



North Carolina Medicaid Bulletin

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Providers are responsible for informing their billing agency of information in this bulletin.

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Attention: All Providers

Corrected 1099 Requests – Action Required by March 1, 2004

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, 2004. The 1099 MISC tax form reflects the tax information on file with Medicaid as of the last Medicaid checkwrite cycle date, December 29, 2003.

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 **28 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, 2004** 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
Attention: Corrected 1099 Request - Financial
4905 Waters Edge Drive
Raleigh, NC 27606

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

Form **W-9**
(Rev. January 2003)
Department of the Treasury
Internal Revenue Service

**Request for Taxpayer
Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name _____

Business name, if different from above _____

Check appropriate box: Individual/Sole proprietor Corporation Partnership Other _____ Exempt from backup withholding

Address (number, street, and apt. or suite no.) _____

City, state, and ZIP code _____

List account number(s) here (optional) _____

Requester's name and address (optional) _____

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here

Signature of U.S. person _____ Date _____

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

- The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
- The treaty article addressing the income.
- The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
- The type and amount of income that qualifies for the exemption from tax.
- Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a **nonresident alien or a foreign entity** not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments (29% after December 31, 2003; 28% after December 31, 2005). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note: You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is **not required** on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that **may be exempt** from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;

- 9. A futures commission merchant registered with the Commodity Futures Trading Commission;
- 10. A real estate investment trust;
- 11. An entity registered at all times during the tax year under the Investment Company Act of 1940;
- 12. A common trust fund operated by a bank under section 584(a);
- 13. A financial institution;
- 14. A middleman known in the investment community as a nominee or custodian; or
- 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

If the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are **not exempt** from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner **LLC** that is disregarded as an entity separate from its owner (see **Limited liability company (LLC)** on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note: See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5**, Application for a Social Security Card, from your local Social Security Administration office or get this form on-line at www.ssa.gov/online/ss5.html. You may also get this form by calling 1-800-772-1213. Use **Form W-7**, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or **Form SS-4**, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at www.irs.gov.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see **Exempt from backup withholding** on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.



Attention: All Providers**R**eferrals and Service Coordination for the Community Alternatives Program for Disabled Adults

The Community Alternatives Program for Disabled Adults (CAP/DA) provides a variety of home and community services as an alternative to nursing facility care. The program serves disabled adults and the elderly. Each county has designated a lead administrative agency to oversee the day-to-day operation of the program at the local level. In most counties, the lead agency is the entry point for the program and provides the case management for program participants. There are a few counties in which the lead agency has arranged for another agency to handle these functions. Each year the Division of Medical Assistance publishes a list of the local primary contacts for CAP/DA in the general Medicaid bulletin. The following list specifies the name, location, and phone number of the primary CAP/DA case management agency for each county. If the case management agency is not the lead agency, the name of the lead agency is shown in parentheses.

Providers of Medicaid home care services should refer to the list to coordinate any services that they provide to a CAP/DA client with the client's CAP/DA case manager. The case managers need to be aware when home health services, personal care services, durable medical equipment, home infusion therapy, private duty nursing or hospice are being considered or provided to a CAP/DA client. A "CI" or "CS" in the CAP block of the Medicaid identification card identifies CAP/DA clients.

County	Lead Agency	City	Phone #
Alamance	Alamance County DSS	Burlington	(336) 229-3187
Alexander	Alexander County DSS	Taylorsville	(828) 632-1080
Alleghany	Alleghany Memorial Hospital	Sparta	(336) 372-4464
Anson	Anson Community Hospital	Wadesboro	(704) 695-3409
Ashe	Ashe Services for Aging, Inc.	West Jefferson	(336) 246-2461
Avery	Sloop CAP	Newland	(828) 733-1062
Beaufort	Beaufort County DSS	Washington	(252) 975-5500
Bertie	University Home Care – Cashie (Lead Agency - East Carolina Health-Bertie)	Windsor	(252) 794-2622
Bladen	Bladen County Health Dept.	Elizabethtown	(910) 862-6221
Brunswick	Brunswick County DSS	Bolivia	(910) 253-2077
Buncombe	Buncombe County DSS	Asheville	(828) 250-5814
Burke	Burke County DSS	Morganton	(828) 439-2000
Cabarrus	Cabarrus County DSS	Kannapolis	(704) 920-1400
Caldwell	Caldwell County DSS	Lenoir	(828) 426-8200
Camden	Albemarle Regional Health Services	Elizabeth City	(252) 338-4066
Carteret	Carteret County DSS	Beaufort	(252) 728-3181

