



REIMBURSEMENT POLICY STATEMENT

Indiana Medicaid

Policy Name & Number	Date Effective
Dental Services Rendered in an Outpatient Facility or Ambulatory Surgery Center-IN MCD-PY-1304	09/01/2026
Policy Type	
REIMBURSEMENT	

Reimbursement Policies prepared by CareSource and its affiliates are intended to provide a general reference regarding billing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims editing logic, benefits design and other factors are considered in developing Reimbursement Policies.

In addition to this Policy, Reimbursement of services is subject to member benefits and eligibility on the date of service, medical necessity, adherence to plan policies and procedures, claims editing logic, provider contractual agreement, and applicable referral, authorization, notification and utilization management guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any federal or state coverage mandate, Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

This Policy does not ensure an authorization or Reimbursement of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced herein. If there is a conflict between this Policy and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination. CareSource and its affiliates may use reasonable discretion in interpreting and applying this Policy to services provided in a particular case and may modify this Policy at any time.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

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A. Subject**Dental Services Rendered in an Outpatient Facility or Ambulatory Surgery Center****B. Background**

The decision to perform dental care in a particular place of service is based on a wide variety of factors, including the age and special health care needs (physical, intellectual, and developmental disabilities or long-term medical conditions) of the individual, in addition to the type, number, and complexity of procedures planned. These factors also determine the type of anesthesia used during the procedure.

Most dental care can be provided in a dental office setting with local anesthesia or local anesthesia supplemented with non-pharmacological behavior guidance (basic to advanced techniques) and/or pharmacological options. Basic non-pharmacological behavior guidance includes communication guidance, positive pre-visit imagery, direct observation, tell-show-do, ask-tell-ask, voice control, non-verbal communication, positive reinforcement and descriptive praise, distraction, and desensitization. Pharmacological options may include nitrous oxide, oral conscious sedation and intravenous (IV) sedation (mild, moderate, or deep), or monitored general anesthesia by trained certified individuals in each level of sedation dentistry. As noted by the American Academy of Pediatric Dentistry (AAPD) and the American Society of Anesthesiologists (ASA), there are certain situations where appropriate candidates may require the use of general anesthesia as medically necessary in a healthcare facility, such as an ambulatory surgery center, hospital operating room, or short procedure unit (SPU).

While dental services rendered in an outpatient facility or ambulatory surgery center may more frequently be observed in a pediatric member based on medical necessity, IHCP also covers these services for members aged 21 years and older when medically appropriate.

C. Definitions

- **Ambulatory Surgical Center (ASC)** – A health care facility that specializes in providing surgery, pain management, and certain diagnostic (eg, colonoscopy) services in an outpatient setting. Ambulatory surgery center procedures are more intensive than those completed in the average doctors' office but not so intensive as to require a hospital stay.
- **Hospital** – "A health care facility that generally is an institution, a place, a building, or an agency that ... provides care, accommodations, facilities, and equipment in connection with the services of a physician to individuals who may need medical or surgical services." Any facility that meets the definition of a hospital found in IND. CODE § 16-18-2-179 must be licensed by the Indiana State Dept of Health (ISDH).
- **Medically Necessary** – The Indiana definition of Medical Necessity is used for Medicaid and states, "'medically necessary service' as used in this title means a covered service ... that is required for the care or well-being of the patient and is

provided in accordance with generally accepted standards of medical or professional practice.” Refer to 405 IND. ADMIN. CODE 5-2-17.

- **Monitored Anesthesia Care (MAC)** – A specific anesthesia service in which an anesthesiologist has been requested to participate in the care of a patient undergoing a diagnostic or therapeutic procedure.
- **Sedation Continuum** – When patients undergo procedural sedation/analgesia, a sedation continuum is entered. Several levels have been formally defined along this continuum as follows:
 - **Minimal Sedation (Anxiolysis)** – A drug-induced state during which patients respond normally to verbal commands. Although cognitive function and physical coordination may be impaired, airway reflexes and ventilatory and cardiovascular functions are unaffected.
 - **Moderate Sedation/Analgesia (Conscious Sedation)** – A drug-induced depression of consciousness during which patients respond purposefully to verbal commands, either alone or accompanied by light tactile stimulation. No interventions are required to maintain a patent airway and spontaneous ventilation is adequate. Cardiovascular function is usually maintained. Reflex withdrawal from a painful stimulus is NOT considered a purposeful response.
 - **Deep Sedation (Analgesia)** – A drug-induced depression of consciousness during which patients cannot be easily aroused but respond purposefully following repeated or painful stimulation. The ability to independently maintain ventilatory function may be impaired. Patients may require assistance in maintaining a patent airway, and spontaneous ventilation may be inadequate. Cardiovascular function is usually maintained.
 - **General Anesthesia** – A drug-induced loss of consciousness during which patients are not arousable even by painful stimulation. The ability to independently maintain ventilatory function is often impaired. Patients often require assistance in maintaining a patent airway, and positive pressure ventilation may be required because of depressed spontaneous ventilation or drug-induced depression of neuromuscular function. Cardiovascular function may be impaired.

