



MEMORANDUM

TO: All Hospitals, Physicians, and Osteopaths
FROM: EDS and NH Medicaid
DATE: December 2008
SUBJECT: Federal Requirements for Outpatient Hospital Billing

Effective December 8, 2008, NH Medicaid must comply with the final rule released by the Centers for Medicare and Medicaid Services in the Federal Register of Friday, November 7, 2008, Vol. 73, No. 217, regarding the alignment of the Medicaid definition of outpatient hospital services more closely with the Medicare definition. This alignment serves to limit the scope of services for which federal financial participation is available to the states under the outpatient hospital services benefit category. It does not limit the scope of services that may be provided.

Generally, what this means for providers is that if a service is covered by the Medicaid program under other provider categories such as physician services, dental services, ARNP services, etc., then those services are still covered, but they must be billed as such services, using the fee schedules for those services, and cannot be billed as outpatient hospital services.

In order for DHHS to comply with this regulation, we are notifying you of the following:

- Effective with dates of service December 8, 2008, outpatient hospital billings should not include any services that are covered under the scope of another NH Medicaid service category.
- Outpatient hospital service billings are limited to the scope of facility services that would be included, in the setting delivered, in the Medicare outpatient prospective payment system or paid by Medicare as an outpatient hospital service under an alternate payment methodology.
- As examples, a hospital owned physician practice, whether on the hospital grounds or off site, is required to bill the physician service using the physician fee schedule; no facility fee may be billed unless the service provided is unique to the hospital setting. For example, routine dental services, well-child checks or occupational therapies are not unique to the hospital setting and are thus not reimbursable with revenue codes; the practitioner fee schedules must be used and no facility fee claimed. Services which are unique to the hospital setting (which may include some specialty clinics, such as scoliosis and asthma clinics, and emergency or urgent care) can be billed as outpatient hospital services (professional and facility fees) using revenue codes.
- System edits and audits are being built and will be implemented after testing is completed; this does not relieve providers of the requirement to bill appropriately prior to such implementation.
- Additional DHHS efforts will be undertaken to identify any services inappropriately billed, and necessary recoveries will be identified and pursued.

We would encourage you to become familiar with the federal register which we have included on the provider website at www.nhmedicaid.com. If you have any questions regarding this notice please contact the Communications Unit at: 1-800-423-8303 (NH & VT only) or (603) 224-1747