Lead Agency List, continued

County	Lead Agency	City	Phone #
Caswell	Caswell County Health Dept.	Yanceyville	(336) 694-9592
Catawba	Catawba County DSS	Hickory	(828) 695-5600
Chatham	Chatham County Health Dept.	Pittsboro	(919) 542-8220
Cherokee	Murphy Medical Center	Andrews	(828) 321-4113
Chowan	Chowan Hospital Home Care	Edenton	(252) 482-6322
Clay	Clay County Health Dept.	Hayesville	(828) 389-1444
Cleveland	Cleveland Regional Medical Center Care Solutions	Shelby	(704) 487-0968
Columbus	Columbus County Dept. of Aging	Whiteville	(910) 640-6602
Craven	Craven Regional Medical Center	New Bern	(252) 633-8182
Cumberland	Cape Fear Valley Health System, Inc.	Fayetteville	(910) 609-3400
Currituck	Albemarle Regional Health Services	Elizabeth City	(252) 338-4066
Dare	Dare County DSS	Manteo	(252) 475-5500
Davidson	Davidson County Senior Services	Lexington	(336) 236-3023
Davie	Davie County Hospital	Mocksville	(336) 751-8340
Duplin	Duplin Home Care & Hospice (Lead Agency - Duplin General Hospital)	Kenansville	(910) 296-0819
Durham	Durham County DSS	Durham	(919) 560-8659
Edgecombe	Edgecombe Home Care & Hospice	Tarboro	(252) 641-7518
Forsyth	Senior Services, Inc. (Lead Agency - Forsyth County Health Dept.)	Winston Salem	(336) 725-0907
Franklin	Franklin County DSS	Louisburg	(919) 496-5721
Gaston	Gaston County DSS	Gastonia	(704) 862-7540
Gates	Chowan Hospital Home Care (Lead Agency - Gates County DSS)	Gatesville	(252) 357-1117
Graham	Graham County DSS.	Robbinsville	(828) 479-4201
Granville	Bayada Nurses, Inc. (Lead Agency - Granville Medical Center)	Raleigh	(919) 676-7000
Greene	Greene County DSS	Snow Hill	(252) 747-5932
Guilford	Guilford County Health Dept.	Greensboro	(336) 641-3660
Halifax	Halifax County DSS	Halifax	(252) 536-6538
Harnett	Harnett County Dept. on Aging	Lillington	(910) 893-7596

