

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

Present on Admission Indicator Required for Additional Hospital Providers

Effective for dates of discharge on and after October 1, 2010, Wisconsin Medicaid and BadgerCare Plus are expanding the types of hospital providers that are required to include present on admission indicator information for all primary and secondary diagnoses to include critical access hospitals and children's hospitals.

Present on Admission Indicator Requirement Expanded

Effective for dates of discharge on and after October 1, 2010, Wisconsin Medicaid and BadgerCare Plus are expanding the types of hospital facilities/providers that are required to include present on admission (POA) indicator information for all primary and secondary diagnoses to include:

- Critical access hospitals.
- Children's hospitals.

Claims will be denied if the POA indicator is not present on claims with dates of discharge on and after October 1, 2010. Additionally, reimbursement may be affected by this requirement.

Critical access hospitals and children's hospitals were previously exempt from this requirement as stated in the December 2009 *ForwardHealth Update* (2009-93), titled "Present on Admission Requirements for Inpatient Hospital Claims."

This policy is an extension of the BadgerCare Plus and Medicaid rate reform cutbacks to improve quality and control costs.

This policy affects Wisconsin Medicaid and BadgerCare Plus Programs.

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 the Centers for Medicare and Medicaid Services (CMS) and included in the Medicare Severity Diagnosis Related

Group (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 hospital-acquired conditions (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:

- Psychiatric hospitals.
- Rehabilitation facilities.

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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