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DIVISION OF MEDICAL SERVICES
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TO: All Instate Inpatient Hospitals

RE: Implantable Device Billing Changes

Effective July 1, 2012. ARSD 67:16:03:06.17 will be implemented for inpatient services claims containing revenue code 275 or 278.

The rule states:

Basis of reimbursement- inpatient services- claims containing revenue code 275 or 278.

Claims submitted for inpatient hospital services by an in-state acute care hospital that had more than 30 Medicaid discharges during the hospital's fiscal year ending after June 30, 1996 and before July 1, 1997, that are considered to be cost outliers as defined by 67:16:03:01 (3) and contain revenue code 275 or 278 shall be reimbursed according to the following guidelines:

(1) Reimbursement for aggregate charges in excess of \$5,000.00 associated with revenue code 275 or 278 will be limited to the provider's actual cost plus 10 percent; and

(2) Aggregate charges for revenue code 275 or 278 in excess of \$5,000.00 will be removed from the calculation of the claim and charges associated with the remainder of the claim will be reimbursed according to 67:16:03:06.

The provider must furnish a copy of the supplier's invoice for items associated with revenue codes 275 and 278.

Submitted claims that are 1) are a cost outlier claim, and then either 2) have a revenue code line of 275 that is over \$5,000 in billed charges for that line and/or 3) has a revenue code line of 278 that is over \$5,000 in billed charges for that line will pend for records review and manual pricing. This implementation will effective DRG reimbursed in-state inpatient hospitals for dates of service on or after July 1, 2012.

For questions, please contact Patty Person at 605-773-3495.