Maryland
DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
Hospital Transmittal No. 275
May 8, 2020

TO: Hospitals

FROM: Jill Spector, Director
Medical Benefits Management

RE: Updated Billing Guidelines for Routine Labor and Delivery Claims
REVISED May 8, 2020

NOTE: Please ensure that appropriate staff members of your organization are informed of the content of this transmittal.

This transmittal is a revised version of the **PT 20-20 Updated Billing Guidelines for Routine Labor and Delivery Claims (Hospital Transmittal #274).**

The purpose of this transmittal is to update billing guidelines for routine vaginal delivery and cesarean section (C-Section) claims which do not require a 3808 or a review from the Maryland Department of Health's (Department) Utilization Control Agent (Telligen) for payment.

Previously, hospitals identified routine labor and delivery claims using Diagnostic Related Groups (DRG) that were programmed in the Maryland Medicaid Information System (MMIS). The Department became aware of ongoing payment issues caused by outdated DRG codes in MMIS, resulting in providers receiving inappropriate labor and delivery claim denials with an error code ("500") indicating an invalid or missing preauthorization number.

Effective February 1, 2020, the Department implemented a new process for billing labor and delivery claims that corrected this error. This process requires providers to submit a combination of diagnosis, procedure, and revenue codes when billing for routine labor and delivery claims.

UPDATE: Effective May 11, 2020, Maryland Medicaid will require routine delivery claims for mothers to be billed in accordance with ICD-10 Coding Guidelines, which do not allow the Z37.x diagnosis code to be billed in the primary position on the UB-04. Claims billed in this manner will be denied. Newborn claims continue to require the Z38.x diagnosis code in the primary position on the UB-04 claim form.

Claims Processed Between February 1, 2020 and May 8, 2020

Claims paid between February 1, 2020 and May 8, 2020, using guidance set forth in Hospital Transmittal Nos. 273 and 274, are not in compliance with ICD-10 Coding Guidelines. The Department advises hospitals to maintain documentation, as needed, for future auditing purposes. The Department will not require these claims to be resubmitted.

The Department will reprocess claims denied with the "500" error code between February 1, 2020 and May 8, 2020, due to Z37.x positioning on the UB-04. Providers will not be required to resubmit these claims.

Billing Instructions

Please see the new process for bypassing the 3808 requirement in the table below. To receive payment for routine labor and delivery claims, all of the following conditions must be met.

	Mothers	Newborns
2 days or less (for vaginal delivery)	The claim must include a diagnosis, procedure and revenue code: 1) Diagnosis codes: Z37.0 – Z37.9; **AND** 2) Procedure codes: 10D07Z3 – 10D07Z8, 10E0XZZ; **AND** 3) Revenue codes: 0720 – 0722, 0729	The claim must include a diagnosis and revenue code: 1) Diagnosis codes: Z38.0, Z38.1 – Z38.30, Z38.4 – Z38.61, Z38.63, Z38.65, Z38.68, Z38.7 – Z38.8; **AND** 2) Revenue codes: 0171, 0172, 0173, 0174, 0179, 0723 ***The Diagnosis code must be in the primary position on the claim**
4 days or less (for C-section delivery)	The claim must include a diagnosis, procedure and revenue code: 1) Diagnosis codes: Z37.0 – Z37.9; **AND** 2) Procedure codes: 10D00Z0 – 10D00Z2; **AND** 3) Revenue codes: 0720 – 0722, 0729	The claim must include a diagnosis and revenue code: 1) Diagnosis codes: Z38.01, Z38.31, Z38.62, Z38.64, Z38.66, Z38.69; **AND** 2) Revenue codes: 0171, 0172, 0173, 0174, 0179, 0723 ***The Diagnosis code must be in the primary position on the claim**

For questions, please contact Denise James, Chief of the Division of Hospital Services, by email at denise.james@maryland.gov or by phone at 410-767-1939.