



TO: General Acute Care Hospitals, Chronic Disease Hospitals, Children's Hospitals, Psychiatric Hospitals

RE: Three (3) Day Rule: Outpatient Stay Prior to Inpatient Admission

The purpose of this provider bulletin is to inform providers that the Department of Social Services (DSS) will be implementing new Explanation of Benefit (EOB) codes in the Connecticut Medical Assistance Program (CMAP) to enforce restrictions on outpatient claims when the date of service is within 3 days (2 days plus the admission date) prior to an inpatient admission. These EOB codes will be initially set up in a post and pay status. The post and pay status means the edit will be displayed on the claim but the claim will not be denied for that reason. The EOB code will also post to the hospital's Remittance Advice (RA).

Post and Pay

For admissions on or after November 1, 2015, all diagnostic and non-diagnostic outpatient services, (including psychiatric diagnostic services) other than maintenance renal dialysis, physical therapy, occupational therapy, speech therapy and audiology, provided by the hospital or an entity wholly owned or wholly operated by the hospital 3 days (2 days plus the admission date) prior to the inpatient claim, will post and pay with **EOB code 5077 "Inpatient stay denied due to a paid outpatient claim within 3 days prior to inpatient admission"** or **EOB code 5078 "Outpatient claim denied due to a paid inpatient claim within 3 days after an outpatient claim."** The post and pay status therefore enables hospitals to identify claims that will start denying for admissions on or

after March 1, 2016 if the outpatient claim is billed separately and not billed with the inpatient stay.

Example

Client was outpatient on 11/1/2015. Client was also admitted to the same hospital on 11/3/2015.

Situation 1: Outpatient claim submitted prior to inpatient claim.

In this example, if a hospital submits the outpatient claim prior to the inpatient bill being billed, the outpatient claim will continue to process as it does today. When the same hospital bills the inpatient claim, it will post and pay with EOB code 5077.

Situation 2: Inpatient claim submitted prior to outpatient claim.

If a hospital submits the inpatient claim prior to the outpatient bill being billed, the inpatient claim will continue to process as it does today. When the hospital bills the outpatient claim, it will post and pay with EOB code 5078.

Exceptions

Maintenance renal dialysis services billed with revenue center codes (RCC) 82X, 83X, 84X and 85X are excluded and will not post either EOB code 5077 or 5078 even if billed 3 days prior to an inpatient admission.



Physical therapy, occupational therapy, speech therapy and audiology services billed under RCCs 42X, 43X, 44X and 47X are also excluded from the 3 day rule.

The following behavioral health services: Intensive Outpatient Services (IOP), Partial Hospital Program (PHP), psychotherapy services billed under RCCs 905-906, 913 and 914-916 are also excluded from the 3 day rule.

If the hospital is able to attest that the outpatient claim is unrelated to the inpatient hospital claim and are clinically distinct and independent from the reason for admission, the hospitals should bill with Condition Code 51 “Attestation of Unrelated Outpatient Non-diagnostic Services” on their outpatient claim. This will identify those services that are unrelated and for which separate reimbursement is appropriate.

Denials

For admissions on or after March 1, 2016, the hospital will be required to bill all related outpatient services within 3 days prior to inpatient admission on the inpatient claim except maintenance renal dialysis, physical therapy, occupational therapy, speech therapy and audiology services which should continue to be billed separately under an outpatient claim. Once the post and pay period ends, the outpatient or inpatient claim will begin to deny with either EOB code 5077 or 5078.

If you have any questions regarding this provider bulletin, please contact the HP Provider Assistance Center, Monday through Friday from 8:00 a.m. to 5:00 p.m. at 1-800-842-8440.

