treatment (EPSDT); general
- 10:54-5.8 EPSDT; conditions of participation
- 10:54-5.9 EPSDT; services
- 10:54-5.10 EPSDT; screening periodicity schedule
- 10:54-5.11 EPSDT; vision screening
- 10:54-5.12 EPSDT; dental screening
- 10:54-5.13 EPSDT; hearing screening
- 10:54-5.14 EPSDT and pediatric HealthStart
- 10:54-5.15 Family planning services
- 10:54-5.16 Home Care Services; general
- 10:54-5.17 Home Care Services; Home Health Services (HH)
- 10:54-5.18 Home Care Services; Personal Care Assistant Services (PCA)
- 10:54-5.19 Home Care Services; Home and Community-Based Services Waiver programs eligibility
- 10:54-5.20 Home Care Services; Home and Community-Based Services Waiver programs; general
- 10:54-5.21 Home Care Services; Home and Community-Based Waiver Services for blind and disabled children and adults (Model Waivers I, II, and III)
- 10:54-5.22 Home Care Services; AIDS Community Care Alternatives Program (ACCAP)

- 10:54-5.23 Home Care Services; Community Care Program for the Elderly and Disabled (CCPED)
- 10:54-5.24 Home Care Services; Home and Community-Based Services Waiver Program for persons with traumatic brain injuries (TBI)
- 10:54-5.25 Home Care Services; Home and Community-Based Waiver for Medically Fragile Children (ABC Program)
- 10:54-5.26 Home Care Services; Home and Community-Based Waiver for Mentally Retarded/Developmentally Disabled (CCW)
- 10:54-5.27 Home Care Services; Home Care Expansion Program (HCEP)
- 10:54-5.28 Home Care Services; private duty nursing for EPSDT
- 10:54-5.29 Hospice services; general
- 10:54-5.30 Medical supplies and durable medical equipment (DME) services
- 10:54-5.31 Nursing facility services
- 10:54-5.32 Organ procurement and transplantation services
- 10:54-5.33 Orthopedic footwear services
- 10:54-5.34 Prosthetic and orthotic services (P & O)
- 10:54-5.35 Rehabilitative services; general
- 10:54-5.36 Rehabilitative services; Physical therapy
- 10:54-5.37 Rehabilitative services; Occupational therapy
- 10:54-5.38 Rehabilitative services; Speech-language pathology and audiology
- 10:54-5.39 Rehabilitative services; separation of therapy and office visit reimbursement
- 10:54-5.40 Second opinion program for elective surgical procedures—hospital inpatient and ambulatory surgical centers (ASC) services
- 10:54-5.41 Sterilization; general
- 10:54-5.42 Hysterectomy
- 10:54-5.43 Termination of pregnancy
- 10:54-5.44 Transportation services
- 10:54-5.45 Vision care services

SUBCHAPTER 6. HEALTHSTART—MATERNITY AND PEDIATRIC CARE SERVICES

- 10:54-6.1 Purpose
- 10:54-6.2 Scope of services
- 10:54-6.3 HealthStart provider participation criteria
- 10:54-6.4 Termination of HealthStart certificate
- 10:54-6.5 Standards for a HealthStart comprehensive maternity care provider certificate
- 10:54-6.6 HealthStart maternity care certificate; physician or nurse midwives in private practice
- 10:54-6.7 Access to service
- 10:54-6.8 Plan of care
- 10:54-6.9 HealthStart Maternity Medical Care Services
- 10:54-6.10 HealthStart health support services
- 10:54-6.11 Professional staff requirements for HealthStart comprehensive maternity services
- 10:54-6.12 Records; documentation, confidentiality and informed consent for HealthStart maternity care providers
- 10:54-6.13 Standards for HealthStart pediatric care certificate
- 10:54-6.14 Professional Requirements for HealthStart pediatric care providers
- 10:54-6.15 Preventive care services for HealthStart pediatric care providers
- 10:54-6.16 Referral services for HealthStart pediatric care providers
- 10:54-6.17 Records; documentation; confidentiality and informed consent for HealthStart pediatric care providers
- 10:54-6.18 Policy for reimbursement for HealthStart providers
- 10:54-6.19 HealthStart maternity care code requirements

