



**Louisiana Department of Health
Health Plan Advisory 16-34
December 1, 2016**

Inpatient Hospital Claims that Initiate with an Outpatient Status

This advisory clarifies Louisiana Medicaid policy regarding reimbursement for a recipient whose inpatient hospital stay began with an outpatient status. As per Section 25.18 of the MCO contract, "The MCO shall comply with all applicable DHH provider manuals, rules and regulations and guides." The Hospital Services Manual, Section 25.5, states that if a recipient is outpatient on hospital day 1 and converts to inpatient on hospital day 2, the outpatient "admit day" becomes the inpatient "admit day." All hospital facility charges on hospital day 1 are included in the inpatient stay and billed accordingly under the hospital per diem inclusive of Emergency Department/observation facility charges. (NOTE: Professional charges continue to be billed separately). The encounter would reflect the claim from the hospital with the *date of admission* as the date the physician wrote orders to admit the recipient into inpatient treatment, and the *service from* date as the date the recipient presented in outpatient status prior to the inpatient admission (e.g., in the emergency room or began observation).

Case Example:

A recipient is referred to the hospital on 9/1 at 10 a.m. from the doctor's office with chest pain. Orders are to admit in an outpatient status and observe on a telemetry unit (EKG monitoring, cardiac enzymes q8hrs x3 sets). At 1 p.m. on 9/2, chest pain continues and enzymes are positive. The physician writes an order to convert the patient to inpatient. In the above example, all services performed on 9/1 are included in the inpatient stay and billed accordingly. The provider cannot bill an outpatient claim for 9/1. The encounter claims should indicate the date of admit as being 9/2 and the service from date as being 9/1.

The Hospital Services Manual can be found [here](#) for additional information.