

Provider Update

Newborn Diagnostic Related Group Precertification and Claims Processing

Summary: Amerigroup* is reminding providers that all inpatient stays, including those for newborns billed with anything other than a well-newborn diagnostic related group (DRG) code, require authorization. This requirement does not include mandated minimum maternity stays of 48 hours for vaginal delivery and 96 hours for cesarean delivery.

✦ **What this means to you:** If the required authorization for the higher level of care is not on file, the claim will be processed based on the normal well-newborn DRG rate.

All inpatient stays, including newborns billed with other than a well-newborn DRG, require authorization. This requirement does not apply to mandated minimum maternity stays of 48 hours for vaginal delivery and 96 hours for cesarean delivery. Normal newborn conditions should not be billed as comorbidities. For DRG claims paid based on Texas Medicaid DRG methodology, newborn claims billed with sick DRG codes must have the required authorization on file. If the required authorization for the higher level of care is not on file, the claim will be processed based on the normal well-newborn DRG rate. The DRG codes will be updated when Texas Medicaid implements new DRG versions.

The following explanation code will be on your explanation of payment (EOP): "The DRG billed was not authorized." This code will appear on your EOP when claims without the required authorization on file are billed with the above DRG codes. Providers will have the opportunity to request an appeal for payment of the higher DRG, and will need to submit the appropriate clinical documentation supporting the higher level of care. Providers continue to be responsible for notifying Amerigroup of admissions within one business day of the admission.

Please follow the normal appeal process detailed in the Amerigroup Provider Manual. The provider manual is available at providers.amerigroup.com.

What if I need assistance?

If you have questions about this communication or need assistance with any other item, contact your local Provider Relations representative or call Provider Services toll free at 1-800-454-3730.

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