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Medicaid Alert

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TO: Hospitals – Chief Financial Officers of Acute Care Inpatient Hospitals.
Route to – Patient Account Managers and Medical Records

SUBJECT: DRG Assignment for Claims with Hospital-Acquired Conditions (HAC) as Secondary Diagnoses and not Present on Admission (POA).

EFFECTIVE: July 1, 2008

PURPOSE: The purpose of this Medicaid Alert is to furnish all Acute Care Inpatient Hospital providers with additional information pertaining to Newsletter Volume 18, Number 07 that was released in July 2008 with the subject as DRG assignment for claims with Hospital-Acquired Conditions (HAC) as secondary diagnosis and not Present on Admission (POA). The effective date of the Newsletter is July 1, 2008.

ACTION: Any claim submitted to Unisys without a POA indicator will be denied. These indicators will be captured from the UB-04 utilizing the eighth position (shaded area) of the diagnosis field. These indicators will be captured from the 837 utilizing the K-3 File Information segment in the 2300 loop data element K301. Providers are instructed to use the letters POA followed by the appropriate indicator for each diagnosis with the letter "Z" to indicate the end of the data element when submitting on the 837. The Medicaid Billing Supplement on the NJMMIS website will be updated to reflect this change.

Consistent with Medicare, Acute Care Inpatient hospitals must use a POA Indicator for every diagnosis on the inpatient claim. The following are the POA Indicator options and definitions:

Code	Reason for Code
Y	Diagnosis was present at time of inpatient admission. DMAHS will pay the CC/MCC DRG for those selected HACs that are coded as "Y" for the POA Indicator.
N	Diagnosis was not present at time of inpatient admission. DMAHS will not pay the CC/MCC DRG for those selected HACs that are coded as "N" for the POA Indicator.

U Documentation insufficient to determine if the condition was present at the time of inpatient admission.

DMAHS will not pay the CC/MCC DRG for those selected HACs that are coded as “U” for the POA Indicator.

W Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.

DMAHS will pay the CC/MCC DRG for those selected HACs that are coded as “W” for the POA Indicator.

If you have questions concerning this newsletter, please contact Hospital Reimbursement Services within the Division of Medical Assistance and Health Services at 609-588-2668.

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