SUBCHAPTER 7. PHYSICIAN SERVICES PROVIDED IN HOSPITALS AND NURSING FACILITIES

- 10:54-7.1 Pre-admission screening for nursing facility (NF) placement
- 10:54-7.2 Pre-admission Screening and Annual Resident Review (PASARR); Level I
- 10:54-7.3 PASARR Level I; PASARR Identification criteria for serious mental illness (SMI) and mental retardation

- 10:54-7.4 PASARR Level II Screens
- 10:54-7.5 PASARR Level II; Readmission following psychiatric hospitalization
- 10:54-7.6 PASARR Level II; Alzheimer's or related dementias
- 10:54-7.7 PASARR and PAS Screens; Necessity for nursing facility services
- 10:54-7.8 Physician services to hospital patients
- 10:54-7.9 Psychiatric services; inpatient services
- 10:54-7.10 Psychiatric services (including prior authorization); Hospital outpatient and other settings

SUBCHAPTER 8. PHARMACEUTICAL SERVICES

- 10:54-8.1 Pharmaceutical; Conditions for participation as provider of pharmaceutical services
- 10:54-8.2 Pharmaceutical; Program restrictions affecting payment for prescribed drugs
- 10:54-8.3 Medical exception process (MEP)
- 10:54-8.4 Pharmaceutical; Physician-administered drugs

SUBCHAPTER 9. HEALTH CARE FINANCING ADMINISTRATION (HCFA) COMMON PROCEDURE CODING SYSTEM (HCPCS)

- 10:54-9.1 Introduction
- 10:54-9.2 Elements of HCPCS procedure codes which require attention
- 10:54-9.3 Definitions of modifiers
- 10:54-9.4 HCPCS Procedure Codes and Maximum Fee Schedule for Medicine
- 10:54-9.5 HCPCS Procedure Codes and Maximum Fee Schedule for Surgery
- 10:54-9.6 HCPCS Procedure Codes and Maximum Fee Schedule for Radiology/Ultrasound
- 10:54-9.7 HCPCS Procedure Codes for Pathology and Laboratory
- 10:54-9.8 HCPCS Procedure Codes with Qualifiers (except for Pathology/Laboratory)
- 10:54-9.9 Pathology and Laboratory HCPCS Codes—Qualifiers
- 10:54-9.10 Descriptions and Qualifiers for Level II and Level III Procedure Codes (except for Pathology/Laboratory)
- 10:54-9.11 Supplemental Information Summarizing the Use of HCPCS

