

Bulletin Number: MSA 20-45

Distribution: Hospitals, Medicaid Health Plans

Issued: June 4, 2020

Subject: Neonatal Intensive Care Unit (NICU) Reimbursement Methodology Update

Effective: As Indicated

Programs Affected: Medicaid, Healthy Michigan Plan

NICU Alternate Weights

The Michigan Department of Health and Human Services (MDHHS) establishes alternate weights for neonatal services from episodes that are assigned to diagnosis-related group (DRG) codes in the following range: 580x-640x. These alternate weights are utilized to support the significant costs associated with Neonatal Intensive Care Unit (NICU) operation and maintain access to care. A hospital must have a Certificate of Need (CON) to operate a NICU or the hospital must have previously received alternate weight reimbursement by Medicaid for its Special Newborn Nursery Unit (SNNU) to receive an alternate weight payment.

National Uniform Billing Committee (NUBC) Nursery Revenue Code Update

As indicated in Medical Services Administration (MSA) Bulletin MSA 14-37, designated providers with an alternate weight assignment currently use revenue code 0174 as an indicator for NICU admissions. MDHHS will update its NICU alternate weight reimbursement policy to align with NUBC's revised Nursery revenue code guidance effective for dates of discharge on or after July 1, 2020. The NICU alternate weight reimbursement will apply to episodes with a DRG within 580x-640x and a minimum of one day with revenue code 0173 or 0174. Revenue codes reported should reflect the level of care provided to the patient. Providers are expected to render care using proper determinations of medical necessity and appropriateness of setting within the scope of current medical practice and Medicaid guidelines.

Medicaid Health Plans (MHPs)

MHPs reimburse hospitals according to the terms of the contract between the MHP and the hospital. MHPs under contract to reimburse hospitals using Medicaid Fee-for-Service (FFS) payment methodology are subject to alignment with MDHHS payment policies. Out-of-network and non-contracted hospital providers are reimbursed by the MHPs in accordance with Medicaid FFS payment methodology and rates in effect on the date of service. Clinical disagreements between hospitals and MHPs should be addressed using existing resolution processes.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink, appearing to read 'K. Massey', with a long horizontal flourish extending to the right.

Kate Massey, Director
Medical Services Administration