Lead Agency List, continued

County	Lead Agency	City	Phone #
Haywood	Haywood County Council on Aging	Waynesville	(828) 452-2370
Henderson	Margaret R. Pardee Hospital	Hendersonville	(828) 696-1000
Hertford	Hertford County DSS	Winton	(252) 358-7830
Hoke	Liberty Home Care (Lead Agency – Hoke County DSS)	Raeford	(910) 875-8198
Hyde	Hyde County DSS	Swan Quarter	(252) 926-4199
Iredell	Iredell County DSS	Statesville	(704) 878-5086
Jackson	Harris Regional Hospital	Sylva	(828) 586-7410
Johnston	Johnston County DSS	Smithfield	(919) 989-5300
Jones	Jones County DSS	Trenton	(252) 448-2581
Lee	Lee County DSS	Sanford	(919) 718-4690
Lenoir	Lenoir Memorial Hospital	Kinston	(252) 522-7947
Lincoln	Lincoln County DSS	Lincolnton	(704) 732-1969
Macon	Macon County Public Health Center	Franklin	(828) 349-2081
Madison	Madison County Dept. of Community Services	Marshall	(828) 649-2722
Martin	Martin County DSS	Williamston	(252) 809-6403
McDowell	McDowell County DSS	Marion	(828) 652-3355
Mecklenburg	Mecklenburg County Health Dept.	Charlotte	(704) 336-4674
Mitchell	Mitchell County DSS	Bakersville	(828) 688-2175
Montgomery	Montgomery County DSS	Troy	(910) 576-6531
Moore	HealthKeeperz (Lead Agency - Moore County DSS)	Pinehurst	(910) 255-0500
Nash	Nash County Health Dept.	Rocky Mount	(252) 446-1777
New Hanover	New Hanover Health Network	Wilmington	(910) 343-7711
Northampton	Northampton County DSS	Jackson	(252) 534-5811
Onslow	Onslow Council on Aging	Jacksonville	(910) 455-2747
Orange	Orange County DSS	Hillsborough	(919) 245-2882
Pamlico	Pamlico County Senior Services	Alliance	(252) 745-7196
Pasquotank	Albemarle Regional Health Services	Elizabeth City	(252) 338-4066
Pender	Pender Adult Services	Burgaw	(910) 259-9119
Perquimans	Albemarle Regional Health Services	Elizabeth City	(252) 338-4066

Lead Agency List, continued

County	Lead Agency	City	Phone #
Person	Person County DSS	Roxboro	(336) 599-8361
Pitt	Pitt County DSS	Greenville	(252) 902-1111
Polk	St. Luke's Hospital	Columbus	(828) 894-0564
Randolph	Randolph Hospital	Asheboro	(336) 625-5151
Richmond	Richmond County Health Dept.	Rockingham	(910) 997-8300
Robeson	Southeastern Regional Medical Center	Lumberton	(910) 618-9405
Rockingham	Rockingham County Council on Aging, Inc.	Reidsville	(336) 349-2343
Rowan	Rowan Regional Medical Center - CapCare	Salisbury	(704) 210-5626
Rutherford	Rutherford Hospital, Inc.	Forest City	(828) 245-3575
Sampson	Sampson County Dept. of Aging and In-Home Services	Clinton	(910) 592-4653
Scotland	HealthKeeperz (Lead Agency - Scotland County Health Dept.)	Laurinburg	(910) 277-2484
Stanly	Stanly County DSS	Albemarle	(704) 982-6100
Stokes	Stokes County DSS	Danbury	(336) 593-2861
Surry	Surry County Friends of Seniors	Mount Airy	(336) 783-8500
Swain	Swain County Health Dept.	Bryson City	(828) 488-3792
Transylvania	Transylvania Community Hospital	Brevard	(828) 883-5254
Tyrrell	Tyrrell County DSS	Columbia	(252) 796-3421
Union	Union County DSS	Monroe	(704) 296-4300
Vance	Vance County DSS	Henderson	(252) 492-5001
Wake	Resources for Seniors, Inc.	Raleigh	(919) 872-7933
Warren	Warren County DSS	Warrenton	(252) 257-5974
Washington	Washington County Center for Human Services	Plymouth	(252) 793-4041
Watauga	Watauga County Project on Aging	Boone	(828) 265-8090
Wayne	Wayne Memorial Hospital, Inc.	Goldsboro	(919) 731-6314
Wilkes	Home Care of Wilkes Regional Medical Center	North Wilkesboro	(336) 903-7700
Wilson	WilMed Home Care	Wilson	(252) 399-8228
Yadkin	Yadkin County DSS	Yadkinville	(336) 679-3385
Yancey	Yancey County Health Dept.	Burnsville	(828) 682-7967

**Barbara Schwab, CAP/DA Administrative Officer
DMA, 919-857-4021**

Attention: All Providers

Refiling Denied 2003 New CPT Codes

The September 2003 general Medicaid bulletin lists the new 2003 CPT codes that are covered by N.C. Medicaid. These codes are now covered retroactively to date of service January 1, 2003. Claims that were filed for services performed between January 1, 2003 and February 28, 2003 that received a denial for EOB 9, “service not covered by the Medicaid program,” may be refiled at this time as a new claim.

