

Affected Programs: BadgerCare Plus, Medicaid
To: Hospital Providers, HMOs and Other Managed Care Programs

Present on Admission Requirements for Inpatient Hospital Claims

Effective for dates of discharge on and after January 1, 2010, certain hospital providers will be required to include present on admission (POA) indicator information for all primary and secondary diagnoses. For these providers, effective for dates of discharge on and after March 1, 2010, claims will be denied if the POA indicator is not present. Additionally, reimbursement may be affected by this information.

Present on Admission Indicator

The Deficit Reduction Act of 2005 requires a quality adjustment in Medicare Severity Diagnosis Related Group (MS-DRG) payments for certain hospital-acquired conditions (HACs). Wisconsin Medicaid and BadgerCare Plus are adopting the HACs established by the Centers for Medicare and Medicaid Services (CMS) and reflected in the MS-DRG payments. Effective for dates of discharge on and after January 1, 2010, certain hospital providers will be required to include present on admission (POA) indicator information for all primary and secondary diagnoses. For these providers, effective for dates of discharge on and after March 1, 2010, claims will be denied if the POA indicator is not present. Additionally, reimbursement may be affected by this information.

Present on Admission Indicator Options and Definitions

The following are POA indicator options and corresponding definitions:

- Y: This indicates that the diagnosis was present at the time of inpatient admission.
- N: This indicates that the diagnosis was not present at the time of inpatient admission.
- U: This indicates that the documentation is insufficient to determine if the condition was present at the time of inpatient admission.
- W: This indicates that the provider is unable to clinically determine whether the condition was present at the time of inpatient admission.
- 1: This indicates that the diagnosis is exempt from POA reporting. Refer to the Centers for Disease Control and Prevention Web site at www.cdc.gov/ for the *International Classification of Diseases, Ninth Revision, Clinical Modification* Official Guidelines for Coding and Reporting. These guidelines include the list of categories and codes exempt from the POA indicator requirement.

Claims Submission Requirements

Paper Claims

When submitting paper claims, the POA indicator for the primary diagnosis must be included in the eighth digit of Form Locator 67 (Principal Diagnosis field) of

the UB-04 (CMS 1450) Claim Form. The POA indicator for secondary diagnoses must be included in the eighth digit of Form Locator 67 A-Q (Secondary Diagnosis field). The POA indicator must be right justified, and the diagnosis code must be left justified.

Electronic Claims

For specific information about how/where to include POA indicator information when submitting claims electronically, refer to the following resources:

- For providers submitting claims using the 837 Health Care Claim: Institutional transaction, the POA indicator must be submitted in segment K3 in the 2300 loop, data element K301. Refer to the ForwardHealth interChange Companion Document to HIPAA Implementation Guide: 837 Health Care Claim — Institutional, P-13067 (available on the ForwardHealth Portal at www.forwardhealth.wi.gov/).
- For providers submitting claims using Direct Data Entry on the Portal, refer to the ForwardHealth Portal Claims User Guide (available on the Portal).
- For providers submitting claims using Provider Electronic Solutions claims submission software, refer to the Wisconsin Provider Electronic Solutions Manual (available on the Portal).

Reimbursement Changes

Wisconsin Medicaid and BadgerCare Plus are adopting the conditions/diagnosis codes established by CMS and included in the MS-DRG as the diagnoses that are subject to POA reporting. Refer to the CMS Web site at www.cms.hhs.gov/HospitalAcqCond/06_Hospital-Acquired_Conditions.asp#TopOfPage for the list of HACs that may affect reimbursement. Depending on the presence of one of the HACs, DRG-related reimbursement may be lowered.

Exempt Providers

The following facilities/providers are not required to include a POA indicator on inpatient hospital claims:

- Critical access hospitals.
- Children's hospitals.
- Inpatient psychiatric hospitals.
- Inpatient rehabilitation facilities.
- Long-term care hospitals.
- Per diem providers.

Information Regarding Managed Care Organizations

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate managed care organization. Managed care organizations are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin Well Woman Program is administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at (800) 947-9627 or visit our Web site at www.forwardhealth.wi.gov/.

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