

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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www.scdhhs.gov
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MEDICAID BULLETIN

HOSP

TO: Providers Indicated

SUBJECT: Clarification Bulletin: Long Acting Reversible Contraceptives provided in an Inpatient Hospital Setting

On January 19, 2012, the South Carolina Department of Health and Human Services (SCDHHS) issued a bulletin titled "Long Acting-Reversible Contraceptives (LARCs) provided in a Hospital Setting". In that bulletin, the agency indicated that coverage for LARCs would be considered an add-on benefit to the Diagnostic Related Group (DRG) reimbursement for all dates of service on or after March 1, 2012.

Since publishing the previous bulletin, SCDHHS has worked with providers to determine the most effective approach to code and reimburse providers for LARCs provided in an inpatient hospital setting. Effective immediately, SCDHHS will reimburse providers for these LARCs through a gross level credit adjustment process for dates of service on or after March 1, 2012, according to the process described below.

In order to process the LARC payment, hospitals are required to utilize the Healthcare Common Procedure Coding System (HCPCS) Code that represents the device, along with the ICD-9 Surgical Code and the ICD-9 Diagnosis Codes that best describes the services delivered. These codes must be included on the UB-04 or Institutional Claim so that a gross level credit adjustment can be generated. Providers will receive a monthly listing of affected claims included in the gross level adjustment and the credit will appear on a future remittance advice. Providers will be able to identify this particular credit adjustment on the remittance advice in the Adjustment Section under the "Provider's Own Reference Numbers" column. Each adjustment will have a provider's own reference number that begins with "LARC". Relevant codes are listed below:

HCPCS:

- J7300 Intrauterine (IU) copper contraceptive (Paragard®)
- J7302 Levonorgestrel – releasing IU contraceptive 52 mg (Mirena®)
- J7307 Etonogestrel (contraceptive) implant system, including implant and supplies (Implanon®/Nexplanon®)
- A4264 Permanent implantable contraceptive intra-tubal occlusion device(s) and delivery system (Essure®). This requires a sterilization request form to be signed thirty days prior to the procedure.

ICD-9 Surgical Code:

- 69.7 Insertion Contraceptive Device
- 66.29 Other bilateral endoscopic destruction or occlusion of fallopian tubes (Essure®)

ICD-9 Diagnosis Code:

- V25.02 Initiate Contraceptive NEC
- V25.1 Insertion of IUD
- V25.2 Sterilization (Essure® only)

Instructions for Reimbursement:

When a LARC is provided in an inpatient hospital setting, providers must submit claims utilizing the appropriate code from each category listed above. The claim will adjudicate and the DRG portion will be paid in the regular weekly claims payment cycle. The LARC reimbursement will process as a gross level credit adjustment and will appear on a future remittance advice. LARC reimbursements will be processed on a monthly basis beginning September 6, 2013.

Previously Submitted Claims for which SCDHHS has paid for the DRG, but not the LARC:

For hospitals that have paid claims for dates of service on or after March 1, 2012, and a LARC was provided, you will need to submit a replacement claim, bill type 117, to include the appropriate codes, as described above, in order to be reimbursed for the LARC. Reimbursement for LARCs will be processed as a separate payment via a gross level adjustment. These adjustments will be processed on a monthly basis, beginning September 6, 2013. All replacement claims exceeding the timely filing requirement must be submitted by September 30, 2013.

The new LARC Skyla™ has not been assigned a HCPCS code at present. Therefore, if Skyla™ is being administered, the physician will be responsible for supplying and billing for the device until a HCPCS code is assigned. This product cannot be reimbursed on a UB-04 claim at this time.

This bulletin pertains to inpatient hospital services only. Physicians may continue to bill for LARCs that they provide as described in the Physicians, Laboratories, and Other Medical Professionals Provider Manual.

This bulletin affects the policy for fee-for-service and the Medical Home Networks (MHNs). Please contact the appropriate Managed Care Organizations (MCOs) for their coverage policy.

For a complete copy of these policy changes, please refer to the most current version of the Hospital Services manual, located on the SCDHHS website at <http://www.scdhhs.gov>. If you have questions regarding this bulletin, please call the Provider Service Center at (888) 289-0709. You may also submit inquiries regarding this bulletin to policy@scdhhs.gov please put "LARCs Bulletin" in the email subject line.. Thank you for your continued support of the South Carolina Healthy Connections Medicaid Program.

/s/
Anthony E. Keck
Director