Note: Because sedation is a continuum, it is not always possible to predict how an individual patient will respond. Practitioners intending to produce a given level of sedation should be able to rescue patients whose level of sedation becomes deeper than initially intended. Individuals administering moderate sedation should be able to rescue patients who enter a state of deep sedation, while those administering deep sedation should be able to rescue patients who enter a state of general anesthesia. Rescue of a patient from a deeper level of sedation than intended is an intervention by a practitioner proficient in airway management and advanced life support. The qualified practitioner corrects adverse physiologic consequences of the deeper-than-intended level of sedation, such as hypoventilation, hypoxia, and hypotension, and returns the patient to the originally intended level of sedation. It is not appropriate to continue the procedure at an unintended level of sedation.

- **Short Procedure Unit (SPU)** – A unit of a hospital organized for the delivery of ambulatory surgical, diagnostic or medical services.

D. Policy

This policy is intended to provide guidance on the process for obtaining authorization and reimbursement for dental services performed in a place of service (ASC or hospital OR/SPU) and reimbursement for related facility charges (eg, operating room, anesthesia, medical consults).

CareSource Dental Benefits: Coverage for professional services performed by the dentist/oral surgeon in the POS (ASC or Hospital OR/SPU), and reimbursement for these services may be provided through the dental benefit once approved via the CareSource process of dental utilization review for medical necessity of services and requested place of service. Medical necessity criteria and clinical policies are in the respective [CareSource Dental Office Reference Manual](#).

CareSource Medical Benefits: Coverage and reimbursement for facility charges (eg, operating room, anesthesia) related to dental services performed in POS (ASC or OR/SPU) are eligible for coverage and reimbursement under the member's medical benefit when the dental services have been approved via the CareSource Dental Utilization Management process to be performed in Hospital/ASC.

The two-step process for dental services and facility services should be followed for obtaining authorization prior to submitting claims for reimbursement:

I. Step 1 - Dental authorization for services to be performed in a (OR/SPU or ASC)

A prior authorization is required for all dental services performed in a hospital inpatient or outpatient facility or an ambulatory surgery center facility.

1. Requests for dental services in POS (19, 21, 22, 24) are submitted by the treating dental provider to the CareSource Dental Authorization Determination Department via the partner vendor SKYGEN Provider Portal. The provider must include the correct POS on the dental request and add in authorization notes if the request is for hospital or ASC setting.
2. All requested dental services (treatment plan) should be included in the authorization request, in addition to at least 1 unit of D9420, that identifies the request as hospital/ASC request
3. The CareSource Dental UM department reviews for appropriate medical necessity requirements listed in the CareSource IN Office Reference Manual Section 7.5.10 Coverage and Clinical Guidelines – Adjunctive Services.
4. If the dental authorization is approved, an automated Caresource approval letter to the requesting dentist will be sent, and this can also be viewed in the SKYGEN provider portal.
5. If the dental authorization request is not approved, a Notice of Adverse Benefit Determination letter will be issued to the submitting dental provider.

II. Step 2 – Facility authorization process

The REIMBURSEMENT Policy Statement detailed above has received due consideration as defined in the REIMBURSEMENT Policy Statement Policy and is approved.

Once dental services to be performed in hospital/ASC approval has been obtained, providers are required to administer services at CareSource participating hospitals and must obtain facility authorization.

1. For facility authorization, the provider (hospital or ASC) may submit the request on the [CareSource Provider Portal](#) at CareSource.com.
2. Dental providers may also request a Facility Certification by calling CareSource directly at 800.488.0134 and select option to "Request an Authorization".
3. The facility request should include the facility services requested (ie, operating room charges, anesthesia), the Dental Authorization Approval Letter, and the dental authorization number.
4. CareSource Medical Utilization Management team will complete **ALL** of the following:
 - a. Verify that facility is in network.
 - b. Review the dental pre-determination letter (PDL) or authorization.
 - c. Complete the **administrative** approval for facility fee and anesthesia. Determine medical necessity for any other facility-related CPT/HCPSC codes submitted. HCPSC code G0330 only requires administrative review.
 - d. Fax a Facility Approval to the hospital/ASC which can also be viewed in the CareSource Provider Portal.

