



State of New Jersey  
Department of Human Services  
Division of Medical Assistance & Health Services

# NEWSLETTER

Volume 31 No. 07

March 2021

**TO:** Physicians, Advanced Nurse Practitioners, Independent Clinics-  
Drug/Alcohol, Independent Laboratories – **For Action**  
Managed Care Organizations – **For Information Only**

**SUBJECT:** **Changes to Policy and Billing Procedures Related to  
Presumptive Drug Screening and Definitive Drug Testing**

**EFFECTIVE:** **Claims processed on or after April 1, 2021**

**PURPOSE:** To notify independent clinics providing drug and alcohol services and independent laboratories of changes in Medicaid/NJ FamilyCare policy and related billing procedures for presumptive drug screening and definitive drug testing.

**BACKGROUND:** As part of its oversight of the Medicaid/NJ FamilyCare program, the New Jersey Office of the State Comptroller, Medicaid Fraud Division (OSC) completed its review of Medicaid/NJ FamilyCare claims for presumptive drug screens and definitive drug test claims submitted by independent clinical laboratories. This review identified inappropriate billing practices and the need for the Medicaid/NJ FamilyCare Program to change State policy to ensure appropriate billing of these services by physician offices, independent clinics and independent laboratories that provide drug and alcohol-related services to Medicaid/NJ FamilyCare fee-for-service beneficiaries.

**ACTION:** Effective for claims processed on or after April 1, 2021, the following changes to policy and billing procedures for presumptive drug screening and definitive drug testing shall be implemented by the Medicaid/NJ FamilyCare Program.

The table below identifies changes to billing procedures for presumptive drug screening and definitive drug testing.

<b>Procedure Code</b>	<b>Description</b>	<b>Drug Test Type</b>	<b>Procedure Code Billing Status</b>	<b>Servicing Provider Type</b>
G0434	Drug Screen, Multiple Drug Classes, Other Than Chromographic		<b>Terminated</b>	
G0434 HF*	Drug Screen, Multiple Drug Classes, Other Than Chromographic		<b>Terminated</b>	
G0434 QW	Drug Screen, Multiple Drug Classes, Other Than Chromographic (CLIA Waived)		<b>Terminated</b>	
G0480	Drug Tests Definitive Utilizing Drug Identification Methods		<b>No Change</b>	Any Authorized Provider
G0480 HF	Drug Tests Definitive Utilizing Drug Identification Methods	Definitive Drug Test	<b>New Procedure Code</b>	SUD Outpatient Treatment Providers Only
G0481	Drug Test(s), Definitive, Utilizing Drug Identification Methods		<b>Terminated</b>	
G0482	Drug Test(s), Definitive, Utilizing Drug Identification Methods		<b>Terminated</b>	
G0483	Drug Test(s), Definitive, Utilizing Drug Identification Methods		<b>Terminated</b>	
80102	Drug Confirmation Each Procedure		<b>Terminated</b>	
80102 HF	Drug Confirmation Each Procedure		<b>Terminated</b>	
80104	Drug Screen, Qualitative, Multiple Drug		<b>Terminated</b>	

Procedure Code	Description	Drug Test Type	Procedure Code Billing Status	Servicing Provider Type
80104 HF	Drug Screen, Qualitative, Multiple Drug		<b>Terminated</b>	
80104 QW	Drug Screen, Qualitative, Multiple Drug (CLIA Waived)		<b>Terminated</b>	
80305	Drug Test Presumptive Direct Optical Observation	Presumptive Drug Test	<b>No Change</b>	Any Authorized Provider
80305 HF	Drug Test Presumptive Direct Optical Observation	Presumptive Drug Test	<b>New Procedure Code</b>	SUD Outpatient Treatment Providers Only
80306	Drug Test Presumptive Instrumentation	Presumptive Drug Test	<b>No Change</b>	Any Authorized Provider
80306 HF	Drug Test Presumptive Instrumentation	Presumptive Drug Test	<b>New Procedure Code</b>	SUD Outpatient Treatment Providers Only
80307	Drug Test Presumptive by Instrument Chemistry Analyzer	Presumptive Drug Test	<b>No Change</b>	Any Authorized Provider
80307 HF	Drug Test Presumptive by Instrument Chemistry Analyzer	Presumptive Drug Test	<b>New Procedure Code</b>	SUD Outpatient Treatment Providers Only

\*Modifier "HF" indicates substance abuse program

The following policy changes shall apply to presumptive drug screening and definitive drug testing claims billed by independent laboratories and independent clinics providing drug and alcohol services.

- No more than one (1) encounter per date of service and no more than ten (10) patient encounters may be billed for **presumptive drug testing** per rolling 30 days.
- Claims billed by independent labs for Outpatient Treatment Programs for a **definitive drug test** shall be denied payment when a previously paid claim for a presumptive drug test is not found within seven (7) days prior to the service date of the definitive drug claim.

- Claims for a **definitive drug test** shall be denied payment when a paid claim for a presumptive drug test is found for the same provider, same beneficiary and the same service date.
- Any **definitive drug test** billed to the Medicaid/NJ FamilyCare Program following a negative presumptive test result is not medically necessary and is not covered. Post-payment audits shall be conducted to monitor this inappropriate billing practice.
- No more than seven (7) drug classes may be billed per date of service and no more than two (2) patient encounters may be billed for **definitive drug testing** per rolling 30 days.
- Post-payment audits shall be conducted to monitor inappropriate reporting of bundled procedure codes on claims for **definitive drug testing**.
- CPT procedure codes 84311, 83986, 82570, 83789, 84315 when billed by independent labs for outpatient treatment programs with the same service date as CPT procedure codes 80305, 80305 HF, 80306, 80306 HF, 80307, 80307 HF, G0480, G0480 HF shall be denied payment.

**Specimen validity testing not covered:**

84311 Spectrophotometry, analyte not elsewhere specified  
 83986 Ph body fluid, not otherwise specified  
 82570 Assay Urine creatinine  
 83789 Mass spectrometry qualitative/quantitative  
 84315 Body fluid specific gravity

**Specimen validity testing is included in the following codes:**

- ◆ **Presumptive drug test:** 80305, 80306, 80307, 80305 HF, 80306 HF, 80307 HF
- ◆ **Definitive drug test:** G0480, G0480 HF

“Blanket orders”, as defined below, are not covered by the Medicaid/NJ FamilyCare Program. “Standing orders” are covered by the Medicaid/NJ FamilyCare program provided there is compliance with the definition described below.

- **“Standing orders”** are written orders based on evidence-based protocols that authorize follow-up studies on a regular or as needed basis without having to first obtain a separate physician order. Standing orders are activated when a predetermined event identified within the order is met. Standing orders should be updated or re-authorized periodically.

- **“Blanket orders”** are defined as test requests that are not for a specific patient; rather identical orders for all patients in a clinician’s practice without individualized decision making at every visit.

If you have any policy questions regarding this Newsletter, please contact the Division of Medical Assistance, Office of the Medical Director, at 609-588-2739. If you have any billing questions, please contact Gainwell Technologies Provider Services at 1-800-776-6334.

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