Providers who billed with and were paid for deleted 2002 CPT codes for dates of service January 1, 2003 through August 31, 2003, may request the payment to be recouped and be repaid for the new 2003 CPT codes using the Medicaid Claim Adjustment Request process. These requests are subject to the adjustment time limit guidelines.

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

Attention: Physicians

Hospital Discharge Services – Billing Clarification

Refer to the following information when billing for hospital discharge services. These services include, as appropriate, final examinations, instructions for ongoing care, hospital stay information, and preparation of discharge records.

CPT code 99217 is used to report observation care discharge services provided to a patient when admission and discharge do not occur on the same date of service.

CPT codes 99234 through 99236 are used to report observation care or inpatient hospital care services provided to patients who are admitted and discharged on the same date of service.

CPT codes 99238 and 99239 are used to report all hospital discharge day management services provided to a patient (including newborns) on the day of hospital discharge when admission and discharge do not occur on the same date of service.

CPT code 99435 is used to report discharge services provided to newborns admitted and discharged on the same date of service.

The following CPT codes will **not** be reimbursed when billed with 99217 for the same date of service:

99234 99235 99236 99238 99239 99435

EDS, 1-800-699-6696 or 919-851-8888

Attention: Area Mental Health Centers and their Contract Agencies

HIPAA Code Conversion Clarification

The end-dating of the Y codes for community-based services (CBS) and the change to H codes did not change the service definition or the requirements for an order or authorization from the mental health center. It simply changed the code to be billed. Everything else remains the same.

The November 2003 Special Bulletin IV, *HIPAA Code Conversions*, incorrectly states the service limitation for CBS group services as 8 hours per day. The correct service limitation for CBS group service is 2¾ consecutive hours, as indicated in the service records manual published by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. If more than 2¾ consecutive hours of a group service is provided, it should be billed as day treatment.

**Carol Robertson, Behavioral Health Services
DMA, 919-857-4020**

Attention: Community Alternatives Program Providers

Recipient Eligibility Response System Update

As a result of the implementation of population group payer (POP) codes for recipients enrolled in the Community Alternatives Program (CAP), the 271 Eligibility Response transaction was updated effective January 1, 2004.

In addition to the 3-digit Medicaid Program Code, the 271 Eligibility Response returns the appropriate POP code for the requested recipient, if they are eligible for a POP group on the requested dates of service. This information is located in the Subscriber Eligibility or Benefit Information loop (2210C), in the SUBSCRIBER ELIGIBILITY OR BENEFIT INFORMATION (EB) segment, in the plan coverage description field (EB05), and the message text field (MSG01).

For information on this transaction, please refer to the June 2003 Special Bulletin II, *HIPAA Update*.

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

Attention: All Providers

Medical Coverage Policies

The following new or amended medical coverage policies are now available on DMA's website at <http://www.dhhs.state.nc.us/dma/mp/mpindex.htm>:

1A-6 – Electrical Osteogenic Stimulators

4A – Dental Services

5 – Durable Medical Equipment

These policies supersede previously published policies and procedures. Providers may contact EDS at 1-800-688-6696 or 919-851-8888 with billing questions.

**Darlene Creech, Medical Policy Section
DMA, 919-857-4020**

Attention: All Providers Performing Laboratory Services

Clinical Laboratory Improvements Amendment

Providers must enter the complete Clinical Laboratory Improvements Amendment (CLIA) certification number for the laboratory performing the service on the CMS-1500 claim form. The complete CLIA number is 10 characters in length with the third character an alpha and the other nine characters numeric (example: 34D1000000). Claims without the complete CLIA number will deny.

