

MEDICAID SERVICES MANUAL  
TRANSMITTAL LETTER

June 25, 2019

TO: CUSTODIANS OF MEDICAID SERVICES MANUAL  
FROM: TAMMY MOFFITT, CHIEF OF OPERATIONS  
SUBJECT: MEDICAID SERVICES MANUAL CHANGES  
CHAPTER 200 – HOSPITAL SERVICES

**BACKGROUND AND EXPLANATION**

Revisions to Medicaid Services Manual (MSM) Chapter 200 – Hospital Services are being proposed to provide reference to MSM Chapter 400 – Mental Health and Alcohol/Substance Abuse for policy of the Partial Hospitalization Program (PHP).

Entities Financially Affected: This proposed change affects all Medicaid enrolled providers delivering services to Medicaid eligible recipients. Those provider types (PT) include, but are not limited to: Hospital, Outpatient (PT 12), Behavioral Health Outpatient Treatment (PT 14), Special Clinics (PT 17), Physicians, MD, Osteopath, DO (PT 20), Advanced Practice Registered Nurse (PT 24), Psychologist (PT 26), Pharmacy (PT 28), Durable Medical Equipment (PT 33), Therapy (PT 34), Indian Health Services and Tribal Clinics (PT 47), Home and Community Based Waivers (PT 48), Indian Health Service Hospital, Inpatient (Tribal) (PT 51), Indian Health Service Hospital, Outpatient (Tribal) (PT 52), Targeted Case Management (PT 54), Physician’s Assistant (PT 77), Indian Health Service Hospital, Outpatient (Non-Tribal) (PT 79), Applied Behavior Analysis (PT 85).

Financial Impact on Local Government: No financial impact is anticipated for local government.

These changes are effective June 26, 2019.

<b>MATERIAL TRANSMITTED</b>	<b>MATERIAL SUPERSEDED</b>
CL MSM Chapter 200 – Hospital Services	MTL 17/15 MSM Chapter 200 – Hospital Services

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
203.4A(1)(d)	<b>COVERAGE AND LIMITATIONS</b>	New language added regarding PHP services reference to MSM Chapter 400 – Mental Health and

<b>Manual Section</b>	<b>Section Title</b>	<b>Background and Explanation of Policy Changes, Clarifications and Updates</b>
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Alcohol/Substance Abuse Services. PHP is an outpatient alternative to an inpatient psychiatric care program. Services furnished must be under the administrative supervision of a hospital or Federally Qualified Health Center (FQHC).

<b>DRAFT</b>	<b>MTL-17/15CL</b>
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 203
MEDICAID SERVICES MANUAL	Subject: POLICY

203.3 SWING-BED SERVICES POLICY

Reference MSM Chapter 200, Attachment A, Policy #02-04, Hospitals with Swing Beds.

203.4 OUTPATIENT HOSPITAL SERVICES POLICY

General Medical/Surgical Hospitals commonly provide several outpatient services, included but not limited to general, clinic, office, emergency room, ambulatory surgery center and observation services.

203.4A COVERAGE AND LIMITATIONS

1. Outpatient hospital services provided by hospitals are subject to the same service limitations as other outpatient service providers. Providers must refer to Medicaid/DHCFP service manuals relevant to the specific services being provided. The following is a list of some of the chapters a hospital should reference:

- a. For physician, advanced practitioner of nursing, physician assistants, urgent care sites and outpatient hospital clinic visits, refer to MSM Chapter 600.
- b. For radiologic services, refer to MSM Chapter 300.
- c. For pharmaceutical services, refer to MSM Chapter 1200.
- e.d. For Partial Hospitalization Program (PHP) – Policy on an outpatient alternative to an inpatient psychiatric care program with services furnished under a medical model by a hospital or Federally Qualified Health Center (FQHC). Refer to MSM Chapter 400 – Mental Health and Alcohol/Substance Abuse Services for PHP policy.

This is not an all-inclusive list. The MSM in its entirety needs to be reviewed.

2. Emergency Room Services

Emergency services are defined as case in which delay in treatment of more than 24 hours could result in severe pain, loss of life, limb, eyesight or hearing, injury to self or bodily harm to others.

Non-emergent services provided in an emergency room are a covered service for recipients with full Medicaid eligibility. Providers are expected to follow national coding guidelines by billing at the most appropriate level for any services provided in an emergency room setting.