

MEDICAL POLICY STATEMENT

Michigan Medicaid

Policy Name & Number	Date Effective
Neonatal Discharge Criteria-MI MCD-MM-1519	03/01/2026
Policy Type	
MEDICAL	

Medical Policy Statements are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy 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 Evidence of Coverage or Certificate of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other plan policies and procedures.

Medical Policy Statements do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage or Certificate of Coverage) for the service(s) referenced in the Medical Policy Statement. Except as otherwise required by law, if there is a conflict between the Medical Policy Statement and the plan contract, then the plan contract will be the controlling document used to make the determination.

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

Neonatal Discharge Criteria

B. Background

Infants who require neonatal admission remain at increased risk for morbidity and mortality following discharge. These infants require comprehensive discharge planning to ensure a smooth transition from the neonatal intensive care unit (NICU) and reduce morbidity and mortality after discharge.

Despite the inability to predict the exact timing of a NICU discharge, discharge planning should begin at NICU admission in an effort to avoid overwhelming parents and hospital staff. This planning will aid in minimizing discharge delays and will promote safe and healthy discharges to home.

Discharge may be appropriate when the establishment of physiologic competencies, including, but not limited to, thermoregulation, feeding, respiratory control, and stability regardless of weight or corrected gestational age, have been achieved.

C. Definitions

- **Acceptable Bilirubin Level** – Defined per American Academy of Pediatrics (AAP) guidelines.
- **Bilirubin** – Blood test to measure liver function.
- **Car Seat Test Eligibility** – An infant tolerance test for sitting usually occurring < 37 weeks gestation or if at risk for respiratory compromise.
- **Feeding Difficulties** – Minimal or no ability to feed orally.
- **Oral (PO) Feeding** – By mouth feeding.
 - **Adequate PO Feeding** – Ingesting sufficient oral feeding to support adequate or appropriate growth.
- **Stable Body Temperature** – Ability to maintain body temperature > 36.4° C axillary while clothed in an open bed/crib.

D. Policy

- I. HAP CareSource considers neonatal discharge medically appropriate for **non-technology dependent** infants when **ALL** of the following clinical criteria are met:
 - A. Thermoregulation Stability
 1. Infant demonstrates the ability to maintain normal body temperature while clothed in an open crib. Up to 48 hours of stable body temperature is typically adequate for infants born < 37 weeks gestation.
 2. 12 hours of stable body temperature is adequate for infants born ≥ 37 weeks.
 3. For infants placed in an isolette solely for the purpose of phototherapy and not thermoregulation, additional observation is not required once treatment is completed.
 - B. Cardio-Respiratory Stability

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

1. Infant is stable on room air after discontinuation of oxygen therapy for up to 48 hours.
 2. If infant was on caffeine, the infant has been observed for apnea for 5 days off caffeine.
 3. Event Countdown
 - A. The infant has not had any clinically significant bradycardia/desaturation (B/D) episodes for 5-7 days. An event is considered clinically significant if the infant required stimulation.
 - B. The infant has not had any episodes of apnea for 5-7 days
 - C. The infant has not had any self-resolved B/D events in the last 48 hours.
 - D. Isolated bradycardia events that are associated with feeding should not delay discharge as these are observed events with a known cause.
 4. Infant passed car seat test, if applicable.
 - C. Feeding and Adequate Weight Gain
 1. Infant demonstrates adequate PO feeding by bottle or breast for up to 48 hours.
 2. Overall weight gain is adequate, as expected for gestational age and day of life.
 - D. Bilirubin
 1. Acceptable level based on hours of life per AAP Bilitool (Bilitool.org).
 2. Risk factors include the following:
 - a. gestational age < 38 weeks (risk increases with the degree of prematurity)
 - b. albumin < 3.0 g/dL
 - c. isoimmune hemolytic disease (ie, positive direct antiglobulin test), G6PD deficiency, or other hemolytic conditions
 - d. sepsis
 - e. significant clinical instability in the previous 24 hours
- II. HAP CareSource considers neonatal discharge medically appropriate for **technology-dependent** infants when **ALL** of the following clinical criteria are met:
- A. Cardio-Respiratory Stability
 1. Infant is stable, but has 1 or more of the following conditions:
 - a. Bronchopulmonary dysplasia (BPD) and is on low flow nasal cannula at any oxygen concentration with a flow rate of ≤ 0.5 LPM (liters per minute).
 - b. Infant has tracheostomy and requires positive pressure ventilation. Ventilator settings are stable and fraction of inspired O₂ is < 40% utilizing a home ventilator.
 - B. Feeding and Adequate Weight Gain
 1. Infant is stable but has 1 of the following conditions:
 - a. Infant has feeding difficulties and is dependent on gastrostomy and/or nasogastric tube feedings. Appropriate home health care and family teaching has been completed.
- E. Conditions of Coverage
NA

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

F. Related Policies/Rules
NA

G. Review/Revision History

DATE		ACTION
Date Issued	09/13/2023	New policy. Approved at Committee.
Date Revised	03/13/2024	Annual review. Updated references. Approved at Committee.
	02/12/2025	Annual review. Updated D.I.B and references. Approved at Committee.
	12/17/2025	Annual review. Updated references. Approved at Committee.
Date Effective	03/01/2026	
Date Archived		

H. References

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Independent medical review – 12/27/2021

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