



ADMINISTRATIVE POLICY STATEMENT

Ohio Medicaid

Policy Name & Number	Date Effective
Three-Day Window Payment-OH MCD-AD-1001	07/01/2022-08/31/2023
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statement prepared by CareSource and its affiliates 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 documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CareSource and its affiliates do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement 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.

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

Three-day Window Payment

B. Background

The Ohio Administrative Code 5160-2-02(B)(2) states that for inpatient admissions that begin on or after January 1, 2016, outpatient services provided within three calendar days prior to the date of admission in hospitals will be covered as inpatient services. This includes emergency room and observation services.

C. Definitions

- **Inpatient** - Member who is admitted to a hospital based upon the written orders of a physician or dentist and whose inpatient stay continues beyond midnight of the day of admission.
- **Outpatient Services** - Diagnostic, therapeutic, rehabilitative, or palliative treatment or services furnished by or under the direction of a physician or dentist which are furnished to an outpatient by a hospital. Outpatient services do not include direct-care services provided by physicians, podiatrists and dentists.
- **Inpatient Services** - Inpatient services include all covered services provided to members during the course of their inpatient hospital stay except for direct-care services provided by physicians, podiatrists, and dentists. Emergency room (ER) services are covered as an inpatient service when member is admitted from the ER.
- **Behavioral Health (BH) Services** - Mental health and substance use disorder services. Hospitals that provide outpatient BH services must meet the Medicare conditions of participation, have accreditation by a national accrediting body, and have accreditation for the BH services that they provide.

D. Policy

I. Three-Day Payment Rule.

- A. Claims submitted for outpatient services (including emergency room and observation services) that were provided within the three calendar days prior to the inpatient admission for the same member for the same hospital will be denied because the inpatient and outpatient services must be combined.
 - 1. The outpatient services and inpatient admission must be submitted on one inpatient claim.
 - 2. The dates of the claims should begin with the outpatient service through the inpatient discharge.
- B. If the outpatient hospital submits the claim separately before the inpatient hospital submits their claim, the inpatient claim will be deemed as a duplicate claim and will be denied payment. The inpatient hospital will need to work with the outpatient hospital to pay the outpatient visit and to have the outpatient hospital void its paid claim for the outpatient service. The inpatient hospital should then resubmit the claim so that it includes inpatient and outpatient services.
- C. To avoid duplication for nursing facility residents:
 - 1. The outpatient service claim should note the entire inpatient stay along with the dates of the outpatient services; and

2. The nursing facility claim should note the room and board days with the hospital leave days.

- II. Outpatient hospital behavioral health services provided in the outpatient hospital setting within three calendar days prior to the inpatient admission are exempt from the three-day window policy.

E. Conditions of Coverage
NA

F. Related Policies/Rules
NA

G. Review/Revision History

DATES		ACTION
Date Issued	10/30/2019	
Date Revised	TBD	Changed from PY. Added to the same hospital in I. A.
	02/04/2022	Annual review. Editorial changes
Date Effective	07/01/2022	
Date Archived	08/31/2023	This Policy is no longer active and has been archived. Please note that there could be other Policies that may have some of the same rules incorporated and CareSource reserves the right to follow CMS/State/NCCI guidelines without a formal documented Policy.

H. References

1. Hospital Billing Guidelines - [medicaid.ohio.gov](https://www.medicaid.ohio.gov). (2018, July 1). Retrieved February 4, 2022 from www.medicaid.ohio.gov.
2. Ohio Administration Code Chapter 5160-2. Hospital Services. (2016, January 1). Retrieved February 4, 2022 from www.codes.ohio.gov.
3. Ohio Administration Code Chapter 5160-2-75V1 Outpatient Hospital Reimbursement. (2020, January 2). Retrieved February 4, 2022 from www.codes.ohio.gov.

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