Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
600 Washington Street
Boston, MA 02111
www.mass.gov/masshealth

MASSHEALTH
TRANSMITTAL LETTER AOH-8
June 2006

TO: Acute Outpatient Hospitals and Hospital Licensed Health Centers Participating in MassHealth

FROM: Beth Waldman, Medicaid Director BW

RE: *Acute Outpatient Hospital Manual* (Revised Regulations About New Tobacco Cessation Services)

Beginning July 1, 2006, MassHealth will cover individual and group tobacco cessation counseling and pharmacotherapy through the MassHealth tobacco cessation benefit. Those members eligible to receive physician services, community health center services, outpatient hospital services, and pharmacy services are covered for tobacco cessation services, based on their MassHealth coverage type as stated in 130 CMR 450.105.

Acute Outpatient Service Code Changes
Service Code G0376 and relevant modifiers are in Subchapter 6 of the acute outpatient hospital (AOH) manual under tobacco cessation services, and have been changed by adding the necessary codes in order for AOH departments to bill for the tobacco cessation services that have been added to the *Outpatient Hospital Manual* (130 CMR 410.000). This permits reimbursement to outpatient hospital departments providing tobacco cessation counseling services as detailed in the regulations (130 CMR 410.000).

This transmittal letter also transmits a revised Appendix D: Utilization Management Program, and Appendix E: Acute Inpatient Hospital Admission Guidelines.

These regulations are effective July 1, 2006.

If you have any questions about the information in this transmittal letter please contact MassHealth Customer Service at 1-800-841-2900, e-mail your inquiry to providersupport@mahealth.net, or fax your inquiry to 617-988-8974.

NEW MATERIAL
(The pages listed here contain new or revised language.)

Acute Outpatient Hospital Manual

Pages vi, 6-5, 6-6, D-1, D-2, and E-1 through E-4

OBSOLETE MATERIAL
(The pages listed here are no longer in effect.)

Acute Outpatient Hospital Manual

Page vi — transmitted by Transmittal Letter AOH-5

Pages D-1, D-2, and E-1 through E-4 — transmitted by Transmittal Letter AOH-3

6. Service Codes

604 Payable Tobacco Cessation Services

Service Code Modifer	Service Description
G0376	Tobacco cessation individual counseling. Hospitals must bill separately for the professional component of tobacco cessation counseling provided by a hospital-based physician.
G0376-HQ	Tobacco cessation counseling in a group setting
G0376-TF	Tobacco cessation individual counseling, intermediate level of care

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Information Required for Admission Screening

The following is a list of information the admitting provider or designee must give the MassHealth Utilization Management contractor when proposing an elective admission. MassHealth may request additional information at any time to clarify the details of any admission. See 130 CMR 450.208 for regulations about admission screening.

- the member's name and address
- the member's sex
- the member's date of birth
- the member's MassHealth identification number
- the guardian's name and address, if applicable
- if applicable, the name of the member's primary care clinician (PCC) and one of the following:*
  - the telephone number of the PCC;
  - the provider number of the PCC; or
  - the address of the PCC.
- if applicable, whether the PCC has been notified of the proposed admission
- other health-insurance information
- whether the member is being treated as a result of an accident, and if available, the date and type of accident
- the expected or actual dates of admission and expected discharge date
- the name and provider number of the attending physician
- the name of the hospital
- the primary and secondary diagnoses
- the primary and secondary procedures, if applicable
- the ICD-9-CM codes for both the diagnoses and procedures, if available
- CPT codes for procedures when facility is out of state
- clinical information that supports the medical necessity of the proposed admission and/or procedure
- other pertinent information the admitting provider has considered in deciding to admit the member

***** Information about the member's PCC is not required if the admission is for dental, oral-surgery, family-planning or abortion services.

Please Note: Admission Screening does not satisfy the need to obtain prior authorization (PA) for services that require PA. See 130 CMR 450.303, 410.000, and Subchapter 6 of the *Acute Outpatient Hospital Manual* to determine what services require PA. See Subchapter 5 of the *Acute Outpatient Hospital Manual* for instructions for requesting PA.

Contact for Utilization Management Program

Contact information for the MassHealth agency Utilization Management Program contractor is given below. (See 130 CMR 450.207 through 450.209 for the Utilization Management Program regulations.)

MassPRO, Inc.
235 Wyman Street
Waltham, MA 02451-1231

Fax: 1-800-752-6334
Telephone: 1-800-732-7337

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Acute Inpatient Hospital Admission Guidelines

A. Introduction

This appendix is intended to help providers make appropriate decisions about the medical necessity of acute inpatient hospital admissions. These guidelines have been approved by physicians from several medical specialties who have active practices in Massachusetts. Providers making decisions on whether to admit a member as an inpatient should use their medical judgment and these guidelines. Services that meet the medical-necessity criteria at 130 CMR 450.204 and the rules governing reimbursement of inpatient, outpatient, and observation services in 130 CMR 410.414 (see section E of this appendix) or 415.414 (see section C of this appendix) are reimbursable by MassHealth.

B. Definitions

The reimbursability of services defined below is not determined by these definitions, but by application of MassHealth regulations referenced in 130 CMR 450.000 and in section A above.

Inpatient Services — medical services provided to a member admitted to an acute inpatient hospital.

Observation Services — outpatient hospital services provided anywhere in an acute inpatient hospital, to evaluate a member's condition and determine the need for admission to an acute inpatient hospital. Observation services are provided under the order of a physician, consist of the use of a bed and intermittent monitoring by professional licensed clinical staff, and may be provided for more than 24 hours.