E. Conditions of Coverage

Facility Reimbursement is dependent on, but not limited to, submitting approved HCPSC and CPT codes along with appropriate modifiers, if applicable. Please refer to the individual fee schedule for appropriate codes. The following list(s) of codes is provided as a reference. This list may not be all inclusive and is subject to updates:

- **Outpatient Hospital Facility (SPU) POS (19, 22); Ambulatory Surgical Center POS (24)**
 - **Use HCPSC code G0330 as facility fee code**
 - Will be paid according to CareSource contract and IHCP fee schedule. For a list of revenue codes reimbursed, as well as outpatient payment information for relevant codes, see the Revenue Codes tab of the Outpatient Fee Schedule accessible from the IHCP Fee Schedules page at in.gov/Medicaid/providers.
 - Dental-related facility charges must be billed on an institutional claim (UB-04 claim form, Portal institutional claim, 837I transaction).
 - **Use CPT 00170 for anesthesia for intraoral treatments, including biopsy**
 - Will be paid according to CareSource contract and IHCP fee schedule.
 - All associated professional services, such as radiology and anesthesia, as well as ancillary services related to the dental services, must be billed on a professional claim (CMS-1500 claim form or electronic equivalent).
- **Inpatient Hospital Facility POS (21)**
 - All services as well as any additional room and board fees would have to be pre-certified and receive medical necessity review. Services are subject to benefit provisions, and criteria for dental hospital admissions for both adult and pediatric members is in accordance with 405 IND. ADMIN. CODE 5-33.
- **Dental/Oral Surgery Professional Services**

The REIMBURSEMENT Policy Statement detailed above has received due consideration as defined in the REIMBURSEMENT Policy Statement Policy and is approved.

- The scope of this policy is limited to medical plan coverage of the facility and/or general anesthesia services provided in conjunction with dental treatment, not the dental or oral surgery services. For information on dental benefits, please consult the CareSource Dental Office Reference Manual for clinical guidelines, policies, and procedures, and the provider contracted fee schedule.

F. Related Policies/Rules

NA

G. Review/Revision History

DATE		ACTION
Date Issued	01/20/2021	New Policy
Date Revised	01/28/2022	Annual Review. Removed dental codes, removed tables, simplified coding information
	04/10/2024	Review: adjusted title, updated background, definitions, and Conditions of Coverage coding, added dental and medical benefits language. Approved at Committee.
	09/10/2025	Review: clarified facility approval process, updated references, approved at Committee.
Date Effective	09/01/2026	
Date Archived		

H. References

1. Ambulatory Outpatient Surgical Center, IND. CODE § 16-18-2-14 (2024).
2. *Ambulatory Outpatient Surgical Centers (ASC) Licensing and Certification Program*. Indiana Dept of Health. Accessed August 6, 2025. www.in.gov
3. American Academy of Pediatric Dentistry. Management of dental patients with special health care needs. *Reference Manual Pediatr Dent*. 2025-2026:TBD. Accessed August 5, 2025. www.aapd.org
4. American Academy of Pediatric Dentistry. Policy on hospitalization and operating room access for oral care of infants, children, adolescents, and individuals with special health care needs. *Reference Manual Pediatr Dent*. 2024-2025:173-175. Accessed August 5, 2025. www.aapd.org
5. American Academy of Pediatric Dentistry. Policy on third-party reimbursement for management of patients with special health care needs. *Reference Manual Pediatr Dent*. 2024-2025:186-189. Accessed August 5, 2025. www.aapd.org
6. Committee on Quality Management and Departmental Administration. *Continuum of Depth of Sedation: Definition of General Anesthesia and Levels of Sedation/Analgesia*. Updated October 23, 2024. Accessed August 5, 2025. www.asahq.org
7. Dental Provider Office Reference Manual (ORM). 2nd ed. CareSource; 2025.
8. General Anesthesia and Intravenous Sedation, 405 IND. ADMIN. CODE 5-14-15 (2023).
9. Hospital, IND. CODE § 16-18-2-179 (2024).

The REIMBURSEMENT Policy Statement detailed above has received due consideration as defined in the REIMBURSEMENT Policy Statement Policy and is approved.

10. IHCP bulletin: coverage and billing information for the 2023 annual HCPCS codes update. Indiana Health Coverage Programs; 2022. BT2022121. Accessed August 6, 2025. www.in.gov
11. "Medically Necessary Service" Defined, 405 IND. ADMIN. CODE 5-2-17 (2024).
12. *Provider Reference Module: Dental Services*. Indiana Health Coverage Programs; 2024. Accessed August 6, 2025. www.in.gov
13. *Provider Reference Module: Inpatient Hospital Services*. Indiana Family and Social Services Administration; 2025. Accessed August 6, 2025. www.in.gov
14. *Provider Reference Module: Outpatient Facility Services*. Indiana Health Coverage Programs; 2025. Accessed August 6, 2025. www.in.gov

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