- APPENDIX A
- APPENDIX B
- APPENDIX C

SUBCHAPTER 1. GENERAL PROVISIONS

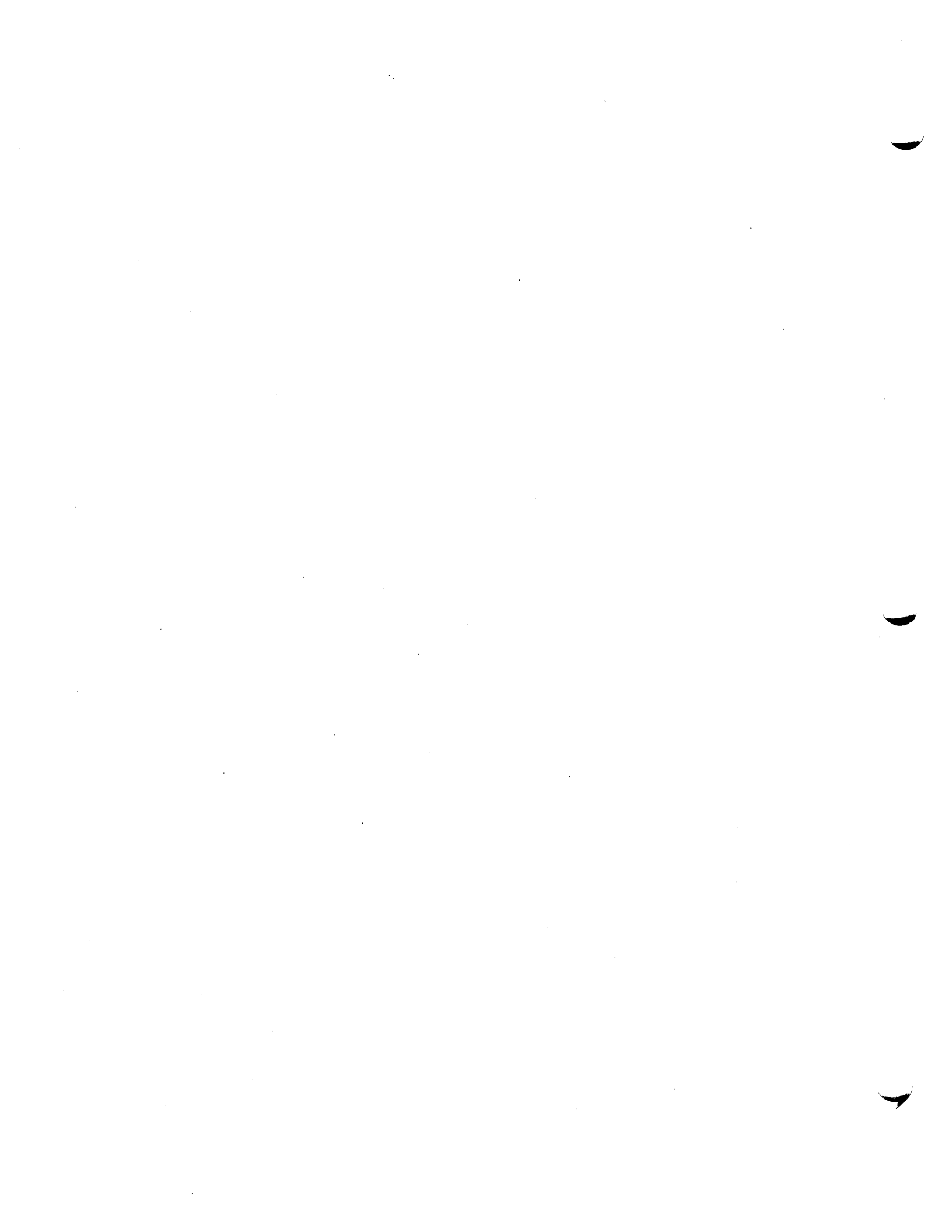
10:54-1.1 Purpose and scope

(a) The Physician Services chapter outlines the policies and procedures of the New Jersey Medicaid program for a physician who prescribes, provides directly, or personally directs medically necessary health services to Medicaid recipients. The policies and procedures in this chapter foster the delivery of services in the most efficient and cost-effective manner consistent with good medical practice.

(b) As a Medicaid provider, the physician may also participate in special programs, such as the HealthStart (Maternity and Pediatric Services), Garden State Health Plan and managed health care, which is provided to designated recipients in selected counties, in accordance with the provisions of N.J.A.C. 10:49-20 and 10:74, respectively.

(c) Medicaid rules regarding physicians who have a collaborative arrangement with certified nurse practitioners/clinical nurse specialists (CNP/CNS) may be found in the New

Jersey Administrative Code at N.J.A.C. 10:58A. Medicaid rules regarding physicians who employ CNP/CNSs may be found in N.J.A.C. 10:54 (this chapter).



(c) If authorized, the authorization letter of a medical consultant of the New Jersey Medicaid program will be forwarded to the attending physician. When submitting the claim for service to the Medicaid fiscal agent, the physician shall attach the authorization letter to the claim.

10:54-3.4 Out-of-state elective services

(a) For a recipient residing in New Jersey in other than a hospital, who is to be admitted or referred to an out-of-state hospital or physician for elective inpatient or outpatient hospital services, the physician planning such action shall sign a statement that the medically necessary service is not available at a reasonable distance within the State of New Jersey and shall send the signed statement to the MDO.

(b) For a recipient traveling outside New Jersey who is to be admitted to an out-of-State hospital for elective surgery, as part of the prior authorization request, the attending physician shall justify the decision by sending to the Medicaid District Office (MDO), a signed statement that an attempt to return to a New Jersey hospital would create a significant risk to life or health or would create the need for an unreasonable amount of travel for the recipient.

10:54-3.5 Out-of-State emergencies and interstate transfers

(a) Prior authorization shall not be required for emergencies nor for interstate hospital transfers. However, in these instances, the hospital shall attach the attending physician's signed statement to the claim, attesting to the nature of the emergency; or, for a hospital interstate transfer, attesting to the unavailability of the medically necessary service within a reasonable distance within the State of New Jersey; or that the need to obtain prior authorization would result in a delay that could create a significant risk to life or health or unduly prolong hospitalization. The physician shall provide the hospital with a copy of the authorization letter to be attached to the claim from the hospital, when applicable.

