

MEDICAID PROVIDER BULLETIN

February 2018

Reimbursement for early elective deliveries at 37 and 38 weeks' gestation that do not meet medical necessity criteria

Summary: Effective March 15, 2018, to improve birth outcomes for our members and further reduce early elective deliveries, Anthem Blue Cross and Blue Shield Medicaid (Anthem) will require a Z3A code, indicating gestational age, on all delivery claims with supporting medical necessity diagnosis codes for all early elective deliveries (EED). Anthem will apply InterQual Criteria, which defines medically necessary criteria for EED. This change is in line with the Kentucky Department for Medicaid Services' EED policy document released on June 23, 2017.

EED rates have improved across the country due to the collaborative efforts of state Medicaid agencies, the March of Dimes, CMS, the Joint Commission, American Congress of Obstetricians and Gynecologists, and many others. The implementation of hospital hard stop policies describing the review of clinical indications and scheduling approval for EED has also increased awareness of the harm that can be caused by nonmedically necessary EED and encouraged discussion on the topic between patients, their care providers and hospitals. Voluntary efforts combined with payment reform have been found to further decrease EED rates while increasing gestational age and birth weight for the covered population.*

Provider action

All facility delivery claims with dates of service March 31, 2018, or after will require a Z3A code indicating gestational age at the time of delivery. If the code is not present on the claim, the claim will be denied with the following explanation code: Delivery diagnoses incomplete without report of pregnancy weeks of gestation. The provider may resubmit the claim with the appropriate Z3A code.

In addition, all professional delivery claims with dates of service January 1, 2018, or after with gestational age dates of 37 and 38 weeks will require a supporting medically necessary diagnosis code for the early delivery.

If a professional delivery claim is submitted without evidence of medical necessity, the claim will be denied with code K34. The provider may resubmit the claim with the appropriate supporting diagnosis code or appeal with medical records.

For more information

If you have questions about this communication, received this communication in error or need assistance with any other item, contact your local Provider Relations representative or call Provider Services toll free at **1-855-661-2028**.

* Dahlen, Heather M.; McCullough, J. Mac; Fertig, Angela R.; Dowd, Bryan E.; and Riley, William J. "Texas Medicaid Payment Reform: Fewer Early Elective Deliveries And Increased Gestational Age And Birthweight." *Health Affairs* 36.3 (2017): 460-67. Print.

The information in this bulletin may be an update or change to your provider manual. Find the most current manual at:

<https://medproviders.anthem.com/ky>

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