

# Provider Update

## Hospital observation policy changes

**Summary of change:** Effective February 1, 2015, Amerigroup Community Care will request hospital medical record documentation for any non- OBGYN observation service exceeding 23 hours. The review is to ensure reimbursement for appropriately documented observation services up to 48 hours.\*

✦ **What this means to you:** Hospitals will receive a request via their explanation of payment to submit medical records when observation charges are billed beyond 23 hours.\* The review will be completed within 30 days of receipt of the medical record.

### **What is the impact of this change?**

Previously, observation services were pended when submitted in conjunction with emergency services where the principal diagnosis code was not on the ER Auto Pay list. Moving forward, in addition to the non-emergent† ER observation review; facilities billing any non-OBGYN observation services beyond 23 hours will need to submit medical records within 90 business days from the date of the explanation of payment.

Amerigroup will reimburse facilities for outpatient observation after review when:

- The observation is for a minimum of one hour and a maximum of 48 hours
- A written order for observation is documented in the record, including date and time
- The member's time in observation (and hospital billing) begins with the member's admission to an observation bed
- The member's time in observation (and hospital billing) ends when all clinical interventions are complete
- There is an assessment of the patient's risk to determine benefit from observation care and it is explicitly documented by the physician
- The admission into observation is based on the patient's severity of illness and the intensity of service provided

\*OB observation is exempt from this policy except for services that exceed a 48-hour period.

\*The term non-emergent in this context is being used to describe services where the principal diagnosis is not on the ER auto pay list.



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**Where can I find additional information on Reimbursement Policies?**

Visit the Reimbursement Policies page under *Quick Tools* at [providers.amerigroup.com](http://providers.amerigroup.com). You can also refer to the ER review process in the *Maryland Provider Manual* for additional information related to this policy.

**What if I need assistance?**

If you have questions about this communication, received this fax in error or need assistance with any other item, contact your local Provider Relations representative or call our Provider Services team at 1-800-454-3730.