

February 6, 2006

HMO 06-03
HOS-IP-GEN 06-03
HOS-IP-OP 06-03

MEDICAID BULLETIN

TO: Hospital Providers

SUBJECT: Medicaid Program Policy Updates and Revisions

This bulletin provides new hospital program policies and clarifies existing program policies as set forth by the South Carolina Department of Health and Human Services (SCDHHS).

I. New Program Policies

Transfers to a Psychiatric or Rehabilitation Unit Within the Same or Different General Acute Care Hospital

Effective with claims date of service January 1, 2005, South Carolina Medicaid will reimburse two Diagnostic Related Group (DRG) payments when a patient is transferred to a psychiatric unit or a rehabilitation unit within the same or different acute care hospital. The South Carolina Medicaid State Plan limits coverage of inpatient hospital services to general acute care hospitals and to psychiatric hospitals for services to individuals under age 21. Inpatient rehabilitative services provided in a distinct medical rehabilitation facility or a separately licensed specialty hospital are reimbursed only when provided under the umbrella of a general acute care hospital. Thus, the cost for both facilities is reported to Medicare on one Cost Report.

The hospital or unit that transfers the patient should use Patient Status code 62 (Discharged/transferred to an inpatient rehabilitation facility including rehabilitation distinct part unit of a hospital) or Patient Status code 65 (Discharged/transferred to a psychiatric hospital or psychiatric distinct part unit of a hospital) in item 22 on the claim form.

The hospital or unit receiving the patient should use Source of Admission code 4 (Transfer from a Hospital) in item 20 on the claim form.

Hospital Re-admissions Occurring on the Same Day with Unrelated Diagnoses

To comply with the National Uniform Billing Committee (NUBC), South Carolina Medicaid will implement the use of Condition Code B4 for the purpose of reporting a patient that is readmitted to the same acute care hospital on the same day for symptoms unrelated to the prior admission. The presence of Condition Code B4 in items 24-30 will reimburse two full DRG payments, one for each admission.

II. Revised Policies

Replacement and Void/Cancel Claims Submission Criteria

Instructions for submitting Replacement and Void/Cancel claims were stated incorrectly in the South Carolina Medicaid bulletin dated February 7, 2005. In order for these claims to process correctly, the Replacement claim (bill types 117/137) and Void/Cancel claim (bill types 118/138) **must** be submitted via the same method used to submit the paid original claim. In other words, if the original paid claim was submitted hard copy, then the replacement or void/cancel claim must be submitted hard copy.

Replacement claims should not be submitted if the date of service has exceeded the one year timely filing limit. Providers filing a replacement claim after the one-year filing limit will have the original payment recouped and the replacement claim rejected with the timely filing 510 edit code.

Prior Authorization requirements for Alcohol and Other Drug Abuse Services (DAODAS)

As a reminder, effective October 1, 2001, DRGs 434 through 437, Alcohol and Other Drugs (AOD) became invalid and were replaced with DRGs 433, 521 through 523. Alcohol and other drug services rendered by AOD providers enrolled with South Carolina Medicaid must receive prior authorization from the Department of Alcohol and Other Drug Abuse Services (DAODAS). To obtain prior authorization, providers must call (800) 374-1390 or (803) 898-5988, or fax a request to (803) 896-5984.

Billing Requirement (Revenue Code 451) for Emergency Medical Treatment and Labor Act (EMTALA)

Revenue code 451 (EMTALA Emergency Medical Screening Services) should be billed for emergency room screenings that meet the federal EMTALA guidelines. Claims submitted to South Carolina Medicaid with revenue code 451 must have valid diagnosis codes and will pay an all-inclusive rate of \$25.00. In order to receive the correct payment for services provided, revenue codes 450 (Emergency General) and 451 (EMTALA) must not be billed on the same claim form.

If you have any questions regarding this bulletin, please contact your hospital Program Manager at 803-898-2665. Thank you for your continued support and participation in the South Carolina Medicaid Program.

/s/

Robert M. Kerr
Director

RMK/bgvh

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<http://www.dhhs.state.sc.us/dhhsnew/QLbulletins.asp>