



- A. Subject
Three-Day Payment Window

- B. Background
CareSource follows the three

The ADMINISTRATIVE Policy Statement detailed above has received due consideration as defined in the ADMINISTRATIVE Policy Statement Policy and is approved.

The hospital will need to void the paid claim for the outpatient service and resubmit the inpatient claim so that it includes inpatient and outpatient services.

- C. If both the outpatient and inpatient services are initially paid for the same hospital or wholly owned hospital system, retroactive recovery may be initiated for the outpatient services inclusive by the three-day window.
 - D. Physician practices and entities should use modifier *PD* (diagnostic or related non-diagnostic item or service provided in a wholly owned or operated entity to a patient who is admitted as an inpatient within three days or one day) to identify services subject to the payment window.
 - E. ICD-10 diagnosis code *Z01.81X* should be used to indicate an encounter for preprocedural examinations to flag the outpatient claim as related to an inpatient service/procedure.
- II. Outpatient hospital behavioral health services provided within 3 calendar days prior to the inpatient admission are exempt from the three-day window policy.

E. Conditions of Coverage

NA

F. Related Policies/Rules

NA

G. Review/Revision History





5. *Medicaid Provider Manual*. Michigan Dept of Health and Human Services; 2023. Updated January 1, 2024. Accessed February 22, 2024. www.mdch.state.mi.us
6. *Provider Manual*. HAP Empowered; 2023. Accessed February 22, 2024. www.hap.org

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