REIMBURSEMENT POLICY STATEMENT
OHIO MEDICAID

Policy Name		Policy Number	Effective Date
Three-Day Payment Window		PY-0128	12/01/2019-06/30/2022
Policy Type			
Medical	Administrative	Pharmacy	**REIMBURSEMENT**

Reimbursement Policy Statement: 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 notlimited 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

Three-Day Window Payment

B. Background

Reimbursement policies are designed to assist you when submitting claims to CareSource. They are routinely updated to promote accurate coding and policy clarification. These proprietary policies are not a guarantee of payment. Reimbursement for claims may be subject to limitations and/or qualifications. Reimbursement will be established based upon a review of the actual services provided to a member and will be determined when the claim is received for processing. Health care providers and their office staff are encouraged to use self-service channels to verify member's eligibility.

It is the responsibility of the submitting provider to submit the most accurate and appropriate CPT/HCPCS code(s) for the product or service that is being provided. The inclusion of a code in this policy does not imply any right to reimbursement or guarantee claims payment.

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 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.

III.

E. Conditions of Coverage

Reimbursement is dependent on, but not limited to, submitting approved HCPCS and CPT codes along with appropriate modifiers, if applicable. Please refer to the individual fee schedule for appropriate codes.

F. Related Policies/Rules

G. Review/Revision History

	DATE	ACTION
Date Issued	10/30/2019	
Date Revised		
Date Effective	12/01/2019	
Date Archived	06/30/2022	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. (2018, July 1). Retrieved October 3, 2019, from https://medicaid.ohio.gov
2. 2. Ohio Administration Code Chapter 5160-2 Hospital Services. (n.d.). Retrieved October 3, 2019, from http://codes.ohio.gov
3. 3. Ohio Administration Code Chapter 5160-2-75V1 Outpatient Hospital Reimbursement. (2018, September 1.). Retrieved October 3, 2019, from http://codes.ohio.gov

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