HAP CareSource™

ADMINISTRATIVE POLICY STATEMENT
Michigan HIDE SNP

Policy Name & Number	Date Effective
Itemized Billing-MI Coordinated Health-AD-1584	01/01/2026
Policy Type	
ADMINISTRATIVE	

Administrative 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.

Administrative 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 Administrative Policy Statement. Except as otherwise required by law, if there is a conflict between the Administrative 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
Itemized Billing

B. Background
Itemized bill review is the analysis of inpatient facility itemized billing statements against HAP CareSource policies and industry standard guidelines, as well as state and/or federal billing guidelines. HAP CareSource may request an itemized bill for an inpatient facility claim to verify that billed revenue codes represent charges for appropriately billed items, supplies, and services. Routine items, supplies, and services are to be included in the primary inpatient room and board charge and are not separately reimbursable.

C. Definitions
- **Inpatient Hospital Claim** – Claims submitted for a member formally admitted by a physician order for bed occupancy to receive inpatient hospital services with the expectation that the member will remain at least overnight.
- **Itemized Bill** – A comprehensive list of all services and goods provided during the inpatient hospital stay, which lists the costs and descriptions associated with the service and/or good.

D. Policy
I. HAP CareSource follows the *CMS Provider Reimbursement Manual* guidelines, chapter 22, sections 2202.6 and 2203.
   A. Routine services defined by CMS chapter and section above are services included by the provider in a daily service charge, sometimes referred to as the “room and board” charge.
   B. Routine services are composed of 2 broad components: (1) general routine services, and (2) special care units (SCUs), including coronary care units (CCUs) and intensive care units (ICUs). Included in routine services are the regular room, dietary, and nursing services, minor medical and surgical supplies, medical social services, psychiatric social services, and the use of certain equipment and facilities for which a separate charge is not customarily made.

II. Diagnostic-related group (DRG) high dollar claims exceeding $500,000 require an itemized bill for review. HAP CareSource also reserves the right to request an itemized bill on claims below $500,000 on a case-by-case basis.

III. Inpatient facility claims require itemized billing and are reimbursed by percent of charge methodology when the payable amount exceeds $50,000.

IV. Outpatient claims are reimbursed by percent of charge methodology and total payable greater than $25,000 require an itemized bill for review.

The Subcategories of Policy Type not selected. Policy Statement detailed above has received due consideration as defined in the Subcategories of Policy Type not selected. Policy Statement Policy and is approved.

V. Claims reimbursed by HSS APC Price (HSS APC Grouper & Pricer) or EAPG Payment (EAPG Grouper Pricer) and total payable is greater than $25,000 and outlier amount is > $0.00 require an itemized bill for review.

VI. The following supplies, items, and services are typically not separately billable and, therefore, are not reimbursable from the general room and board charge or primary service charge. This list contains examples only and is not all-inclusive:
   A. capital/medical equipment
   B. fluoroscope
   C. hydration flushes
   D. implants and supplies
   E. inpatient private duty nursing
   F. oximetry
   G. rental equipment
   H. routine supplies

VII. If upon review of the itemized bill, charges are determined to exceed state or federal reimbursement guidelines or a HAP CareSource specific policy, then reimbursement will be reduced accordingly.

VIII. Provider exception requests to reimbursement reductions may be submitted via standard provider appeal process and should include supporting documentation (eg, medical records, operative notes to support requested payment exception).

E. Conditions of Coverage
N/A

F. Related Policies/Rules
N/A

G. Review/Revision History

	DATE	ACTION
Date Issued	06/18/2025	Approved at Committee.
Date Revised		
Date Effective	01/01/2026	
Date Archived		

H. References
1. Determination of cost of services. *The Provider Reimbursement Manual, I.* Centers for Medicare and Medicaid Services. Publication 15-1. Revised April 16, 2024. Accessed June 5, 2025. www.cms.gov
2. Outlier payments. Centers for Medicare and Medicaid Services. September 10, 2024. Accessed June 5, 2025, 2025. www.cms.gov
3. Payments for Outlier Cases, 42 C.F.R. §§ 412.80-84 (2024).

The Subcategories of Policy Type not selected. Policy Statement detailed above has received due consideration as defined in the Subcategories of Policy Type not selected. Policy Statement Policy and is approved.