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Attention: Durable Medical Equipment Providers

Discontinuation of HCPCS Codes K0008 and K0013

Effective with date of service February 1, 2002, HCPCS codes K0008, custom manual wheelchair base, and K0013, custom motorized/power wheelchair base, will be discontinued in accordance with national HCPCS changes. Providers are instructed to select appropriate wheelchair base codes and component codes as listed on the Durable Medical Equipment Fee Schedule and in compliance with the SADMERC (Statistical Analysis Durable Medical Equipment Regional Carrier) Product Identification Lists. These lists are published and periodically updated in the Region C *DMERC Medicare Advisory*.

Melody B. Yeargan, P.T., Medical Policy DMA, 919-857-4020

Attention: All Providers

Termination of Inactive Medicaid Provider Numbers

In May 2002, the Division of Medical Assistance (DMA) will begin terminating certain Medicaid provider numbers that do not reflect any billing activity within the previous 12 months. This activity is necessary to reduce the risk of fraud and unscrupulous claims billing.Providers will be notified by mail of DMA's intent to terminate their inactive number and will have two weeks to respond if they wish to request that their number not be terminated. These notices will be sent to

the current mailing address listed in the provider's file. Refer to the October 2001 general Medicaid bulletin for instructions on reporting an address change.Once terminated, providers will be subject to the full re-enrollment process and could experience a period of ineligibility as a Medicaid provider.This termination activity will continue on a quarterly basis with provider notices being mailed April 1, July 1, October 1, and January 1 of each year and the termination dates being effective May 1, August 1, November 1, and February 1.

Demetrae Creech, Provider Services
DMA, 919-857-4017

Attention: Community Alternatives Program Providers

Reimbursement Rate Increase for Community Alternatives Program Services

Effective with date of service January 1, 2002, the Medicaid maximum reimbursement rate for the following Community Alternatives Program (CAP) services increased.

Procedure Code	Description	Maximum Reimbursement Rate
W8111	CAP-MR/DD Personal Care	$3.48/15-minute unit
W8116	CAP/DA Respite Care In-Home	3.48/15-minute unit
W8119	CAP-MR/DD Respite Care Community Based	3.48/15-minute unit
W8141	CAP/DA In-Home Aide Level II	3.48/15-minute unit
W8142	CAP/DA In-Home Aide Level III-Personal Care	3.48/15-minute unit
W8143	CAP/C Personal Care	3.48/15-minute unit
W8144	CAP-MR/DD In-Home Aide Level I	3.48/15-minute unit
W8145	CAP/C Respite Care In-Home	3.48/15-minute unit
W8167	CAP/AIDS Respite Care-In-Home Aide Level	3.48/15-minute unit
W8172	CAP/AIDS In-Home Aide II	3.48/15-minute unit
W8173	CAP/AIDS In-Home Aide III-Personal Care	3.48/15-minute unit

Providers must bill their usual and customary charges. Adjustments will not be made to previously processed claims. Contact the EDS Provider Services Unit for detailed billing instructions.

EDS, 1-800-688-6696 or 919-851-8888

Attention: All Providers

Routine Newborn Circumcision Coverage Policy

The N.C. General Assembly has reinstated Medicaid coverage of routine newborn circumcision. Claims with dates of service on and after November 2001 that denied with EOB 082 should be resubmitted for processing as a new claim.In accordance with the *North Carolina Administrative Code* at 10 NCAC 26K.0106, should a provider bill Medicaid for services previously paid by a Medicaid recipient, the provider shall refund to the patient all money paid by the patient for the services covered by Medicaid with the exception of any third party payments or

cost sharing amounts as described in 10 NCAC 26C.0103.

EDS, 1-800-688-6696 or 919-851-8888

Attention: All Providers

Corrected 1099 Requests - Action Required by March 1, 2002

Providers receiving Medicaid payments of more than $600 annually receive a 1099 MISC tax form from EDS. The 1099 MISC tax form is generated as required by IRS guidelines. It will be mailed to each provider no later than January 31, 2002. The 1099 MISC tax form will reflect the tax information on file with Medicaid as of the last Medicaid checkwrite cycle date, December 27, 2001.If the tax name or tax identification number on the annual 1099 MISC you receive is **incorrect**, a correction to the 1099 MISC must be requested. This ensures that accurate tax information is on file with Medicaid and sent to the IRS annually. When the IRS receives incorrect information on your 1099 MISC, it may require backup withholding in the amount of **30.5 percent of future Medicaid payments**. The IRS could require EDS to initiate and continue this withholding to obtain correct tax data.A correction to the original 1099 MISC must be **submitted to EDS by March 1, 2002** and must be accompanied by the following documentation:

- a copy of the original 1099 MISC
- a signed and completed IRS W-9 form clearly indicating the correct tax identification number and tax name. (Additional instructions for completing the W-9 form can be obtained at http://www.irs.gov under the link "Forms and Pubs.")

Fax both documents to 919-816-4399, Attention: Corrected 1099 Request - Financial

Or

Mail both documents to:

EDS
P.O. Box 300011
Raleigh, NC 27622
Attention: Corrected 1099 Request - Financial

A copy of the corrected 1099 MISC will be mailed to you for your records. All corrected 1099 MISC requests will be reported to the IRS. In some cases, additional information may be required to ensure that the tax information on file with Medicaid is accurate. Providers will be notified by mail of any additional action that may be required to complete the correction to their tax information.

