



# *Hospital Outpatient Services*

*Medicaid and Other Medical  
Assistance Programs*



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April 2011

*This publication supersedes all previous Hospital Outpatient Services handbooks. Published by the Montana Department of Public Health & Human Services, August 2003.*

*Updated April 2004, August 2004, May 2005, October 2005, April 2011.*

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**My Medicaid Provider ID Number:**

***Packaged services***

Payment for some services is always considered bundled into payment for other services. (The APC term for bundling is packaging.) In other cases, the service are bundled for some visits but not for others. For example, payment for IV therapy is considered bundled within the payment for a surgical visit but not for a medical visit. Medicare developed the relative weights for surgical, medical and other types of visits so that the weights reflect the packaging rules used in the APC method.

***Procedures considered inpatient only by Medicare***

Medicare has designated some procedures as “inpatient only.” Medicaid has adopted that designation as well. When these procedures are performed in the outpatient hospital setting, the claim is denied.

***Charge cap***

For services covered in the outpatient hospital setting, Medicaid pays the lower of the Medicaid fee or the provider’s charge. The charge cap is applied at the claim level for outpatient hospital services, not at the line level. Therefore it is possible that a provider may be paid more than charges for any given line on a claim.

***Payment by report***

A few services covered in the outpatient hospital setting do not have an established fee. For these services, payment is at the provider’s outpatient cost to charge ratio as determined by the Department.

***Status indicator codes***

The line-level status indicator codes explain how payment was calculated at the line. The codeset used by DPHHS is based on the codeset used by Medicare but with several additions. See the following table of status indicator codes.

<b>Status Indicator Codes Used by DPHHS</b>			
<b>Code</b>	<b>Description</b>	<b>Origin</b>	<b>Comments</b>
W	Excluded service	DPHHS	Indicates service in a prospective payment hospital that is excluded from the APC-based prospective payment method (i.e., CRNA).
G	Drug/biological under trans. pass-through	Medicare	
H	Device under trans. pass-through	Medicare	
J	New drug/biological under trans. pass-through	Medicare	
N	Incidental services (bundled)	Medicare	
T	Surgical services	Medicare	
C	Inpatient services	Medicare	
K	Non-pass-through drugs and biologicals	Medicare	
S	Significant procedures	Medicare	
X	Ancillary service	Medicare	
V	Medical visit		
B	Services not paid under OPSS	Medicare	
P	Partial hospitalization	Medicare	
Q	Clinical lab	DPHHS	
Y	Therapy	DPHHS	Indicates therapy service priced using RBRVS fee schedule
M	Misc. codes	DPHHS	