



Reimbursement Policy for Inpatient services billed on Outpatient bill types.

Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In the event of a conflict, federal and state guidelines, as applicable, as well as the member's benefit plan document supersede the information in this policy. Additionally, to the extent there are any conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

Reimbursement Guidelines

Inpatient-only services are not appropriate for completion in a hospital outpatient department. Typically, these services involve surgical procedures that necessitate inpatient care due to the procedure's nature, the typical physical condition of the patients requiring the service, or the need for at least 24 hours of postoperative recovery or monitoring before safe discharge.

Payment will not be issued for an 'inpatient-only' procedure billed with an outpatient hospital bill type 13X. Additionally, no payment will be made for other services provided on the same day as an 'inpatient-only' procedure.

- For instance, CPT code 33513, 'Coronary artery bypass, vein only; four coronary venous grafts,' is an example of an 'inpatient-only' service.

There are two exceptions to the policy of not paying for outpatient services on the same day as an 'inpatient-only' service:

- Exception 1: If the 'inpatient-only' service is classified as a 'separate procedure' in CPT, and the other services billed with the 'inpatient-only' service include a procedure eligible for payment under the OPPS with an OPPS SI=T on the same date as the 'inpatient-only' procedure, then the 'inpatient-only' service is denied, but CMS will make payment for the separate procedure and any other payable OPPS services. The list of 'separate procedures' is available in the Integrated Outpatient Code Editor (I/OCE) documentation, which can be found at [Outpatient Code Editor \(OCE\)](#)
- Exception 2: If an 'inpatient-only' service is provided, but the patient passes away before inpatient admission or transfer to another hospital, and the hospital reports the 'inpatient-only' service with modifier 'CA,' then CMS will make a single payment for all services reported on the claim, including the 'inpatient-only' procedure, under one unit of APC 5881, 'Ancillary outpatient services when the patient dies.' Hospitals should apply modifier 'CA' to only one procedure."



Supplemental Information

Definitions

Term	Definition
CMS	Center for Medicare and Medicaid
CPT	Current Procedural Terminology
Outpatient	A patient who is not hospitalized overnight but who visits a hospital, clinic, or associated facility for diagnosis or treatment
Inpatient	A patient who stays in a hospital while under treatment
I/OCE	Integrated Outpatient Code Editor
Modifier CA	Procedure payable only in the inpatient setting when performed emergently on an outpatient who expires prior to admission
APC 5881	Ancillary Outpatient Services When Patient Dies
OPPS	Outpatient Prospective Payment System
SI	Status Indicator

References

This policy was developed using

- CMS
- State Medicaid Regulatory Guidance
- State Contracts

Agency:	Reference links:
CMS-1772-FC	https://www.cms.gov/medicare/fee-for-service-payment/hospitaloutpatientppshospital-outpatient-regulations-and-notices/cms-1772-fc
CMS-1427P Addendum E	https://www.cms.gov/medicare/fee-for-service-payment/hospitaloutpatientpps/downloads/cms-1427-p_adde.pdf
CMS-1736-FC	https://www.cms.gov/medicare/fee-for-service-payment/hospitaloutpatientppshospital-outpatient-regulations-and-notices/cms-1736-fc
Inpatient-only services	https://www.novitas-solutions.com/webcenter/portal/MedicareJH/pagebyid?contentId=00186106
Medicaid NCCI Edit Files	https://www.cms.gov/files/zip/2023q1nccimueedits-outpatienthospitalservices.zip
CMS Manual Pub 100-04 Medicare Claims Processing- Section: 180.7 - Inpatient-Only Services	https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3425CP.pdf
WI	Procedures Reimbursable Only as Inpatient Hospital Services



State Exceptions

State	Exception

Documentation History

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Published	09/01/2023	
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