

10:54-7.7 PASARR and PAS Screens; Necessity for nursing facility services

(b) The PASARR Level II Screen prior to NF admission shall be performed by a psychiatrist and forwarded to the Division of Mental Health Services (DMHS) for final determination of the need for specialized services.

1. The hospital discharge planning unit and/or social services department shall immediately arrange through the individual's attending physician, a consultation by a board eligible or board certified hospital staff psychiatrist, who shall also be a Medicaid participating provider, to conduct the active treatment review and complete the "Psychiatric Evaluation" form. (The "Psychiatric Evaluation" form is not to be completed until such time as the RSN has approved placement in a NF.)

2. Within 48 hours of the psychiatrist's review of the recipient or potential Medicaid recipient, the completed "Psychiatric Evaluation" form shall be sent to the Division of Mental Health Services, CN-727, Trenton, New Jersey 08625-0727, Attention: PASARR Coordinator.

i. A supply of the "Psychiatric Evaluation" form may be ordered from the PASARR Coordinator in the Division of Mental Health Services.

(c) Annual Resident Reviews (ARR) for individuals identified as having mental illness residing in Medicaid certified nursing facilities shall be performed by the individual's attending physician and forwarded to the Division of Mental Health Services for final determination of the need for specialized services.

1. The MDO will send a NF PASARR Reassessment List to the NF in the first week of every month. The reassessment date is based upon the month the individual was initially admitted to the NF. The attending physician completes the psychiatric evaluation form by the fifteenth of the following month on those individuals with mental illness.

2. The completed psychiatric evaluation form will be forwarded to the DMHS to be reviewed by DMHS psychiatrists to determine the need for specialized services.

3. The results of the DMHS determination will be returned to the nursing facility to be incorporated in the patient's chart.

10:54-7.8 Physician services to hospital patients

(a) Physician services that are rendered to a patient registered in the hospital outpatient department that are reimbursed as part of hospital costs shall not be billed directly by the physician to the Medicaid program. Any arrangement, contractual, employment, grant or otherwise, for payment of the physician(s) providing a service(s) to such a registered clinic patient is between the hospital and the physician(s). Physician services provided in the hospital outpatient department to Medicaid recipients that are not included in hospital costs may be billed by the physician directly to the New Jersey Medicaid program.

(b) For the hospital based physician providing services to an ambulatory non-registered (private) patient, the following applies:

1. This type of patient shall be considered to be the private ambulatory patient of a physician who has referred the patient to the hospital for the services provided, in part or whole, by a hospital based physician (for example, radiologist, pathologist, electrocardiographer, and so forth);

2. Such specific services are considered hospital costs when provided by the physician who is customarily reimbursed directly by the hospital, contractually or otherwise, and are not reimbursable directly to the referring physician.

(c) Direct patient care physician services which are considered the professional component of hospital care, (that is, for some emergency room physicians, radiologists, pathologists, and electrocardiographers), may be reimbursed when the physician bills directly by the fiscal agent under the following circumstances:

1. The physician shall be under contract with the individual hospital for the performance of the specific services;

2. The services are not part of the hospital costs; and

3. The professional component of the services are not reimbursed to the physician in whole or in part by the hospital.

10:54-7.9 Psychiatric services; inpatient services

(a) The New Jersey Medicaid program recognizes as a covered service, a medically necessary inpatient service which is provided to a Medicaid recipient in an approved private psychiatric hospital or the psychiatric section of an approved general hospital with the following limitation. (See N.J.A.C. 10:49-2.3(b) for the Medically Needy program and the Hospital Services Chapter, N.J.A.C. 10:52-1.15, 10:52-2.9 and 10:52-4.2) for policies and procedures for hospital outpatient psychiatric services).

1. Reimbursement for either a psychiatric consultation, individual psychotherapy, family or group psychotherapy, or shock therapy shall be considered as inclusive for all psychiatric services performed on that day.

(b) When hospitalization is out-of-State, prior authorization is required for elective psychiatric hospitalizations but not for emergency hospitalizations.

1. When prior authorization is required, the request shall be submitted from the referring physician to the Office of Health Services Administration, Mental Health Services, Division of Medical Assistance and Health Services, Mail Code #18, CN-712, Trenton, New Jersey 08625-0712, attached to the claim form.

