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BULLETIN
BEHAVIORAL AND PHYSICAL HEALTH AND AGING SERVICES ADMINISTRATION

MDHHS
Michigan Department of Health & Human Services

Bulletin Number: HASA 22-21

Distribution: Hospitals, Medicaid Health Plans

Issued: July 1, 2022

Subject: Neonatal Intensive Care Unit (NICU) Return Transfers

Effective: August 1, 2022

Programs Affected: Medicaid, Healthy Michigan Plan

NICU Return Transfers

The purpose of this policy is to allow authorization for return transfers of stabilized infants from NICUs back to the hospital from which the infant was originally transferred. Transfers may be authorized, with parental consent, to another community hospital when the original facility is at capacity or not closely located to the patient's home. The Michigan Department of Health and Human Services (MDHHS) will utilize existing hospital and ambulance transfer reimbursement methodology when prior authorization is granted. Establishing this transfer authorization will allow NICU patients to receive continued care within their community and decrease barriers for parents caused by an infant's lengthy stay in a NICU located far from home. Additionally, the expansion of transfer prior authorization (PA) described in this policy will support hospital NICU bed availability.

Prior Authorization Guidelines

A Prior Authorization Certification Evaluation Review (PACER) from the Behavioral and Physical Health and Aging Services Administration Admissions and Certification Review Contractor (ACRC) is required for elective transfers between hospitals. NICU return transfer requests for continued medical care at a lower acuity hospital will be authorized if a neonatologist provides a written order to transfer to the originating hospital for bonding, teaching, and growth.

Newborns delivered within an emergency department and subsequently admitted to another facility are not considered a transfer and do not require a PACER.

Hospital Reimbursement Methodology

As stated in the Hospital Reimbursement Appendix of the MDHHS Medicaid Provider Manual, payment to a hospital that receives a patient as a transfer from another inpatient hospital differs depending on whether the patient is discharged or is subsequently transferred again.

Payment to the Transferring Hospital*:* Except in the cases where the diagnosis-related groups (DRG) is defined as a transfer of a patient (for which a full DRG payment is made, plus an outlier payment, if appropriate) the transferring hospital is paid a DRG daily rate for each day of the patient's stay, not to exceed the appropriate full DRG payment, plus an outlier payment, if appropriate.

Payment to the Receiving Hospital: If the patient is discharged, the receiving hospital is paid the full DRG payment, plus an outlier payment if appropriate. Reimbursement is based on discharge in the following situations.

If the patient:

- Is formally released from the hospital, or
- Is transferred to home health services, or
- Dies while hospitalized, or
- Leaves the hospital against medical advice, or
- Is transferred to a long-term care facility.

If the patient is transferred again, the hospital is paid as a transferring hospital.

<u>Medicaid Health Plans (MHPs)</u>

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

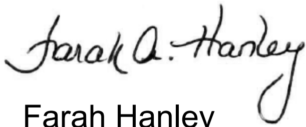
Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

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. Typical Providers may phone toll-free 1-800-292-2550. Atypical Providers may phone toll-free 1-800-979-4662.

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Approved



Farah Hanley
Chief Deputy for Health