Outpatient Hospital Services — medical services provided to a member in a hospital outpatient department. Such services include, but are not limited to, emergency services, primary-care services, observation services, ancillary services, day-surgery services, and recovery-room services.

Outpatient Services — medical services provided to a member in an outpatient setting including but not limited to hospital outpatient departments, hospital-licensed health centers, physicians' offices, nurse practitioners' offices, freestanding ambulatory surgery centers, day treatment centers, or the member's home.

C. Medical Determination

[excerpted from MassHealth acute inpatient hospital regulations at 130 CMR 415.414]

To support the medical necessity of an inpatient admission, the provider must adequately document in the member's medical record that a provider with applicable expertise expressly determined that the member required services involving a greater intensity of care than could be provided safely and effectively in an outpatient setting. Such a determination may take into account the amount of time the member is expected to require inpatient services, but must not be based solely on this factor. The decision to admit is a medical determination that is based on factors, including but not limited to the:

(1) member's medical history;
(2) member's current medical needs;
(3) severity of the signs and symptoms exhibited by the member;
(4) medical predictability of an adverse clinical event occurring with the member;
(5) results of outpatient diagnostic studies;
(6) types of facilities available to inpatients and outpatients; and
(7) MassHealth Acute Inpatient Hospital Admission Guidelines (in section D of this appendix).

D. Acute Inpatient Hospital Admission Guidelines

The following guidelines describe admissions that generally are not medically necessary. This is not an all-inclusive list. MassHealth or its agent may also determine that other admissions not characterized in this list are medically unnecessary and nonreimbursable on an inpatient basis.

1. The admission occurs following observation services, and the admitting provider has not documented at least one of the following in the medical record at the time the decision to admit is made:
   - Failure to respond to outpatient treatment and a clear deterioration of the patient's clinical status;
   - a significant probability that the treatment plan will continue to need frequent clinical modifications and what specific modifications are necessary;
   - instability of the patient that is a deviation from either normal clinical parameters or the patient's baseline; or
   - a requirement for more intensive services than were already being delivered while the patient was on observation status, and a physician's order for each specific new service.

2. The admission occurs when the member's condition had improved significantly in response to outpatient treatment with a progression toward either normal clinical parameters or the member's baseline.

3. The admission is for further monitoring or observing for potential complications when the member undergoes a procedure that is appropriately performed in an outpatient setting according to the current standards of care, the procedure is performed without complications, and the member's clinical status is approaching either normal clinical parameters or his or her baseline.

4. The admission is primarily for providing or monitoring the services and treatment of a member with multiple or complex medical needs whose needs were adequately being met in a setting other than an acute inpatient hospital prior to that admission.

5. The admission of a member whose baseline clinical status is outside of the normal clinical parameters and whose condition has been managed successfully on an outpatient basis, when the admission is based primarily on the member's abnormal status, unless that status has significantly deteriorated.

6. The admission is primarily to observe for the possible progression of labor when examination and monitoring does not indicate definite progression of active labor leading to delivery.

7. The admission is primarily for education, teaching, minor medication changes and/or monitoring, or adjustment of therapies associated with a medically stable condition(s).

8. The admission is primarily because the member requires sedation or anesthesia in order to conduct diagnostic tests that are appropriately performed in an outpatient setting according to the current standards of care, when there are no serious complications requiring inpatient services.

9. The admission of a member whose baseline condition requires the use of complex medical technology, when the admission is primarily due to the need for such technology or other maintenance services related to the pre-existing medical condition(s), unless the member's condition is significantly deteriorating.

10. The admission is primarily for a continuation of treatment or monitoring that has already been delivered effectively in the home, hospital outpatient department, or other institutional setting.

11. The admission of a member who is a patient or resident in another institutional setting, and is admitted primarily for diagnostic or treatment services that could have been provided in the member's current institutional setting or by using outpatient services.

12. The admission of a member who has simple, uncomplicated, outpatient surgery and is being admitted primarily because of the time of day or the need for postoperative observation.

13. The admission is primarily due to the:
    - amount of time a member has spent as an outpatient in a hospital or other outpatient setting;
    - time of day a member recovers from outpatient surgery;
    - need for education of the member, parent, or primary caretaker;
    - need for diagnostic testing or obtaining consultations;
    - need to obtain medical devices or equipment or arrange home care or other noninstitutional services;
    - age of the member;
    - convenience of the physician, hospital, member, family, or other medical provider;
    - type of unit within the hospital in which the member is placed; or
    - need for respite care.

E. Observation Services

[excerpted from MassHealth outpatient hospital regulations at 130 CMR 410.414]

Reimbursable Services. MassHealth covers medically necessary observation services provided by acute inpatient hospitals. Reimbursable observation services may exceed 24 hours, and do not need to be provided in a distinct observation unit. To qualify for reimbursement of observation services, the medical record must specifically document when those services began and ended, the purpose of observation, and the name of the physician who ordered it. Acute inpatient hospitals will be reimbursed for these observation services on an outpatient basis in accordance with the signed provider agreement with the MassHealth agency.

Nonreimbursable Services.

(1) Nonreimbursable observation services include but are not limited to:
    (a) services that are not reasonable or necessary for the diagnosis or treatment of the member; and
    (b) routine preparation and recovery services associated with diagnostic testing or outpatient surgery.

(2) The following services are not reimbursable as a separate service:
    (a) postoperative monitoring during a standard recovery period that should be characterized as recovery-room services; and
    (b) observation services provided concurrently with therapeutic services such as chemotherapy.

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