



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

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Dear Hospital Providers and Medicaid Health Plans (MHPs):

In October 2008, the Michigan Department of Community Health convened an Ad Hoc Work Group to discuss operational issues that are problematic for the hospitals and MHPs. One of the key issues addressed by this Work Group was authorization for treatment or admission to the inpatient setting post-stabilization. The purpose of this letter is to clarify existing policy on hospital authorization requests for the determination of the initial level of care. Specifically, this letter delineates responsibilities of non-contracted hospitals and MHPs concerning patient post-stabilization authorization determinations prior to any treatment and after stabilization.

Section 1.4 of the Hospital Access Agreement requires hospitals to make and document all post-stabilization authorization requests by telephone call to the Enrollee's MHP prior to treatment and after stabilization. Hospitals must provide the MHP with all necessary and current information including the clinical status upon initial presentation as well as after stabilization, and will include the initial treatment plan. This information must be provided in accordance with Emergency Medical Treatment & Labor Act (EMTALA), in order to determine an authorization decision for admission to inpatient and payment by the Health Plan. The MHP is required to return the above post-stabilization requests within one hour of receipt of the telephone call and may not require hospitals to make additional phone calls if the initial phone call included all necessary and current clinical information. If the MHP does not respond within one hour, authorization for inpatient admission, payment and additional services are automatic.

Within one hour of the phone call in which the hospital provides the required clinical information noted above, the MHP must make an authorization decision. The authorization decision must specify the service authorization; the MHP may not indicate that observation or admission will be authorized depending upon the clinical outcomes. The MHP may not require the hospital to call the MHP at a later point in time with updated clinical information prior to making an admission authorization decision. If the hospital and MHP are unable to reach agreement on an authorization decision at the time of the request, the hospital and the MHP must arrange a discussion between physicians in order to resolve the dispute.

Hospitals with questions regarding this policy clarification should contact the Provider Inquiry Help Line at 1-800-292-2550. MHPs with questions regarding this policy clarification should contact the MHP's Contract Manager.

Sincerely,

Stephen Fitton, Acting Director
Medical Services Administration