



ADDITIONAL CLARIFICATION OF THE RECENT CHANGE TO THE HOSPITAL 24-HOUR POLICY

As a result of the recent publication of policy changes related to the Hospital 24-Hour Policy, we have received several questions from providers requesting additional clarification of this policy as it relates to billing and claims submissions. This policy change increases the number of outpatient service hours to 30 hours, effective August 30, 2010. The questions received and corresponding answers follow. These questions and answers are also included on a new Question & Answer link found on the yellow Acute Precert icon on this web site. Should additional questions be received concerning this policy change or other issues related to recent precertification changes, they will be posted on the Q & A link.

- Q.** Hospitals must bill the services in order to have them considered for Medicaid cost settlement. How should any outpatient hours over 30 hours be reported in order to be considered for cost settlement?
- A.** Bill hours & ancillary services over the 30th hour as non-covered on the claim. Non-covered services are not allowable costs on the cost report.
- Q.** If the outpatient hours over 30 are non-covered, can the hospital bill the patient for services related to the additional hours in an outpatient status?
- A.** No; the patient may not be billed.
- Q.** If the patient stays more than 30 hours outpatient and then is admitted inpatient, does the admit date for the precertification request go back to the beginning of the outpatient services (i.e., can the hospital bill for all services even though there are more than 30 hours of outpatient services before the actual inpatient admit)?
- A.** The admit date goes back to the beginning of the outpatient services. The hospital will be paid their per diem for each day approved through precertification.
- Q.** Does this change include outpatient ambulatory surgeries billed with revenue code 490?
- A.** No. Outpatient ambulatory surgeries are excluded from this policy and should continue to be billed as indicated in the revised ambulatory surgical procedure policy posted on RA messages in January 2010 which read, "Effective December 1, 2009, Ambulatory Surgery is exempt from the 24 hour rule in which outpatient services exceeding 24 hours in duration are deemed inpatient. Ambulatory surgery (Revenue Code 490) and the other revenue codes associated with the surgery may now be billed as outpatient regardless of the duration of the outpatient stay."