



STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

October 1, 2008

Dear Hospital Provider,

The Michigan Department of Community Health (MDCH) would like to clarify existing policy and provide additional information regarding the reporting requirements for present on admission (POA) indicators. MDCH is unable to adopt Medicare's reporting requirements for POA and hospital-acquired conditions (HACs) at this time because of critical timing of the Community Health Automated Medicaid Processing System (CHAMPS) project and processing limitations.

Effective October 1, 2008, Medicare and Blue Cross Blue Shield of Michigan (BCBSM) will be implementing policies to not pay a higher diagnosis-related group (DRG) [inpatient hospital] payment for specific HACs considered not POA. It is important providers understand the reporting requirements since Critical Access Hospitals (CAHs) are excluded from the Medicare policy and included in the BCBSM policy according to information provided by the Michigan Health and Hospital Association (MHA).

MDCH will keep with current policy published in the Coordination of Benefits (COB) Chapter (refer to Section 2 and 2.6) of the Michigan Medicaid Provider Manual and follow the rules of the primary payer. Therefore, for hospital discharges on and after October 1, 2008, providers must follow the POA reporting requirements on secondary claims. MDCH is also requiring providers to report the prior payers DRG appropriately when submitting secondary claims to Medicaid for reimbursement. MDCH will pend for review all secondary inpatient claims for possible HAC's and payment assignment by the primary payer.

This is not a requirement for providers submitting primary claims to Medicaid. MDCH does not require POA indicators on Medicaid primary claims at this time.

The MDCH appreciates the opportunity to work together with hospital providers to continue to improve healthcare quality and patient safety.

Sincerely,

A handwritten signature in black ink that reads "Paul Reinhart".

Paul Reinhart, Director
Medical Services Administration