



TO: General Acute Care Hospitals, Chronic Disease Hospitals, Children’s Hospitals, Psychiatric Hospitals

RE: Billing Guidelines for Inpatient Stays Following Observation/Outpatient Services

In response to inquiries from hospital providers and in order to clarify billing requirements, this bulletin is to notify inpatient hospitals of the billing requirements for their inpatient stays following an outpatient or observation service for dates of service July 1, 2016 and forward.

Billing Requirements

Effective for dates of service on and after July 1, 2016, when the observation or outpatient services results in an inpatient admission, the admission date, statement covers period (From - Through dates), and covered days must be billed appropriately. The admission date of the inpatient stay will be the date of the inpatient order. The From and Through Dates of Service will be the actual length of time spent at the hospital. The number of covered days will be from the admission date through the discharge date, not including the discharge date. The day of discharge is not counted as a day.

Example 1

Client enters the hospital on October 1, 2016 for outpatient services such as emergency services, surgery or enters the observation room and then is admitted on October 2, 2016. The client is then discharged on October 7, 2016. The admission date will be October 2, 2016, the header from and through dates of service will be October 1, 2016 to October 7, 2016, and the number of covered days will be five (5).

Example 2

Client enters the hospital on October 7, 2016 for emergency department services and then is discharged from the hospital on the same day. The client then returns to the hospital and is admitted on October 9, 2016. The client is later discharged on October 12, 2016. The

admission date will be October 9, 2016, the header from and through dates of service will be October 7, 2016 to October 12, 2016, and the number of covered days will be three (3).

The outpatient services should be rolled into the inpatient admission, if it is related to the inpatient hospital claim and should not be billed separately. Observation and outpatient services will be rolled into the inpatient admission. Please refer to PB 2015-82 “Three Day Rule: Outpatient Stay Prior to Inpatient Admission” for more information on services that will not pay if billed within three (3) days of an inpatient admission.

Prior Authorization

When an observation or outpatient stay results in an inpatient admission, prior authorization from the appropriate Administrative Services Organization (ASO) is required. The date of the inpatient admission will be the date of the inpatient order. All medical admission requests for inpatient Prior Authorization (PA) must be submitted via the Community Health Network of CT (CHNCT) Prior Authorization Web portal at www.huskyhealth.com by selecting For Providers and then the Clear Coverage button. For behavioral health inpatient authorization contact Beacon Health Options at 1-877-552-8247 and for web registration go to www.CTBHP.com, click provider for online services.