Where the CLIA number is entered on the claim depends on how the claim is filed.

- For paper claims, enter the CLIA number in block 23.
- For electronic claims, enter the CLIA number in record type 1R beginning at byte 26.
- For electronic claims submitted on tape, enter the CLIA number in record type I beginning at byte 132.
- For NCECS-Web claims, enter the complete CLIA number in the field titled CLIA Number under the Provider Information heading.

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

Attention: All Providers Performing Laboratory Services
Clinical Laboratory Improvements Amendment Certification
Number Requirements

Effective June 1, 1998, the Clinical Laboratory Improvements Amendment (CLIA) requires that any provider performing laboratory tests have a CLIA certificate in order to receive reimbursement from federal programs. Providers must have their CLIA certificate number on file with the N.C. Medicaid program. The Division of Facility Services issues a CLIA certificate for each laboratory location. Providers with multiple locations must submit the certificate issued for the site where the lab services are rendered. Failure to have a CLIA number on file will result in denied claims. Return a completed form and a copy of your CLIA certificate to:

EDS
Provider Enrollment Unit
PO Box 300009
Raleigh, NC 27622

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

CLIA Certification Information

Provider Name: _____ Provider Number: _____

Street Address: _____

City: _____ State: _____ Zip: _____ Phone Number: (____) _____

Contact Person: _____

CLIA Number: _____

Attention: All Dental Providers**C**onversion from CPT to CDT-4 Codes for Dental Services

To assure compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the Medicaid program will no longer be able to accept dental claims with *Current Procedural Terminology* (CPT) codes filed on the American Dental Association (ADA) claim form. Federal regulations recognize only the *Current Dental Terminology* (CDT) code set published by the ADA as being HIPAA-compliant for dental claims. As a result, Medicaid is making the following changes to the dental program to assure continued coverage for the small percentage of oral health services that typically have been billed as covered CPT codes in any given year.

Changes in Procedure Codes Covered in the Dental Program

Effective with dates of service on or after February 1, 2004, the Medicaid Dental Program no longer covers CPT codes. Effective with dates of service on or after February 1, 2004, the dental procedure codes listed below have been added to the dental program. An indicator of “**R**” means that the service is considered routine and does not require prior approval. An indicator of “**PA**” means that prior approval is required.

CDT-4 Procedure Code	Description	Indicator	Reimbursement Rate
D7412	Excision of benign lesion, complicated	R	\$ 230.00
D7413	Excision of malignant lesion up to 1.25 cm	R	182.20
D7414	Excision of malignant lesion greater than 1.25 cm	R	182.20
D7415	Excision of malignant lesion, complicated	R	230.00
D7465	Destruction of lesion(s) by physical or chemical method, by report	R	125.41
D7485	Surgical reduction of osseous tuberosity	R	234.47
D7560	Maxillary sinusotomy for removal of tooth fragment or foreign body	R	243.72
D7840	Condylectomy	R	879.99
D7850	Surgical discectomy, with or without implant	R	849.11
D7858	Joint reconstruction	PA	1,009.57
D7860	Arthrotomy	R	621.89
D7865	Arthroplasty	PA	1,055.64
D7870	Arthrocentesis	R	38.37
D7872	Arthroscopy – diagnosis, with or without biopsy	R	386.27
D7873	Arthroscopy – surgical: lavage and lysis of adhesions	R	434.90
D7940	Osteoplasty – for orthognathic deformities	PA	590.37
D7941	Osteotomy – mandibular rami	PA	1,047.15
D7943	Osteotomy – mandibular rami with bone graft; includes obtaining the graft	PA	1,115.28
D7944	Osteotomy – segmented or subapical – per sextant or quadrant	PA	881.19