2. The request shall include the following:

1. Is attributable to cerebral palsy or epilepsy; or any other condition (other than mental illness) found to be closely related to mental retardation (developmentally disabled) because this condition (the mental and/or physical impairment) results in impairment of general intellectual functioning or adaptive behavior similar to that of mentally retarded persons, and requires treatment or services similar to those required for these persons;

2. Is manifested before the person reaches the age 22 years;

3. Is likely to continue indefinitely; and

4. Results in substantial functional limitations in three or more of the following areas of major life activity:

- i. Self-care;
- ii. Understanding and use of language;
- iii. Learning;
- iv. Mobility;
- v. Self-direction;
- vi. Capacity for independent living; and,
- vii. Economic self-sufficiency.

10:54-7.3 PASARR Level I; PASARR Identification criteria for serious mental illness (SMI) and mental retardation

(a) The criteria for serious mental illness includes:

1. A diagnosis of a mental illness that may lead to chronic disability, such as, schizophrenia, mood disorder, paranoia, panic or other severe anxiety disorder, somatoform disorder, personality disorder, or other psychotic disorder.

2. A disability showing that within the past 3 to 6 months, mental disorder has resulted in functional limitations in major life activities that would be appropriate for the client's developmental stage.

3. During the past two years and due to a mental illness, either or both of the following have occurred:

i. There were two or more treatment episodes of greater intensity than outpatient services, such as, inpatient, emergency or partial hospitalization care (include also single episodes lasting three months or more); and/or

ii. The normal living situation has been disrupted to the point that supportive services were required to maintain that client in that home or residence, or housing or law enforcement officials intervened.

NOTE: Psychotic drug use no longer constitutes a mandatory criteria for a PASARR Screen.

(b) The criteria for mental retardation or related conditions includes:

1. The individual has a diagnosis of mental retardation or other developmental disability, such as, cerebral

palsy, epilepsy, autism, spinal bifida, head injury or other neurological impairment; and

2. The individual's history or past records show the onset of the mental retardation or related conditions occurred prior to age 22; and

3. The individual's disability is severe and chronic in nature.

10:54-7.4 PASARR Level II Screens

(a) PASARR Level II screens shall be conducted for mentally ill or mentally retarded individuals only if the RSN's assessment results in authorization for NF placement.

(b) Level II screens require that a psychiatric examination be performed by a Medicaid participating psychiatrist to determine the need for specialized services. (See N.J.A.C. 10:52-1.9(e).)

(c) Level II screens for mentally retarded individuals will be performed by the Division of Developmental Disabilities (DDD) to determine the need for specialized services. (See N.J.A.C. 10:52-1.9(d).)

10:54-7.5 PASARR Level II; Readmission following psychiatric hospitalization

Readmission of an individual to a nursing facility following hospitalization in a psychiatric unit of an acute care hospital or from a psychiatric hospital for treatment of an acute episode of a serious mental illness is exempt from preadmission NF and Specialized Services screens. If Minimum Data Set (MDS), which must be completed on admission, indicates a significant change in the resident's mental or behavioral status, the NF must immediately secure an ARR screen. If the resident's mental condition is stabilized, the ARR may be performed in the normal 12 cycle. In addition, if a resident is transferred from one NF to another, the discharging NF must forward to the admitting facility a copy of the most recent MDS, a copy of the most recent PASARR NF authorization letter and Specialized Services determination outcome.

10:54-7.6 PASARR Level II; Alzheimer's or related dementias

For individuals diagnosed with Alzheimer's or related dementias, documentation must be provided to the admitting Medicaid certified nursing facility for the individual's clinical record on the history, physical examination, and diagnostic workup to support the diagnosis of dementia, Alzheimer's disease or related dementias.

(a) The determination of the necessity for NF services shall be performed through Pre-admission Screening (PAS) as mandated by N.J.S.A. 30:4D-17.10. The Medicaid Regional Staff Nurse (RSN) shall determine the necessity for nursing facility services for Medicaid recipients and for individuals who may become Medicaid recipients within six months following admission to a Medicaid certified facility, and for individuals identified as meeting PASARR Level II criteria.