(b) For prior authorization and preadmission screening for mental health and psychiatric services, see N.J.A.C. 10:54-7.1 and 7.4 of this Chapter.

SUBCHAPTER 4. BASIS OF PAYMENT

10:54-4.1 General payment methodology

(a) Payment for physician services covered under the New Jersey Medicaid or NJ KidCare program is based upon the customary charge prevailing in the community for the same service but shall not exceed a "Maximum Fee Allowance Schedule" which has been determined reasonable by the Commissioner and set forth in N.J.A.C. 10:54-9 and as limited by Federal policy relative to the payment of physicians and other licensed health care practitioners.

1. In no event shall the charge to the New Jersey Medicaid or NJ KidCare program exceed the charge by the provider for identical services to other governmental agencies or other groups or individuals in the community.

2. Effective July 20, 1998, for services provided to beneficiaries eligible for both Medicare Part B and Medicaid or NJ KidCare, including Qualified Medicare Beneficiaries, Medicaid or NJ KidCare shall reimburse physicians and practitioners the Medicare Part B coinsurance and deductible amount or the Medicaid or NJ KidCare maximum fee allowable (less any third party payments, including Medicare reimbursement), whichever is less.

(b) The "Maximum Fee Allowance Schedule" differentiates rates according to whether the physician is a specialist or nonspecialist. (See N.J.A.C. 10:54-1.2 through 1.5 of this manual for regulations for specialist.)

(c) For reimbursement for injections and immunizations, see N.J.A.C. 10:54-4.3(a)6 and N.J.A.C. 10:54-9.8(h).

(d) For reimbursement for services of certified nurse practitioners/clinical nurse specialists employed by a physician or physician group, see N.J.A.C. 10:58A-4.1 through 4.5, incorporated herein by reference.

Amended by R.1998 d.154, effective February 27, 1998 (operative March 1, 1998; to expire August 31, 1998).

See: 30 N.J.R. 1060(a).

In (a), inserted references to NJ KidCare throughout.

Amended by R.1998 d.382, effective July 20, 1998.

See: 30 N.J.R. 1255(b), 30 N.J.R. 2646(b).

In (a)2, inserted "Effective July 20, 1998," at the beginning, inserted references to NJ KidCare throughout, and substituted "less" for "greater" at the end.

Adopted concurrent proposal, R.1998 d.487, effective August 28, 1998.

See: 30 N.J.R. 1060(a), 30 N.J.R. 3519(a).

Readopted the provisions of R.1998 d.154 without change.

10:54-4.2 Personal contribution to care requirements for NJ KidCare-Plan C

(a) General policies regarding the collection of personal contribution to care for NJ KidCare-Plan C are set forth at N.J.A.C. 10:49-9.

(b) Personal contribution to care for NJ KidCare-Plan C services is \$5.00 a visit for office visits, except when the service is provided for preventive care, prenatal care, family planning services or substance abuse treatment services.

1. An office visit is defined as a face-to-face contact with a medical professional under the supervision of the physician, which meets the documentation requirements codified at N.J.A.C. 10:52-2.6 through 2.12.

2. Office visits include physician services provided in the office, patient's home, or any other site excluding hospital where the child may have been examined by the physician. Generally, these procedure codes are in the 90000 HCPCS series of reimbursable codes codified at N.J.A.C. 10:54-9.3.

3. Physician services which do not meet the requirements of an office visit as defined in this chapter, such as surgical services, immunizations, laboratory or x-ray services, do not require a personal contribution to care.

(c) Physicians shall not charge a personal contribution to care for services provided to newborns, who are covered under fee-for-service for Plan C; for family planning services; for substance abuse treatment services; for prenatal care or for preventive services, including appropriate immunizations.

New Rule, R.1998 d.154, effective February 27, 1998 (operative March 1, 1998; to expire August 31, 1998).

See: 30 N.J.R. 1060(a).

Former N.J.A.C. 10:54-4.2, Use of physician reimbursement codes, recodified to N.J.A.C. 10:52-4.3.

Adopted concurrent proposal, R.1998 d.487, effective August 28, 1998.

See: 30 N.J.R. 1060(a), 30 N.J.R. 3519(a).

Readopted the provisions of R.1998 d.154 without change.

10:54-4.3 Use of physician reimbursement codes

When the examination of the recipient is by the same physician, a practitioner, a shared health facility or group of physicians/practitioners who share a common record, the examination is considered that of a single provider.