CDT-4 Procedure Codes, continued

CDT-4 Procedure Code	Description	Indicator	Reimbursement Rate
D7945	Osteotomy – body of mandible	PA	\$ 1,094.72
D7946	LeFort I (maxilla – total)	PA	1,081.11
D7947	LeFort I (maxilla – segmented)	PA	815.20
D7948	LeFort II or LeFort III (osteoplasty of facial bones for midface hypoplasia or retrusion) – without bone graft	PA	1,409.55
D7949	LeFort II or LeFort III – with bone graft	PA	1,946.33
D7950	Osseous, osteoperiosteal, or cartilage graft of the mandible or facial bones – autogenous or nonautogenous, by report	PA	893.38
D7960	Frenulectomy (frenectomy or frenotomy) – separate procedure	PA	149.71
D7972	Surgical reduction of fibrous tuberosity	R	175.37
D7991	Coronoidectomy	R	486.45

New Prior Approval Requirement for Code D7340

With the addition of coverage for code D7960, Medicaid no longer uses code D7340 to cover a labial or buccal frenectomy procedure. Code D7340 is used exclusively as defined in the CDT-4 manual, Vestibuloplasty – ridge extension (secondary epithelialization). As a result, the reimbursement rate has been adjusted (see below), and code D7340 **requires prior approval** effective with dates of service on or after February 1, 2004.

Revised Dental Reimbursement Rates

Effective with dates of service on or after February 1, 2004, reimbursement rates for the following dental procedure codes have been revised to be more consistent with rates paid for comparable procedures billed as CPT codes. With the exception of code D7340, the prior approval indicator remains unchanged from that published in the current Medical Coverage Policy #4A, Dental Services. An indicator of “**R**” means that the service is considered routine and does not require prior approval. An indicator of “**PA**” means that prior approval is required. The “**EM**” indicator designates an emergency service as defined in Medical Coverage Policy #4A, Dental Services.

CDT-4 Procedure Code	Description	Indicator	Reimbursement Rate
D0160	Detailed and extensive oral evaluation – problem focused, by report	R	\$ 59.40
D0290	Posterior-anterior or lateral skull and facial bone survey film	R	31.43
D0320	Temporomandibular joint arthrogram, including injection	R	39.11
D7260	Oroantral fistula closure	R	398.87

CDT-4 Procedure Codes, continued

CDT-4 Procedure Code	Description	Indicator	Reimbursement Rate
D0160	Detailed and extensive oral evaluation – problem focused, by report	R	\$ 59.40
D0290	Posterior-anterior or lateral skull and facial bone survey film	R	31.43
D0320	Temporomandibular joint arthrogram, including injection	R	39.11
D7260	Oroantral fistula closure	R	398.87
D7286	Biopsy of oral tissue – soft (all others)	R	113.30
D7340	Vestibuloplasty – ridge extension (secondary epithelialization)	PA	548.59
D7350	Vestibuloplasty – ridge extension (including soft tissue grafts)	PA	1,016.32
D7410	Excision of benign lesion up to 1.25 cm	R	169.11
D7450	Removal of benign odontogenic cyst or tumor – lesion diameter up to 1.25 cm	R	370.61
D7451	Removal of benign odontogenic cyst or tumor – lesion diameter greater than 1.25 cm	R	370.61
D7460	Removal of benign nonodontogenic cyst or tumor – lesion diameter up to 1.25 cm	R	370.61
D7461	Removal of benign nonodontogenic cyst or tumor – lesion diameter greater than 1.25 cm	R	370.61
D7510	Incision and drainage of abscess – intraoral soft tissue	EM	152.62
D7520	Incision and drainage of abscess – extraoral soft tissue	EM	289.05
D7540	Removal of reaction producing foreign bodies, musculoskeletal system	EM	179.37
D7550	Partial ostectomy/sequestrectomy for removal of non-vital bone	EM	486.13
D7630	Mandible – open reduction (teeth immobilized, if present)	EM	677.24
D7640	Mandible – closed reduction (teeth immobilized, if present)	EM	388.90
D7680	Facial bones – complicated reduction with fixation and multiple surgical approaches	EM	804.38
D7730	Mandible – open reduction	EM	692.07
D7740	Mandible – closed reduction	EM	442.65
D7750	Malar and/or zygomatic arch – open reduction	EM	901.78
D7780	Facial bones – complicated reduction with fixation and multiple surgical approaches	EM	851.76
D7810	Open reduction of dislocation	EM	675.56
D7820	Closed reduction of dislocation	EM	81.20
D7910	Suture of recent small wounds up to 5 cm	EM	174.94

