



# **SoonerCare** Provider Reimbursement Notice

OKC Metro Area (405) 522-6205 / Statewide Toll-Free (800) 522-0114

## Outpatient Labor and Delivery Observation

OHCA PRN 2013-06

June 19, 2013

### Hospital Administrators

Upon review, the Oklahoma Health Care Authority (OHCA) has determined that some providers are billing for labor and delivery observation inappropriately. OHCA does allow labor/delivery observation when appropriate and ordered by the treating provider. In addition to the labor/delivery room observation fee, payment may be made for any laboratory, radiology or miscellaneous fees within the scope of the Medicaid program. However, when the member is referred for a non-stress test or other procedure and true observation is not warranted and/or ordered, it is inappropriate to bill for observation. OHCA may recoup funds if an audit finds that observation was paid inappropriately.

We understand that providers may not intentionally be billing for labor and delivery observation but rather are using the 720 and 721 revenue codes to bill the services that occur – such as the fetal non-stress test – in that revenue center of the hospital. However, since the use of those revenue codes generates a flat fee payment from Medicaid for labor and delivery observation, providers will need to find another appropriate revenue code to utilize. Please consult a UB Editor for a list of possible revenue codes.

If you have any questions or require additional information please phone or email Kelly Taylor at (405) 522-7108 or [Kelly.Taylor@okhca.org](mailto:Kelly.Taylor@okhca.org).

Thank you for your continued service to Oklahoma's *SoonerCare* members.