

SERVICES INCIDENTAL TO INPATIENT ADMISSIONS

Scope

This policy applies to:

- | | | |
|---|---|-----------------------------------|
| <input checked="" type="checkbox"/> Kaiser Permanente Health Plan of Washington | <input checked="" type="checkbox"/> Kaiser Permanente Health Plan of Washington Options, Inc. | |
| <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Medicare | <input type="checkbox"/> Medicaid |

Policy

Original Effective Date: 09/01/2018

When benefits allow, Kaiser Permanente will reimburse incidental services to the inpatient admission on the inpatient claim. Incidental services are considered included in the inpatient reimburse rate. Kaiser Permanente will NOT reimburse services rendered prior to the related inpatient admission separately.

Services that are incidental to an inpatient admission include:

- Surgical day care
- Observation stay
- Emergency room care
- Diagnostic and/or testing services

When the inpatient reimbursement is based on a Per Diem Rate, Diagnosis-Related Groups (DRG), or Case Rate the incidental services provided within 3 calendar day of the inpatient admission are included in the inpatient reimbursement.

Incidental services are subject to pre- and post-payment audits and retractions.

This policy does not apply to Critical Access Hospitals.

Billing/Coding Guidelines

All claims must be billed according to Centers for Medicare & Medicaid Services (CMS) guidelines.

All incidental charges related to the inpatient admit should be billed on the inpatient claim.

Policy Definitions

Not applicable

Prerequisite(s)

Not applicable

References

[CMS Manual System – Pub 100-04 Medicare Claims Processing](#)

[Frequently Asked Questions CR 7502](#)

[Noridian Healthcare Solutions 3-Day Payment Window](#)

[CMS Manual System – Pub 100-20 One-Time Notification – Change Request 7142](#)

Frequently Asked Questions

- Q1:** Is Kaiser Permanente following Medicare guidelines for the 3-day payment window for commercial and Medicare products?
- A1:** Yes and No, Kaiser Permanente is following Medicare guidelines for Medicare plans related to the 3-day payment window.
- Q2:** Will Kaiser Permanente review claims for incidental services post-payment?
- A2:** Yes, Kaiser Permanente will review claims post-payment for incidental services to an inpatient admission.
- Q3:** A hospital owns a physician clinic or a physician practice that performs preadmission diagnostic services for the hospital. Are these services subject to the Services Incidental to Inpatient Admission policy?
- A3:** Yes, in part. The technical portion of pre-admission diagnostic services must be included in the inpatient bill and may not be billed separately. A physician's professional service, however, is not subject to the rule.
- Q4:** Hospital A owns Hospital B, which in turn owns hospital C. Does the Services Incidental to Inpatient Admission policy apply if preadmission services are performed at Hospital C and the patient is admitted to Hospital A?
- A4:** Yes. CMS would consider that Hospital A owns both Hospital B and Hospital C, and the Services Incidental to Inpatient Admission policy would apply.

Revision History

01/08/2024 – Updated policy statement

11/17/2022 – Updated hyperlink

04/22/2022 – Updated to correct hyperlinks and formatting

Note: This information is intended to serve only as a general reference resource regarding reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, we may use reasonable discretion in interpreting and applying this policy to services being delivered in a particular case. Further, the policy does not cover all issues related to reimbursement for services rendered to our enrollees as legislative mandates, the provider contracts, the enrollee's benefit coverage documents, and the Provider Manual all may supplement or in some cases supersede this policy. This policy may be modified from time to time by publishing a new version of the policy on Kaiser Permanente provider website; however, the information presented in this policy is believed to be accurate and current as of the date of publication.