EDS, 1-800-688-6696 or 919-851-8888

Attention: Hospice Providers

Reimbursement Rate Increase for Hospice Services - Correction to Article in January 2002 General Medicaid Bulletin

The following article published in the January 2002 general Medicaid bulletin is being reprinted with the correct rate information listed in the table below.Effective with date of service January 1, 2002, the maximum allowable rate for the following hospice services increased. The hospice rates are as follows:

Metropolitan Statistical Area	SC	Routine Home Care RC 651 Daily	Continuous Home Care RC 652 Hourly (1)	Inpatient Respite Care RC 655 Daily (2) (3) (4)	General Inpatient Care RC 656 Daily (3) (4)	Hospice Intermediate R & B RC 658 Daily (5)	Hospice Skilled R & B RC 659 Daily (5)
Asheville	39	$ 111.56	$ 27.11	$ 121.09	$ 495.34	$ 96.80	$ 128.77
Charlotte	41	110.55	26.86	120.22	491.16	96.80	128.77
Fayetteville	42	104.60	25.41	115.12	466.51	96.80	128.77
Greensboro/Winston-Salem/ High Point	43	108.45	26.35	118.42	482.45	96.80	128.77
Hickory	44	107.45	26.11	117.57	478.33	96.80	128.77
Jacksonville	45	97.49	23.69	109.04	437.11	96.80	128.77
Raleigh/Durham	46	112.61	27.36	121.99	499.68	96.80	128.77
Wilmington	47	110.64	26.88	120.30	491.54	96.80	128.77
Rural	53	102.86	24.99	113.64	459.34	96.80	128.77
Goldsboro	105	102.72	24.96	113.51	458.74	96.80	128.77
Greenville	106	110.49	26.85	120.17	490.91	96.80	128.77
NorfolkCurrituck County	107	102.63	24.94	113.44	458.37	96.80	128.77
Rocky Mount	108	106.17	25.80	116.47	473.02	96.80	128.77

Note: Providers must bill their usual and customary charges. Adjustments will not be made to previously processed claims.

Key to Hospice Rate Table:

SC = Specialty Code
RC = Revenue Code

1. A minimum of eight hours of continuous home care per day must be provided.
2. There is a maximum of five consecutive days including the date of admission but not the date of discharge for inpatient respite care. Bill for the sixth and any subsequent days at the routine home care rate
3. Payments to a hospice for inpatient care are limited in relation to all Medicaid payments to the agency for hospice care. During the 12-month period beginning November 1 of each year and ending October 31, the aggregate number of inpatient respite and general inpatient days may not exceed 20 percent of the aggregate total number of days of hospice care provided during the same time period for all the hospice's Medicaid patients. Hospice care provided for patients with acquired immune deficiency

syndrome (AIDS) is excluded in calculating the inpatient care limit. The hospice refunds any overpayments to Medicaid.

4. Date of Discharge: For the day of discharge from an inpatient unit, the appropriate home care rate must be billed instead of the inpatient care rate unless the recipient expires while an inpatient. When the recipient is discharged as deceased, the inpatient rate (general or respite) is billed for the discharge date.
5. When a **Medicare/Medicaid** recipient is in a nursing facility, Medicare is billed for routine or continuous home care, as appropriate, and Medicaid is billed for the appropriate long-term care rate. When a **Medicaid only**hospice recipient is in a nursing facility, the hospice may bill for the appropriate long-term care (SNF/ICF) rate in addition to the home care rate provided in revenue code 651 or 652. See section 8.15.1, page 8-12, of the *N.C. Medicaid Community Care Manual* for details.

Debbie Barnes, Financial OperationsDMA, 919-857-4015

Attention: Personal Care Providers (excluding Adult Care Homes)

Reimbursement Rate Increase for Personal Care Services

Effective with date of service January 1, 2002, the Medicaid maximum reimbursement rate for personal care service is $3.48 per 15-minute unit ($13.92 per hour).The provider's usual and customary charges must be shown in form locator 47 on each UB-92 claim form filed. Public providers with nominal charges that are less than 50 percent of cost should report the cost of the service in form locator 47. Reimbursement will be based on the lower of the billed charges or the maximum allowable rate.Providers must bill their usual and customary charges. Adjustments will not be made to previously processed claims.

Debbie Barnes, Financial Operations
DMA, 919-857-4015

Attention: All Providers

Basic Medicaid Seminars

Basic Medicaid seminars are scheduled for April 2002. The March general Medicaid bulletin will have the registration form with dates and site locations for the seminars. Please list any issues you would like addressed at the seminars.

Return Basic Medicaid Seminar Issues form to:

Provider Services
EDS P.O. Box 300009
Raleigh, NC 27622

EDS, 1-800-688-6696 or 919-851-8888

Attention: Personal Care Services Providers (excluding Adult Care Home Providers)

Personal Care Services Seminar Schedule

The seminars scheduled for March 2002 are canceled. Please see the March 2002 general Medicaid bulletin for more information.

Directions to the Personal Care Services Seminars

The seminars scheduled for March 2002 are canceled. Please see the March 2002 general Medicaid bulletin for more information.

Checkwrite Schedule

February 12, 2002	March 5, 2002	April 9, 2002
February 19, 2002	March 12, 2002	April 16, 2002
February 27, 2002	March 19, 2002	April 25, 2002
	March 28, 2002	

Electronic Cut-Off Schedule

February 8, 2002	March 1, 2002	April 5, 2002
February 15, 2002	March 8, 2002	April 12, 2002
February 22, 2002	March 15, 2002	April 19, 2002
	March 22, 2002	

Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date.

Nina M. Yeager, Director
Division of Medical Assistance
Department of Health and Human Services

Ricky Pope
Executive Director
EDS