

Chapter 19: Hospital Services

Inpatient Hospital and Other Inpatient Facility Services

Health Choice Insurance Co. (Health Choice) covers medically necessary inpatient hospital services provided by or under the direction of a physician which are ordinarily furnished in a hospital. Inpatient services are covered by Health Choice when the member's condition requires hospitalization because of the severity of illness and intensity of services required.

Inpatient Hospital Services Include:

- Semi-private room and board
- Care and services in an intensive care unit (ICU)
- Drugs and medications
- Biologicals
- Fluids
- Blood and blood products
- Chemotherapy
- Special diets
- Dressings and casts
- General nursing care
- Use of operating room and related facilities
- Laboratory and radiology services
- Other diagnostic and therapeutic services
- Anesthesia and associated services
- Inhalation therapy
- Radiation therapy
- Admit kit
- Other services which are customarily provided in acute care hospitals

Inpatient hospital services also include services provided in a Birthing center.

Prior Authorization is required for inpatient hospital services. If the member is admitted to the hospital due to emergency. Notification to prior authorization department is required within 24 hours of admission or as soon as reasonably possible.

Exclusions and Limitations

Please see the Member Evidence of Coverage for exclusions and limitations.

Billing of Inpatient Hospital Claims

Inpatient hospital claims must be submitted to Health Choice on a UB-04 billing form (See Chapter 9, Billing on the UB-04 Claim Form, for specific billing requirements.)

Reimbursement of Inpatient Hospital Claims

Health Choice reimburses acute general care hospital providers based upon the services rendered. The reimbursement methodologies are based on the contractual status of the rendering provider.

Medical Review of Inpatient Hospital Claims

An inpatient claim is considered to be a clean claim, for medical review purposes only, upon initial receipt of the legible, error-free UB-04 claim form by Health Choice if the claim includes the following error-free documentation in legible form:

- An admission face sheet.
- An itemized statement.
- An admission history and physical.
- A discharge summary or an interim summary if the claim is split.
- An emergency record, if admission was through the emergency room 0 Operative report(s), if applicable.
- Operative report(s) if applicable.
- A labor and delivery room report, if applicable.

Periodically, retrospective review will be conducted by Health Choice based upon a variety of criteria.

Observation Services

Observation services are those reasonable and necessary services provided on a hospital's premises for evaluation until criteria for inpatient hospital admission or discharge/transfer have been met. Observation status is used to determine medical necessity and identify the appropriate level of care. Observation status should not exceed 24 hours. If medically indicated for diagnostic testing or stabilization, observation status can be extended to 48 hours with a physician's order and prior authorization.

Billing Outpatient Hospital Services

When billing outpatient services, the following information must be included on the UB-04 outpatient claim:

- Bill type must be 13X, 14X, 7XX or 85X for Critical Access Hospitals (appropriate second and third digits as listed in UB-04 manual).
- Service begin date and start of care date should be the same date.
- Revenue code(s), CPT/HCPCS code(s), Modifier and units must be appropriate and reflect all services provided.
- Revenue codes which are valid only for inpatient services cannot be used for services reimbursed on an outpatient basis.
- If the service is an emergency, the Admit Type (field 14) must be a "1".

Reimbursement of Outpatient Hospital Claims

Health Choice reimburses in-network hospitals for outpatient services billed on a UB-04 claim form using the Health Choice Outpatient Hospital Fee Schedule Methodology. The Outpatient Hospital Fee Schedule Methodology will provide rates at the HCPCS/CPT procedure code level, and

Surgery/Emergency Department (ED) services will be bundled similar to Medicare for payment purposes.

Multiple surgeries will pay the higher rate surgery at 100% of the fee schedule and secondary surgeries at 50% of the fee schedule (exceptions will be noted for those procedure that are intended to be paid at 100%/100% and do not require indication of a 51 modifier.

Late Charges: Late charge bills will no longer be accepted. When billing changes to the claim (including late charges), hospitals must rebill the entire corrected claim.

Billing CPT/HCPCS Codes with Revenue Codes

Health Choice requires that outpatient services be billed with an appropriate CPT/HCPCS code that further defines the services described by the revenue code listed on the UB-04 claim form. For example, Hospitals must indicate the appropriate revenue code and CPT/HCPCS code for the covered therapy, surgery, emergency department, clinic services, etc.

Units must be consistent with CPT or HCPCS code definitions. For example, if a hospital bills revenue code 421 (PT Visit) with CPT code 97116 (Therapeutic procedure, one or more areas, each 15 minutes; gait training), each 15-minute increment represents one unit. If services were provided for 30 minutes, the hospital would bill two units, and so on.

Billing Other Services

Durable medical equipment

- DME revenue codes are not reimbursable to hospitals on the UB-04 claim form.
- Items must be correctly coded as medical/surgical supplies, or if DME, billed on the CMS 1500 claim form.

Professional services

- Health Choice requires that physician and professional services provided in a hospital setting be billed on a CMS 1500 claim form. Claims are reimbursed using the Health Choice Insurance Co. contracted rates.
- Revenue codes for professional services are not covered on a UB-04 claim form.
- Physician and mid-level practitioner services must be billed under the individual service provider's National Provider Identifier (NPI) number.
- Health Choice does not allow hospitals and/or clinic NPI number.
- Hospitals and clinics may register as group billers and bill as an agent for physicians and mid-level practitioners.
- In these cases, the claim will carry both the physician/mid-level practitioner ID as the service provider and the hospital group biller.