

Bulletin Number: MSA 17-14

Distribution: Hospitals

Issued: May 1, 2017

Subject: Change in Hospital Facility Ownership Billing

Effective: As Indicated

Programs Affected: Medicaid, Healthy Michigan Plan

The purpose of this bulletin is to clarify for hospital providers how to correctly submit a claim when there is a change in ownership of the facility during a Medicaid beneficiary inpatient hospital stay.

Michigan Department of Health and Human Services (MDHHS) Hospital facility inpatient billing utilizes the All Patient Refined Diagnosis Related Grouping (APR-DRG) payment methodology. The APR-DRG calculation for appropriate claim payment is based on the entire stay of a beneficiary. If there is a change in hospital ownership during a beneficiary's inpatient stay, it is necessary that payment is made to the entity that is the legal owner of the hospital facility on the date of the admission. This requirement has been in effect since the transition to DRG payments.

The National Provider Identification (NPI) of the hospital facility on the date of admission is the applicable billing NPI for claims to Medicaid. The owner on the date of admission should submit a claim for all inpatient hospital services for the beneficiary regardless of when the admission began and ended. Claims must include necessary information for Medicaid to compute the payment amount, whether or not some of the services occurred during a period when a different party legally owned the hospital. Payments are not prorated between the buyer and seller.

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-mail at 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 "Chris Priest". The signature is written in a cursive style with a large initial "C" and a long horizontal stroke at the end.

Chris Priest, Director
Medical Services Administration