Recodified from N.J.A.C. 10:54-4.2 by R.1998 d.154, effective February 27, 1998 (operative March 1, 1998; to expire August 31, 1998).

See: 30 N.J.R. 1060(a).

Former N.J.A.C. 10:54-4.3, HCPCS codes for new patients visits, recodified to N.J.A.C. 10:54-4.4.

Adopted concurrent proposal, R.1998 d.487, effective August 28, 1998.

See: 30 N.J.R. 1060(a), 30 N.J.R. 3519(a).

Readopted the provisions of R.1998 d.154 without change.

10:54-4.4 HCPCS codes for new patients visits

(a) This rule applies to office, and hospital inpatient and outpatient services to new patients (excluding preventive health care for patients through 20 years of age).

(b) When the CPT manual refers to office or hospital inpatient or outpatient services—new patient, Medicaid will consider this service an initial visit.

1. When the setting for an initial visit is an office or residential health care facility, reimbursement shall be limited to a single visit. Future requests for reimbursement which include this category of codes will be denied when the recipient is seen by the same physician, practitioner, group of physicians/practitioners, or shared health care facility sharing a common record. Reimbursement for an initial office visit precludes subsequent reimbursement for an initial residential health care facility visit and vice versa.

2. Reimbursement for an initial office visit or initial residential health care facility visit will be disallowed if a preventive medicine service, EPSDT examination, or office consultation was billed within a twelve month period by a physician, group, shared health care facility, or practitioner sharing a common record.

(c) If the setting is a nursing facility or hospital, the initial visit concept shall still apply when considered for reimbursement purposes despite CPT reference to the terms initial hospital care as applying to a new or established patient. Subsequent readmissions to the same facility may be designated as initial visits (as long as a time interval of 30 days or more has elapsed between admissions).

(d) Reimbursement for an initial hospital visit shall be disallowed to the same physician, practitioner, group of physicians/practitioners, or shared health care facility sharing a common record who submit a claim for a consultation and transfer the patient to their service. "Consultation" and "Initial Hospital Visit" shall not be billed for the same provider on the same patient on the same day of service.

(e) In order to receive reimbursement for an initial visit, the documentation requirements set forth in N.J.A.C. 10:54-2.6 through 2.12 shall be met, regardless of where the examination was performed.

Recodified from N.J.A.C. 10:54-4.3 by R.1998 d.154, effective February 27, 1998 (operative March 1, 1998; to expire August 31, 1998).

See: 30 N.J.R. 1060(a).

Former N.J.A.C. 10:54-4.4, Use of HCPCS codes for establishing patient visits, recodified to N.J.A.C. 10:54-4.5.

Adopted concurrent proposal, R.1998 d.487, effective August 28, 1998.

See: 30 N.J.R. 1060(a), 30 N.J.R. 3519(a).

Readopted the provisions of R.1998 d.154 without change.

10:54-4.5 Use of HCPCS codes for established patient visits

(a) This rule applies to office, inpatient or outpatient services to established patients (excluding preventive health care for patients through 20 years of age).

(b) "Routine visit" or "follow-up visit" means the care and treatment by a physician, which includes those procedures ordinarily performed during a health care visit, which is dependent upon the setting and the physician's discipline. The setting may be an office, hospital, nursing facility or residential health care facility.

1. In order to receive reimbursement for a routine visit or follow-up visit, the documentation requirements set forth in N.J.A.C. 10:54-2.3 shall be met, regardless of where the examination was performed.

Recodified from N.J.A.C. 10:54-4.4 by R.1998 d.154, effective February 27, 1998 (operative March 1, 1998; to expire August 31, 1998).

See: 30 N.J.R. 1060(a).

Former N.J.A.C. 10:54-4.5, Use of HCPCS codes for home visits and house calls, recodified to N.J.A.C. 10:54-4.6.

Adopted concurrent proposal, R.1998 d.487, effective August 28, 1998.

See: 30 N.J.R. 1060(a), 30 N.J.R. 3519(a).

Readopted the provisions of R.1998 d.154 without change.

10:54-4.6 Use of HCPCS codes for home visits and house calls

(a) "House call" means a physician visit limited to the provision of medical care to an individual who is too ill to go to a physician's office and/or is "home bound" due to his or her physical condition.