

South Carolina  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
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[www.scdhhs.gov](http://www.scdhhs.gov)  
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## MEDICAID BULLETIN

Phys  
Hosp  
MC

**TO: Providers Indicated**

**SUBJECT: Non Payment Policy for Deliveries Prior to 39 weeks: Birth Outcomes Initiative**

Effective for dates of service on or after January 1, 2013, the South Carolina Department of Health and Human Services (SCDHHS) will no longer provide reimbursement for elective inductions or non-medically indicated deliveries prior to 39 weeks to hospitals and to physicians. This change is a result of an extensive effort and partnership by SCDHHS, South Carolina Hospital Association, South Carolina Chapter of the American Congress of Obstetricians & Gynecologists, Maternal Fetal Medicine physicians, BlueCross BlueShield of SC and other stakeholders to reduce non-medically necessary deliveries.

In September of 2011, through the Birth Outcomes Initiative (BOI) and South Carolina Hospital Association (SCHA), all 43 birthing hospitals in South Carolina signed a pledge to stop early elective deliveries. In July of this year, physicians were notified that as of August 1, 2012, all claims submitted for deliveries and inductions had to contain a specific modifier (GB or CG). Please visit <http://www.scdhhs.gov/press-release/birth-outcomes-initiative-modifiers> to view the SCDHSS Medicaid bulletin released in July 2012.

**All hospital claims that are associated with physician claims resulting from non-medically necessary deliveries and inductions prior to 39 weeks gestation will be audited and payment will be re-couped in its entirety through a retrospective review process.**

**Physicians must continue to append the following modifiers to all CPT surgical codes when billing for vaginal deliveries and cesarean sections or their claims will be automatically denied:**

**GB – 39 weeks gestation and or more**

For all deliveries at 39 weeks gestation or more regardless of method (induction, cesarean section or spontaneous labor)

**CG – Less than 39 weeks gestation**

- For deliveries resulting from patients presenting in labor, or at risk of labor, and subsequently delivering before 39 weeks, or
- For inductions or cesarean sections that meet the ACOG guidelines, the appropriate ACOG Patient Safety Checklist must be completed and maintained for documentation in the patient's file, or
- For inductions or cesarean sections that do not meet the ACOG guidelines, the appropriate ACOG Patient Safety Checklist must be completed. Additionally, the physician must obtain and document approval from the regional perinatal center's maternal fetal medicine physician in the patients file and in the hospital record

**No Modifier – Claims that do not have the GB/CG modifiers indicated will be denied**

For elective deliveries less than 39 weeks gestation that do not meet ACOG approved guidelines or are not approved by the designated regional perinatal center's maternal fetal medicine physician

This bulletin applies to all fee-for-service, medical home networks and managed care organization participants. If you have any questions, please contact the Provider Service Center at (888)289-0709. Thank you for your continued support of the SC Medicaid program.

/s/  
Anthony E. Keck  
Director