

Medicaid Services Manual  
Transmittal Letter

December 26, 2023

To: Custodians of Medicaid Services Manual

From: Casey Angres  
Chief of Division Compliance

Subject: Medicaid Services Manual Changes  
Chapter 200 –Hospital Services

**Background And Explanation**

Revisions to Medicaid Services Manual (MSM) Chapter 200 – Hospital Services Policy is being updated to add Rural Emergency Hospitals.

Throughout the chapter, grammar, punctuation, and capitalization changes were made, duplications removed, acronyms used and standardized, and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

Entities Financially Affected: No entities financially affected.

Financial Impact on Local Government: No impact on local government known.

These changes are effective December 27, 2023.

Material Transmitted	Material Superseded
MTL OL MSM Chapter 200 – Hospital Services	MTL 05/20 MSM Chapter 200 – Hospital Services

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
<b>206.1D</b>	<b>Coverage and Limitations</b>	Added language to include Rural Emergency Hospitals including the definition.

	MTL 05/20
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 206
MEDICAID SERVICES MANUAL	Subject: POLICY

206 OUTPATIENT HOSPITAL SERVICES POLICY

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

206.1 COVERAGE AND LIMITATIONS

A. 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:

1. For physician, advanced practitioner of nursing, physician assistants, urgent care sites and outpatient hospital clinic visits, refer to MSM Chapter 600.
2. For radiologic services, refer to MSM Chapter 300.
3. For pharmaceutical services, refer to MSM Chapter 1200.
4. 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.

B. Emergency Department Services

Emergency department services are defined as a 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 department 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 department setting.

Laboratory and radiological services ordered during the course of emergency department services (when it is an emergency diagnosis and not a clinic diagnosis) are payable without prior payment authorization.

Charges made for stat performance of laboratory or radiological procedures ordered during a hospital's normal operating hours in the applicable department are not a DHCFP benefit.

<b>DRAFT</b>	<b>MTL 05/200L</b>
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 206
MEDICAID SERVICES MANUAL	Subject: POLICY

Patients requiring mental health services while in the emergency department may receive such services if medically appropriate but must first be stabilized. Every effort must be made to transfer the patient to a psychiatric hospital or unit, accompanied by a physician's order. Authorization from the DHCFP's QIO-like vendor is also required.

C. Outpatient Observation Services

Reference Chapter 200, Attachment A, Policy #02-04, Outpatient Observation Services.

D. Rural Emergency Hospital Services (REH)

Rural Emergency Hospital Services are defined in 41 U.S.C. § 1395x(kkk). These providers will furnish emergency department and observation care, and other specified outpatient medical and health services, if elected by the REH that do not exceed an annual per patient average of 24 hours. These providers must have a transfer agreement in effect with a Level 1 or Level II trauma center. Enrolled REH must meet Nevada licensure per NRS 449.0302.

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