Amerigroup RealSolutions in healthcare	**Reimbursement Policy**

Subject: DRG Newborn Inpatient Stays		
Effective Date: **11/01/18**	Committee Approval Obtained: **12/28/17**	Section: **Facilities**

*****The most current version of the reimbursement policies can be found on our provider website. If you are using a printed version of this policy, please verify the information by going to https://providers.amerigroup.com. Under Quick Tools, select Reimbursement Policies > Medicaid. Note: State-specific exemptions may apply. Please refer to the Exemptions section below for specific exemptions based on your state.*****

These policies serve as a guide to assist you in accurate claim submissions and to outline the basis for reimbursement if the service is covered by a member's Amerigroup benefit plan. The determination that a service, procedure, item, etc. is covered under a member's benefit plan is not a determination that you will be reimbursed. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis as well as to the member's state of residence. You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with CPT® codes, HCPCS codes and/or revenue codes. The codes denote the services and/or procedures performed. The billed code(s) are required to be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our policies apply to both participating and nonparticipating providers and facilities.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, Amerigroup may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.

Amerigroup reimbursement policies are developed based on nationally accepted industry standards and coding principles. These policies may be superseded by mandates in provider, state, federal or CMS contracts and/or requirements. System logic or setup may prevent the loading of policies into the claims platforms in the same manner as described; however, Amerigroup strives to minimize these variations.

Amerigroup reserves the right to review and revise our policies periodically when necessary. When there is an update, we will publish the most current policy to this site.

Policy	Amerigroup allows reimbursement for inpatient newborn stays with the appropriate normal newborn or sick baby diagnosis-related group (DRG) code unless provider, state, federal or CMS contracts and/or requirements indicate otherwise.

	Reimbursement for newborn inpatient stays billed with sick baby DRG codes will be subject to clinical review. Providers must provide sufficient documentation to support the admission for the higher level of care associated with the sick baby DRG. Documentation to support the higher level admission includes: • Authorization. • Medical records. Failure to provide appropriate documentation will result in the claim being processed based on the normal newborn DRG rate. Inpatient newborn stay reimbursement is based on the following rules: • Normal newborn DRG: normal newborn DRG codes billed with the appropriate well baby revenue codes • Sick baby DRG: sick baby DRG codes billed with the appropriate sick baby revenue codes **Note**: Current authorization guidelines for normal and sick baby inpatient stays will be applied.
Exemptions	There are no exemptions to this policy.
History	• Effective 11/01/19: New Jersey exemption removed • Initial review approved 12/28/17 and effective 11/01/18; Exemptions added for New Jersey
References and Research Materials	This policy has been developed through consideration of the following: • CMS • State Medicaid • Amerigroup state contracts
Definitions	• **General Reimbursement Policy Definitions**
Related Policies	• Claims Requiring Additional Documentation • Claims Submission — Required Information for Facilities
Related Materials	• Market-specific provider manuals