

Affected Programs: BadgerCare Plus, Medicaid

To: Hospital Providers, Physician Clinics, Physicians, HMOs and Other Managed Care Programs

New Policy Regarding the Allowable Length of Observation Prior to Inpatient Hospital Admission

This *ForwardHealth Update* announces new policy regarding the allowable length of observation prior to inpatient hospital admission effective for dates of service on and after November 15, 2014.

New Policy

Effective for dates of service (DOS) on and after November 15, 2014, ForwardHealth is expanding the allowable length of observation prior to inpatient hospital admission. The allowable length of observation is now up to 24 hours for Medicaid claims.

Claim Instructions and Submission

Providers are required to include outpatient services provided during observation prior to inpatient hospital admission, including services spanning midnight, on the inpatient claim. The outpatient services are not separately reimbursable. For further information, providers should refer to the Continuous Stay Policy topic (topic #8278) in the Covered Services and Requirements chapter of the Covered and Noncovered Services section of the Hospital, Inpatient service area of the ForwardHealth Online Handbook.

Providers should indicate the date observation began as the “from” DOS on the inpatient claim. Claims that indicate an “admission” date more than 24 hours after the “from” DOS may be denied; however, providers may resubmit the claim,

along with applicable medical documentation supporting the extended length of observation and the Written Correspondence Inquiry form, F-01170 (07/12), via paper to ForwardHealth for review. The Written Correspondence Inquiry form is available on the Forms page of the ForwardHealth Portal at www.forwardhealth.wi.gov/WIPortal/content/provider/forms/index.htm.spage.

On the Written Correspondence Inquiry form, providers should check the Other box in the Reason for Inquiry field and indicate “Request for review of medical necessity for extended observation period before an inpatient admission” in the space provided. Providers should follow the instructions on the form for submitting the claim, medical documentation, and form to ForwardHealth. A copy of the claim, medical documentation, and form should be retained by providers for their records.

Information Regarding Managed Care Organizations

This *ForwardHealth 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 AIDS Drug Assistance Program and the Wisconsin Well Woman Program are 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/.

P-1250

This *ForwardHealth Update* was issued on 10/20/2014, and information contained in this *Update* was incorporated into the Online Handbook on 11/17/2014.