



STATE OF NEW YORK DEPARTMENT OF HEALTH

Riverview Center

150 Broadway, Suite 6E

Albany, New York 12204-2736

Richard F. Daines, M.D.
Commissioner

Wendy E. Saunders
Chief of Staff

October 3, 2007

Dear Medicaid Nursing Services Provider:

The purpose of this letter is to bring to your attention two important matters involving the provision of Private Duty Nursing (PDN) services, namely, the distribution of the enhanced fees for the care of Medically Fragile Children, and the billing of services for Care At Home (CAH) waiver cases as of January 1, 2008.

Distribution of Medically Fragile Children Enhanced Fees

In a June 1, 2007 letter you were informed of the details and instructions to receive an enhanced fee for the provision of PDN services to medically fragile children. The intent of the legislation is that **the entire 30% add-on, net of any fixed costs, is to be paid to the nurses directly providing the service to the patient.** Examples of fixed costs include the nursing agency (employer) share of Social Security, tax withholdings and other pro rata premiums such that after payment of such fixed costs, **the nursing agency provider neither gains nor loses as a result of the 30% add-on.**

Payment of the enhanced fee began in August 2007 with dates of service retroactive to January 1, 2007. **Nursing agency providers should review their payment records and ensure any add-on monies received are paid to their nurses in accordance with the above clarification.**

Care At Home Waiver Case Billing of PDN as of January 1, 2008

As noted in the March 2007 Medicaid Update, PDN services provided to children enrolled in the CAH Waiver program are now subject to prior approval review. Transition to this process began on April 1, 2007 and ran through August 1, 2007. Most providers have submitted and obtained prior approval during this transition timeframe. However, some CAH Waiver cases exist where the providers have not yet submitted an **initial** prior approval request. To ensure continuity of care, all providers must submit an **initial** prior approval request no later than **December 1, 2007.**

Effective for dates of service on and after January 1, 2008:

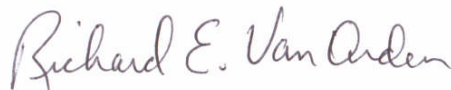
- **The 'U1' modifier (CAH prior approval bypass) will be discontinued.**
- **Claims submitted with the 'U1' modifier will be denied.**
- **Prior approval will be required for all PDN codes.**
- **Claims submitted without a valid prior approval number will be denied.**

Instructions for filling out and submitting the prior approval request form (EMEDNY-361501) can be found in the **Private Duty Nursing Provider Manual**. The Provider Manual and prior approval request forms can be ordered by calling CSC at 1-800-343-9000. The Provider Manual can also be accessed at:

<http://www.emedny.org/ProviderManuals/NursingServices/index.html>

The details of the above matters will appear again in articles to be published in the November 2007 issue of the Medicaid Update. If you have any questions, please contact the eMedNY Call Center at 1-800-343-9000. Again, thank you for your continued support of our efforts to ensure delivery of high quality nursing services for pediatric Medicaid enrollees living in the community.

Sincerely,

A handwritten signature in cursive script that reads "Richard E. Van Orden".

Richard E. Van Orden, Director
Pre-Payment Review Group
Division of Program Operations and Systems
Office of Health Insurance Programs