PROVIDER QUICK TIPS #115

Medical Assistance Inpatient Hospital Claims Secondary to Medicare Include 3 Day (72 hour) Payment Rule

Section 102 of the "Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Action of 2010," pertains to Medicare's policy for payment of outpatient services provided on either the date of a beneficiary's admission or during the three calendar days immediately preceding the date of a beneficiary's inpatient admission. This policy is known as the "3-day payment window." Under the Medicare payment window policy, a hospital must include on the claim for the beneficiary's inpatient stay, the diagnoses, procedures, and charges for all outpatient diagnostic services and admission-related outpatient non-diagnostic services that are furnished to the beneficiary during the 3-day payment window.

Section 1902(n) of the Social Security Act obligates Medicaid programs to pay a dual eligible recipient's (an individual with both Medicare and Medical Assistance coverage) cost sharing which may include copayment, coinsurance and/or deductible.

In order to meet the MA Program's obligation to pay the recipient's Medicare/Medicare Advantage cost sharing, the department will accept claims for non-diagnostic admission related services submitted with an ICD-9 surgical procedure code with a date of service within the 3-day payment window when the service is related to the inpatient admission and the date of discharge is on or after August 1, 2011. Any claims submitted to the department for dates of discharge prior to August 1, 2011, or services provided outside the 3-day payment window, or not related to the inpatient admission will continue to be denied. Submitted inpatient claims will pay accordingly under the applicable APR-DRG or per diem payment systems.

Thank you for your service to our Medical Assistance recipients.
We value your participation.
Check the department's website often: www.dhs.pa.gov

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DEPARTMENT OF HUMAN SERVICES