



ATTENTION HOSPITAL PROVIDERS

CLARIFICATION OF POLICY RELATED TO HOSPITAL OWNED CLINICS AND PROVIDER BASED BILLING

In late June, a notice was published to hospitals addressing the appropriate use of Revenue Code 761 and claims related to the issues identified in the notice were systematically voided. Since that notice, we have received inquiries from several hospitals concerning services provided at hospital 'satellite' locations and the use of HR761. The information below is being provided to assist providers with understanding Medicaid policy for hospital satellite locations/clinics and provider based billing.

DHH is aware that an increasing number of physician clinics are being acquired by hospitals and/or hospitals are opening 'satellite locations' as extensions of the hospital outpatient setting. Because of different cost reimbursement systems, billing Medicaid is not handled in the same manner as billing Medicare. The following is a summary of the specific arrangements that may be in place and the policy that should be followed for billing Medicaid for services.

Hospital Owned Clinics:

There are two distinct types of arrangements that may occur related to hospital owned clinics:

- Satellite Sites as Outpatient Hospital Extensions

Hospitals may have satellite 'clinic' locations that are extensions of the outpatient hospital. The hospital must have an approval letter from Health Standards listing the exact name and practice location along with the effective date the location was approved to provide services under the license of the hospital. Additionally, the provider must have a letter from CMS designating provider based status for the satellite location.

The hospital may bill a clinic visit revenue code (HR510, HR514, HR515, HR517, or HR519) accompanied by appropriate CPT code (99201, 99202, 99203, 99204, 99205, 99211, 99212, 99213, 99214, or 99215) for the use of the space, nursing/ancillary staff, and all ancillary supplies, including but not limited to general medical supplies; gloves; syringes; etc. The hospital may also bill for any lab, radiology, etc., provided at that site. All of these services would be billed under the hospital provider number as outpatient hospital services.

The professional services providers (physician/physician extenders) may bill for services using the professional provider number for the clinic location and must use Place of Service 22 (Outpatient Hospital).

Vaccines provided through Vaccines for Children (VFC) and immunization administrations are not payable. Reimbursement for immunization administration performed by the hospital nursing staff is included in the hospital clinic visit revenue code as outlined above. If administration of a non-VFC vaccine is required, the cost of the vaccine may be billed under the appropriate drug revenue code (HR250 or HR636) with the appropriate NDC data included.

- Hospital Owned Free Standing Clinics

(Not licensed under and not considered an Extension of the Outpatient Hospital)

Hospitals may have purchased and operate clinics located away from the hospital that are NOT licensed through or considered an extension of the outpatient hospital. These clinics must have their own separate and distinct group provider number. All services provided at this location must be billed using this provider number as the billing provider.

The hospital may not bill for any part of the services provided at these clinics. These clinics operate just as a physician's office/clinic operates.

If the equipment used (lab, radiology, etc.) is located at the clinic, the full service may be billed using the clinic provider number (and the appropriate attending physician provider number), but only if a properly completed OFS Form 24 is included in the Medicaid enrollment file. Providers are not to bill Louisiana Medicaid for the full service of radiological/laboratory services that are not performed in their own offices. Tests which are sent to other facilities for processing are not to be billed to Louisiana Medicaid.

All professional (physician/physician extender) claims for services provided at the clinic setting should be billed with the clinic provider number as the billing provider and the individual physician/physician extender as the attending provider. Place of Service 11 (Office) is used in this setting

If it is necessary to send the patient to the outpatient hospital for some services that cannot be provided at the hospital owned free-standing clinic, then the hospital bills the services provided at the outpatient hospital under the hospital provider number, and the services provided at the free-standing clinic are billed under the clinic provider number.