

## MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Carly Todd

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Initial

Public Comment

Final

**Brief description of policy:**

This policy will modify Michigan Department of Health and Human Services (MDHHS) Neonatal Intensive Care Unit (NICU) reimbursement policy to align with the National Uniform Billing Committee (NUBC) Nursery revenue code updated guidance.

**Reason for policy (problem being addressed):**

To align with NUBC Nursery revenue code updated guidance.

**Budget implication:**

budget neutral

will cost MDHHS \$ , and (select one) budgeted in current appropriation

will save MDHHS \$

**Is this policy change mandated per federal requirements?**

No

**Does policy have operational implications on other parts of MDHHS?**

Yes - the Hospital and Clinic Reimbursement Division.

**Does policy have operational implications on other departments?**

No

**Summary of input:**

controversial (Explain)

acceptable to most/all groups

limited public interest/comment

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**Supporting Documentation:**

State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please provide status: <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	If yes, Submission Date:
Date: Approval	Date:

<b>DRAFT FOR PUBLIC COMMENT</b>  <b>Michigan Department of Health and Human Services</b>		
	<b>Project Number:</b> 2010-Hospital	<b>Date:</b> March 24, 2020

**Comments Due:** April 28, 2020  
**Proposed Effective Date:** July 1, 2020  
**Direct Comments To:** Carly Todd  
**Address:** N/A  
**E-Mail Address:** [ToddC1@michigan.gov](mailto:ToddC1@michigan.gov)  
**Phone:** 517-284-1196 **Fax:**

<p><b>Policy Subject:</b> Neonatal Intensive Care Unit (NICU) Reimbursement Methodology Update</p> <p><b>Affected Programs:</b> Medicaid, Healthy Michigan Plan</p> <p><b>Distribution:</b> Hospitals, Medicaid Health Plans</p> <p><b>Summary:</b> This policy will modify the Michigan Department of Health and Human Services (MDHHS) NICU reimbursement policy to align with the National Uniform Billing Committee (NUBC) Nursery revenue code updated guidance.</p> <p><b>Purpose:</b> To align with NUBC Nursery revenue code updated guidance.</p> <p><b>Cost Implications:</b> Budget neutral</p> <p><b>Potential Hearings &amp; Appeal Issues:</b> Limited</p>
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<b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, date submitted:	<b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Submitted date:
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**Tribal Notification:** Yes  No  - Date:

**THIS SECTION COMPLETED BY RECEIVER**

<input type="checkbox"/> <b>Approved</b>	<input type="checkbox"/> <b>No Comments</b>
<input type="checkbox"/> <b>Disapproved</b>	<input type="checkbox"/> <b>See Comments Below</b>
	<input type="checkbox"/> <b>See Comments in Text</b>

<b>Signature:</b>	<b>Phone Number</b>
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**Signature Printed:**

<b>Bureau/Administration</b> <i>(please print)</i>	<b>Date</b>
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# Proposed Policy Draft

Michigan Department of Health and Human Services  
Medical Services Administration

**Distribution:** Hospitals, Medicaid Health Plans

**Issued:** June 1, 2020 (Proposed)

**Subject:** Neonatal Intensive Care Unit (NICU) Reimbursement Methodology Update

**Effective:** July 1, 2020 (Proposed)

**Programs Affected:** Medicaid, Healthy Michigan Plan

## **NICU Alternate Weights**

The Michigan Department of Health and Human Services (MDHHS) establishes alternate weights for neonatal services from episodes that are assigned to diagnosis-related group (DRG) codes in the following range: 580x-640x. These alternate weights are utilized to support the significant cost associated with NICU operation and maintain access to care. A hospital must have a Certificate of Need (CON) to operate an NICU or the hospital must have previously received alternate weight reimbursement by Medicaid for its Special Newborn Nursery Unit (SNNU) to receive an alternate weight payment.

## **National Uniform Billing Committee (NUBC) Nursery Revenue Code Update**

As indicated in bulletin MSA 14-37, designated providers with an alternate weight assignment currently use revenue code 0174 as an indicator for NICU admissions. MDHHS will update its NICU alternate weight reimbursement policy to align with NUBC's revised Nursery revenue code guidance effective July 1, 2020. The NICU alternate weight reimbursement will apply to episodes with a DRG code within 580x-640x and a minimum of one day with revenue code 0173 or 0174. Revenue codes reported should reflect the level of care provided to the patient. Providers are expected to render care using proper determinations of medical necessity and appropriateness of setting within the scope of current medical practice and Medicaid guidelines.

## **Medicaid Health Plans (MHPs)**

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.