PI Payment Policy 71
Inpatient Only Procedures

Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Passport Health Plan reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In the event of a conflict, federal and state guidelines, as applicable, as well as the member's benefit plan document supersede the information in this policy. Additionally, to the extent there are any conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval.

Policy

An inpatient only procedure is one that has been determined can only be safely performed on an inpatient basis.

According to CMS:

> "Inpatient only services are generally, but not always, surgical services that require inpatient care because of the nature of the procedure, the typical underlying physical condition of patients who require the service or the need for at least 24 hours of postoperative recovery time or monitoring before the patient can be safely discharged."

Inpatient only procedures are not payable under the Outpatient Prospective Payment System (OPPS). CMS designates IOP with an OPPS status indicator of "C" in the OPPS Addendum B.

Exceptions:

Separate Procedures:

If the "inpatient-only" service is defined in CPT to be a "separate procedure" and the other services billed with the "inpatient-only" service contain a procedure that can be paid under the OPPS and that has an OPPS SI=T on the same date as the "inpatient-only" procedure, then the "inpatient-only" service is denied but CMS makes payment for the separate procedure and any remaining payable OPPS services.

Patient Expiration:

If the patient expires before admission or transfer to another facility, inpatient only services billed with modifier CA. CA Modifier should be on one code only.

Reimbursement

Passport by Molina Healthcare will not reimburse codes on the Inpatient Only codes list per CMS and NCCI Medicaid MUE list when billed in an outpatient setting. Any code on that list are subject to the CMS Inpatient Only rules.

Reference

1. Addendum A and Addendum B CMS
   Addendum A and Addendum B Updates | CMS
2. Medicaid NCCI Edit Files | CMS - MUE Edits - Outpatient Hospital
   Medicaid NCCI Edit Files | CMS
3. CMS Manual Pub 100-04 Medicare Claims Processing- Section: 180.7 - Inpatient-Only Services

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https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3425CP.pdf

4. Integrated Outpatient Code Editor (I/OCE) documentation
   http://www.cms.gov/Medicare/Coding/OutpatientCodeEdit

Supplemental Information

Definitions

Term	Definition
Inpatient Only Codes	Due of the invasive nature of certain procedures, the need for at least 24 hours of postoperative recovery time or monitoring before a patient can be safely discharged, or the underlying physical condition of the patient requiring surgery, CMS has determined that certain procedures are safest when performed in an inpatient setting

Documentation History

Type	Date	Action
Effective Date	1/1/2021	New Policy
Revised Date	4/1/2024	Internal review only, no updates