## **Optum**

# Psychiatric Administrative Day Rate Billing

**Optum Maryland Provider Training** 



#### **Overview**

Once a Recipient no longer meets MNC and is approved for Administrative Days (Admin Days), the provider billing must use the following process to avoid claim adjudication errors:

- Admin Days must be billed separately from Clinical hospital bed days hospital days;
  - I.e., A separate UB04 form must be used for administrative day charges
- Only use revenue code 0169;
  - No other room and board codes or ancillary codes can be billed during the administrative day period.
- Admin Days are only billed under the Acute Hospital Provider Type (06), even if the length of stay using admin days are beyond 30 days.
- Maryland In-State Psychiatric hospitals rates are set by HSCRC which Medicaid reimburses at 94% of charges, pursuant to COMAR 10.09.95.07.
- Admin day rates are established at the average residential treatment center rate, pursuant to COMAR 10.09.95.07H.

#### **Admin Rate Calculations**

In order to be reimbursed for the full Admin day rate, in-state psychiatric hospitals must bill at a higher rate to offset the difference.

- To determine your billed amount, use the instructions to the right which will be higher than the actual reimbursable amount.
- (Admin day rates are reviewed by the Maryland Department of Health each State fiscal year, available on the Maryland Department of Health's <u>website</u>.)

#### Admin Rate is 589.14 (actual FY 24 rate)

- Provider <u>divides</u> \$589.14 by 94% = \$626.74 per day.
- 2 Provider submits a claim for \$626.74 to Medicaid.
- Medicaid will calculate \$626.74 x 94% to reach the \$589.14 rate.
  - Provider is reimbursed by Medicaid \$ 589.14 the maximum allowable rate for admin days.
  - If the provider submits \$589.14, the reduced amount of \$553.79 would be correctly paid based on the 94% reduction in charges, but lower than the allowed amount.



## **Billing (Full Month)**

Specific to billing for Inpatient Psychiatric hospital using Administrative Days, the following rules apply:

#### **Example: Administrative Days beginning on First of Calendar Month**

Description	Statement From	Statement To	Provider Type	Type of Bill	Revenue codes
Discharge from the LTC using NPI for Chronic Psychiatric facility	11/1/2023	11/30/2023	07	154	0124 and ancillaries
Bill Admin days using NPI for Acute Psychiatric facility	12/1/2023	Through the date of discharge or the end of the Calendar month, whichever occurs first.	06	11X	0169 Only, no Ancillaries

The full UB-04 instructions can be found <u>here.</u>



## **Billing (Partial Month)**

When a stay includes a partial month, please refer to the example below for billing instructions.

#### **Example: Administrative Days Mid-Month beginning 11/15**

Description	Statement From	Statement To	Provider Type	Type of Bill	Revenue codes
Discharge from the LTC using NPI for Chronic Psychiatric facility	11/1/2023	11/14/2023	07	154	0124 and ancillaries
Bill Admin days using NPI for Acute Psychiatric facility	11/15/2023	Through the date of discharge or the end of the Calendar month, whichever occurs first.	06	11X	0169 Only, no Ancillaries

The full UB-04 instructions can be found here.





Changes to business policies and procedures may cause the information provided here to become out-of-date. Always refer to the policy and procedure documentation provided to you within your business unit and/or consult with your manager or team lead if you have any questions and to validate sources of truth.

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