Healthy Blue

Medicaid Managed Care

Provider Bulletin
July 2020

Present on admission indicator for hospital billing

Background: Under federal and Medicaid regulations, hospital claims are required to bill the present on admission (POA) indicators with all submitted diagnosis codes. POA indicators are required on all inpatient admissions (e.g., acute care, critical access, sole community, rural, etc.). Conditions that develop during an outpatient encounter, including emergency department, observation or outpatient surgery, are considered POA.

In accordance with federal and Louisiana Medicaid guidelines regarding the POA indicator for hospital billing, please refer to the following provider manual for guidelines: ***Louisiana Department of Health Hospital Services Provider Manual***.

POA guidelines

Federal and state guidelines require that the POA indicator is on all ICD-10 diagnosis codes billed except those codes that are listed on the POA-exempt ICD-10 list.

1. The POA indicator denotes whether the condition was present in the patient at the time of admission.
2. If the condition was not present at the time of admission:
    a. It was acquired during the inpatient stay. Those days are not eligible for reimbursement.
        i. The hospital is required to bill a separate claim with type of bill (TOB) 110 (nonpayment/zero claim). This is for the days that are not covered, when the patient acquired the condition during the inpatient stay.
        ii. The ICD-10 hospital-acquired condition (HAC) diagnosis code(s) and the applicable dates of service should be billed for reporting of the noncovered days.
3. If the condition was present at the time of admission:
    a. The covered admission days should be billed with the appropriate ICD-10 diagnosis codes and should not contain any ICD-10 HAC diagnosis codes.
    b. If any ICD-10 HAC diagnosis codes are present on the claim, the entire claim will be denied.

Please refer to the links below for the exempt for POA reporting requirement and ICD-10 HAC list:

- **CMS.gov HAC POA Coding**
- **CMS.gov HAC POA ICD-10 HAC List**

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POA indicators and definitions

POA indicator	POA description	Reimbursement determination
Y	Diagnosis was present at time of inpatient admission.	Payment made for condition when an HAC is present.
N	Diagnosis was not present at time of inpatient admission.	No payment made for condition when HAC is present.
U	Documentation insufficient to determine if the condition was present at the time of inpatient admission.	No payment made for condition when HAC is present.
W	Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.	Payment made for condition when an HAC is present.
Blank	Unreported/not used. Exempt from POA reporting. This code is equivalent to a blank on the *UB-04*; however, it was determined that blanks are undesirable when submitting this data via the 4010A.	Exempt from POA reporting.

Billing reminders

If a POA indicator denotes that a health care/hospital-acquired condition (HAC/HCAC) exists, then two separate claims should be submitted.

- The first claim submitted is for the covered services/days, in which the HAC/HCAC diagnosis codes are not reported.
- The second claim submitted is for the noncovered services/days, in which all diagnoses including the HAC/HCAC diagnoses codes are reported.
    - The reason is that under federal and state regulations, only covered services/days are allowed. There is no payment allowed for provider preventable conditions (PPCs).
    - Any days attributed to the HAC/HCAC are to be reported as noncovered with type of bill 110 (nonpayment/zero claim).
- If a claim is submitted with both the covered and noncovered diagnoses, the claim will be denied. Facilities must separate the covered vs. noncovered on two separate claims.

What if I need assistance?

If you have questions about this communication or need assistance with any other item, contact your local Provider Relations representative or call Provider Services at **1-844-521-6942**.