

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

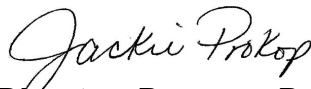
NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



**Director, Program Policy Division
Bureau of Medicaid Policy, Operations, and Actuarial Services**

Project Number:	2010-Hospital	Comments Due:	April 28, 2020	Proposed Effective Date:	July 1, 2020
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Submit Comments to: Carly Todd

Telephone Number: 517-284-1196 **E-mail Address:** ToddC1@michigan.gov

Policy Subject: Neonatal Intensive Care Unit (NICU) Reimbursement Methodology Update

Affected Programs: Medicaid, Healthy Michigan Plan

Distribution: Hospitals, Medicaid Health Plans

Policy Summary: This policy will modify the Michigan Department of Health and Human Services (MDHHS) NICU reimbursement policy to align with the National Uniform Billing Committee (NUBC) Nursery revenue code updated guidance.

Purpose: To align with NUBC Nursery revenue code updated guidance.

Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: Hospitals, Medicaid Health Plans

Issued: June 1, 2020 (Proposed)

Subject: Neonatal Intensive Care Unit (NICU) Reimbursement Methodology Update

Effective: July 1, 2020 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan

NICU Alternate Weights

The Michigan Department of Health and Human Services (MDHHS) establishes alternate weights for neonatal services from episodes that are assigned to diagnosis-related group (DRG) codes in the following range: 580x-640x. These alternate weights are utilized to support the significant cost associated with NICU operation and maintain access to care. A hospital must have a Certificate of Need (CON) to operate an NICU or the hospital must have previously received alternate weight reimbursement by Medicaid for its Special Newborn Nursery Unit (SNNU) to receive an alternate weight payment.

National Uniform Billing Committee (NUBC) Nursery Revenue Code Update

As indicated in bulletin MSA 14-37, designated providers with an alternate weight assignment currently use revenue code 0174 as an indicator for NICU admissions. MDHHS will update its NICU alternate weight reimbursement policy to align with NUBC's revised Nursery revenue code guidance effective July 1, 2020. The NICU alternate weight reimbursement will apply to episodes with a DRG code within 580x-640x and a minimum of one day with revenue code 0173 or 0174. Revenue codes reported should reflect the level of care provided to the patient. Providers are expected to render care using proper determinations of medical necessity and appropriateness of setting within the scope of current medical practice and Medicaid guidelines.

Medicaid Health Plans (MHPs)

MHPs reimburse hospitals according to the terms of the contract between the MHP and the hospital. MHPs under contract to reimburse hospitals using Medicaid Fee-for-Service (FFS) payment methodology are subject to alignment with MDHHS payment policies. Out-of-network and non-contracted hospital providers are reimbursed by the MHPs in accordance with Medicaid FFS payment methodology and rates in effect on the date of service. Clinical disagreements between hospitals and MHPs should be addressed using existing resolution processes.