CDT-4 Procedure Codes, continued

CDT-4 Procedure Code	Description	Indicator	Reimbursement Rate
D7911	Complicated suture – up to 5 cm	EM	\$ 271.80
D7912	Complicated suture – greater than 5 cm	EM	337.33
D7920	Skin graft (identify defect covered, location and type of graft)	PA	468.94
D7980	Sialolithotomy	PA	319.17
D7981	Excision of salivary gland, by report	PA	441.43
D7982	Sialodochoplasty	PA	396.28
D7990	Emergency tracheotomy	EM	204.89
D9610	Therapeutic drug injection, by report	R	15.92
D9630	Other drugs and/or medicaments, by report	R	15.92

Revised Medical Coverage Policy for Dental Services

The changes described above have been incorporated into Medical Coverage Policy #4A, Dental Services found on DMA's website at <http://www.dhhs.state.nc.us/dma/mp/mpindex.htm>. Revisions have been made primarily in sections 1.0 and 5.3 of that policy.

Ronald Venezia, DDS, MS, Dental Advisor
DMA, 919-857-4025

Attention: Nursing Facility Providers**A Reminder about Retroactive Prior Approval**

It is the responsibility of the nursing facility to ensure that the initial FL2 request for prior approval is on file with EDS when a recipient is admitted to their facility.

Requests for approval of retroactive coverage for nursing facility services must be made to EDS if the coverage period is less than 90 days from the date of the initial FL2 request. The request may be made by telephone.

Requests for approval of retroactive coverage exceeding 90 days but less than 180 days from the initial FL2 request must be made to the Division of Medical Assistance. The request must be made in writing and include all pertinent medical justification for the dates of service requested.

DMA will not approve requests for retroactive coverage exceeding 180 days.

Linda Perry, R.N. Long-term Nurse Consultant
DMA, 919-857-4020

Attention: Durable Medical Equipment Providers

Addition of Code E0760, Ultrasonic Osteogenesis Stimulator to DME Fee Schedule

Effective with date of service February 1, 2004, ultrasonic osteogenesis stimulators were added to the Capped Rental category of the DME Fee Schedule. The code and maximum reimbursement rates are as follows:

Code	Description	Rental	New	Used
E0760	Osteogenesis stimulator, low intensity ultrasound, non-invasive	\$ 297.33	\$ 2,973.20	\$ 2,229.90

Providers must bill their usual and customary rate. Prior approval is required. Medical necessity must be documented on the Certificate of Medical Necessity and Prior Approval form.

An ultrasonic osteogenesis stimulator (code E0760) is covered only if **all** of the following criteria are met:

1. non-union of a fracture (ICD-9-CM codes listed below) documented by a minimum of two sets of radiographs obtained prior to starting treatment with the osteogenesis stimulator, separated by a minimum of 90 days, each including multiple views of the fracture site, and with a written interpretation by a physician stating that there has been no clinically significant evidence of fracture healing between the two sets of radiographs; **and**
2. documented failure of at least one open surgical intervention for the treatment of the fracture; **and**
3. fracture is not of the skull or vertebrae; **and**
4. fracture is not tumor-related.

