

KMAP HOSPITAL BULLETIN 17113

Psychiatric Observation

Effective with dates of service on and after July 1, 2017, procedure code S9485 will be used for psychiatric observation. Code H2013 will no longer be covered. The appropriate revenue code to be utilized would be outpatient observation.

Reimbursement will be made for up to three consecutive days. At the end of that time, if the patient is not admitted to the hospital or discharged, no additional payment will be made. During the observation period, the patient must receive:

- Physical examination
- History and psychiatric assessment containing recommendations for ongoing treatment
- Initial nursing assessment
- Nursing progress notes written each shift
- Discharge summary

This service will be subject to close monitoring through utilization reporting and postpay reviews and audits. In order to ensure payment is being made on the basis of a psychiatric crisis, the submitted claim for reimbursement of code S9485 should have a psychiatric diagnosis noted as either a primary or secondary designation.

Note: The effective date of the policy is July 1, 2017. The implementation of State policy by the KanCare managed care organizations (MCOs) may vary from the date noted in the Kansas Medical Assistance Program (KMAP) bulletins. The **KanCare Open Claims Resolution Log** on the KMAP [Bulletins](#) page documents the MCO system status for policy implementation and any associated reprocessing completion dates.

In keeping with current policies and procedures, additional updates have been made in the provider manual.

For the changes resulting from this provider bulletin, view the updated *Hospital Fee-for-Service Provider Manual*, Section 8400, pages 8-22, 8-23, 8-33, and 8-34; Section 8410, pages 8-45 through 8-47; and Section 8420, pages 8-50, 8-52, 8-53, 8-56, and 8-57.

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