



Aetna Better Health® of Louisiana

Reimbursement Policy Statement Louisiana Medicaid

Original Issue Date	Next Annual Review	Effective Date	
01/01/2018	05-02-2019	05-02-2018	
Policy Name		Policy Number	
Place of Service Policy-Inpatient Only Services (Outpatient Hospital Facility)		ABHLA-RP-0011	
Policy Type			
Medical	Administrative	Pharmacy	Reimbursement

Aetna Better Health of Louisiana reimbursement policies are intended to provide a general reference for claims filing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims logic, benefits design and other factors not listed in this policy statement are considered in the development of reimbursement policies.

In addition to this Policy, reimbursement of rendered services are subject to member benefits, eligibility on the date of service, medical necessity, other plan policies and procedures, claim editing logic, provider contracts and all applicable authorization, notification and utilization management guidelines set forth by the Louisiana department of Health (LDH) and the Centers for Medicare and Medicaid Services (CMS).

This policy does not ensure either an authorization or reimbursement of services. Please refer to the plan contract for the service(s) referenced therein. If there is a conflict between both this policy and the plan contract, then the plan contract will be the controlling document used to make an authorization or payment determination.

Contents of Policy

Reimbursement Policy Statement	1
Table of Contents	1
A. Policy	2
B. Overview	2
C. Coverage Rationale	2
D. Definitions	2
E. Reimbursement Guidelines	2-3
F. Codes and Conditions of Coverage	3
G. Frequently Asked Questions	3
H. Review/Revision History	3
I. Resources	3-4



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A. Policy

Aetna Better Health of Louisiana implements comprehensive and robust policies to ensure alignment with Louisiana Department of Health (LDH) and to warrant that regulatory standards are met. Certain service codes have been identified that may only be performed in an inpatient setting. The reasons for restricting these procedures to the inpatient setting include the invasive nature of the procedure; the need for postoperative care following surgery or the underlying physical condition of the patient requiring the surgery. These procedures would not be expected to be reported in an outpatient facility setting.

B. Overview

The correct POS (Place of Service) code assignment shall be for that situation in which the beneficiary is receiving inpatient care or outpatient care from a hospital. Inpatient services shall not be billed as outpatient, even if the stay is less than 24 hours. Federal and state regulations are restrictive in regard to the definition of both inpatient and outpatient services.

C. Coverage Rationale

This improper billing is particularly problematic when physician and other suppliers furnish services in outpatient hospitals and in ambulatory surgical centers (ASCs). In a sample of paid services (for services possessing both non-facility and facility practice expense relative value units (RVUs), the OIG found a significant percent of the sampled physician/practitioner claims were incorrectly reported by physician/practitioners as occurring in the office POS when those services were furnished in outpatient hospitals or ASCs.

D. Definitions

Inpatient Hospital (POS 21) -a facility, other than psychiatric, which primarily provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services by, or under, the supervision of physicians to patients admitted for a variety of medical conditions. F

Outpatient Hospital (POS 22)-a portion of a hospital which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.

E. Reimbursement Guidelines

Exclusions:

Inpatient approval of these outpatient procedures will be granted when one or more of the following exception criteria exist:



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1. There is a physician order for inpatient status;
2. Documented medical conditions exist that make prolonged pre-operative and post-operative observation by a nurse or skilled medical personnel a necessity;
3. Procedure is likely to be time consuming or followed by complications;
4. An unrelated procedure is being performed simultaneously that requires hospitalization;
5. The procedure carries a high risk.

F. Codes/Conditions of Coverage

<http://www.lamedicaid.com/provweb1/default.htm>

https://www.cms.gov/Medicare/Coding/place-of-service-codes/Place_of_Service_Code_Set.html

G. Frequently Asked Questions:

Q: If a beneficiary is admitted for a minor surgical procedure, but then requires hospital care beyond the usual anticipated recovery time, when would it be appropriate for the physician to utilize outpatient observation and when would it be appropriate to admit the beneficiary for inpatient hospital services?

A: If the beneficiary requires additional medically necessary hospital care beyond the usual anticipated recovery time for a minor surgical procedure, the physician should reassess the expected length of stay. Generally, if the physician cannot determine whether the beneficiary prognosis and treatment plan will now require an expected length of stay spanning 2 or more midnights, the physician should continue to treat the beneficiary as an outpatient. If additional information gained during the outpatient stay subsequently suggests that the physician would expect the beneficiary to have a stay spanning 2 or more midnights including the time in which the beneficiary has already received hospital care, the physician may admit the beneficiary as an inpatient at that point.

H. Review/Revision Date

Action	Date	Comments
Date Issued	01/01/2018	
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I. Resources

Louisiana Department of Health State Contract, regulations, Provider Manual, fee schedules and notices

<http://www.lamedicaid.com/provweb1/Providermanuals/manuals/PS/PS.pdf>

Individual state Medicaid regulations, manuals & fee schedules



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http://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm

American Medical Association, *Current Procedural Terminology (CPT®) Professional Edition* and associated publications and services

<https://www.ama-assn.org/>

Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services

<https://www.cms.gov/>