A non-union of a fracture other than the skull or vertebrae is described in ICD-9-CM code 733.82 **plus** the code for the fracture site. ICD-9-CM covered codes include the following:

- 807.00 – 807.3 ribs and sternum
- 808.0 – 808.9 acetabulum, pubis, ilium, and ischium
- 810.00 – 816.13 clavicle, scapula, humerus, radius, ulna, carpals, metacarpals, phalanges
- 820.00 – 826.1 femur, patella, tibia, fibula, ankle (malleoli), calcaneus, tarsals, metatarsals, astragalus, navicular (scaphoid), cuboid, cuneiform, phalanges.

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

Attention: All Health Check Providers

Developmental Screening and Surveillance

Did you know that about 16 percent of children have disabilities including speech and language delays, mental retardation, learning, and emotional/behavioral problems? Only 50 percent are detected prior to school entrance, which eliminates the possibility of early intervention. More than 20 years of research have proven that early intervention produces immediate and long-term benefits for children with disabilities, their families, and society.

Child development, a dynamic process, is often difficult to measure. Identifying children with developmental delays is important in the medical setting because a child's primary care provider is generally the best-informed professional with whom families have regular contact over the first five years of the child's life.

Developmental screening including mental, emotional, and behavioral is one of the many components of a complete Health Check visit. The AAP Committee on Children with Disabilities is recommending the use of standardized screening tests at well child visits.

So what standardized developmental screening tools are available and what is practical to use in the primary care practice? Primary care practices in North Carolina, within two different demonstration projects, have put standardized screening tools "to the test" and have successfully integrated developmental screening and surveillance into their office workflow. If you are interested in learning more about **what is practical and what works** contact Curtis Honeycutt, Health Check staff, at Curtis.Honeycutt@ncmail.net.

**Angela Floyd, Health Check Program
DMA, 919-857-4022**

Attention: Pharmacists and Prescribers

Cialis

Effective December 1, 2003, Cialis was added to the list of drugs for impotency covered by the N.C. Medicaid program. There is a limit of two units per month. The physician must document in his/her own handwriting "erectile dysfunction" on the face of the prescription. Impotence drugs for males 25 years of age and older do not require prior approval. For males under 25 years of age, the physician (or designee) must obtain prior approval from the Division of Medical Assistance. The prior approval request must include documentation for the medical necessity. Requests should be sent to the following address:

N.C. Division of Medical Assistance
Attention: Pharmacy Section
2501 Mail Service Center
Raleigh, NC 27699-2501
Fax: 919-715-1255

**Sharman Leinwand, Medical Policy Section
DMA, 919-857-4020**

Proposed Medical Coverage Policies

In accordance with Session Law 2003-284, proposed new or amended Medicaid medical coverage policies are available for review and comment on DMA's website at <http://www.dhhs.state.nc.us/dma/prov.htm>. To submit a comment related to a policy, refer to the instructions on the website. Providers without Internet access can submit written comments to the address listed below.

Darlene Creech
Division of Medical Assistance
Medical Policy Section
2501 Mail Service Center
Raleigh, NC 27699-2501

The initial comment period for each proposed policy is 45 days. An additional 15-day comment period will follow if a proposed policy is revised as a result of the initial comment period.


Checkwrite Schedule

February 3, 2004	March 2, 2004	April 6, 2004
February 10, 2004	March 9, 2004	April 13, 2004
February 17, 2004	March 16, 2004	April 20, 2004
	March 25, 2004	May 5, 2004

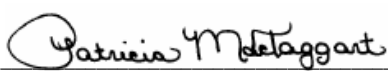
Electronic Cut-Off Schedule

January 30, 2004	February 27, 2004	April 2, 2004
February 6, 2004	March 5, 2004	April 8, 2004
February 13, 2004	March 12, 2004	April 16, 2004
	March 19, 2004	April 30, 2004

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.



Gary H. Fuquay, Acting Director
Division of Medical Assistance
Department of Health and Human Services



Patricia MacTaggart
Executive Director
EDS
