

**Bulletin Number:** MSA 18-22

**Distribution:** Family Planning Clinics, Hospital, Maternal & Infant Support, and Medicaid Health Plans

**Issued:** August 31, 2018

**Subject:** Inpatient Long-Acting Reversible Contraception (LARC) Reimbursement

**Effective:** October 1, 2018

**Programs Affected:** Medicaid, Healthy Michigan, Maternity Outpatient Medical Services

**NOTE: Implementation of this policy is contingent upon State Plan Amendment approval from the Centers for Medicare & Medicaid Services (CMS).**

The purpose of this policy bulletin is to establish hospital reimbursement for immediate postpartum Long-Acting Reversible Contraception (LARC) implants and intrauterine devices (IUDs) separate from the maternity Diagnosis Related Group (DRG) payment. Effective for dates-of-service on or after October 1, 2018, separate reimbursement will be available for LARC devices when the device is provided immediately postpartum in an inpatient hospital setting prior to discharge.

For reimbursement of the LARC device, the facility must submit a separate professional claim with place of service 21 – Inpatient Hospital. The professional claim would include the hospital as the billing provider and the practitioner performing the related procedure as the rendering provider. When billing for an IUD or contraceptive implant device, the provider must use the appropriate Healthcare Common Procedure Coding System (HCPCS) Level II procedure code and National Drug Code (NDC).

Facilities participating in the federal 340B Drug Pricing Program are required to continue to bill 340B actual acquisition cost for the LARCs. Drugs and devices obtained through the 340B program must be indicated on the claim using the U6 modifier. Payment for the LARC will be made in accordance with the Practitioner Medicaid fee schedule in effect on the date-of-service for the procedure code billed.

Michigan Medicaid will continue to reimburse hospitals for related obstetrical services in accordance with the Department's inpatient payment policies in effect on the date of discharge. Additionally, individual practitioners will continue to receive payment for their professional services related to the immediate postpartum LARC insertion procedure if billed separately from the professional global obstetric procedure codes and the hospital facility.

## 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](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, 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 that reads "Kathy Stiffler". The signature is written in a cursive, flowing style.

Kathy Stiffler, Acting Director  
Medical Services Administration