

Blue Cross Blue Shield of Michigan
Medicare Advantage Private Fee-for-Service

Inpatient Hospital Care

January 1, 2008
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INPATIENT HOSPITAL

A facility, other than psychiatric, which primarily provides diagnostic, therapeutic (both surgical and nonsurgical) and rehabilitation services by or under the supervision of physicians, to patients admitted for a variety of medical conditions.

ORIGINAL MEDICARE

Original Medicare provides coverage for the following services furnished to an inpatient of a participating hospital or of a participating critical access hospital or, in the case of emergency services or services in foreign hospitals, to an inpatient of a qualified hospital:

1. Bed and board.
2. Nursing services and other related services.
3. Use of hospital or critical access hospital facilities.
4. Medical social services.
5. Drugs, biologicals, supplies, appliances, and equipment.
6. Certain other diagnostic or therapeutic services.
7. Medical or surgical services provided by certain interns or residents-in-training.
8. Transportation services, including transport by ambulance.

Inpatient stays are defined by a benefit period of consecutive days during which medical benefits for covered services, with certain specified maximum limitations, are available to the beneficiary. Under Original Medicare Part A, 60 full days of hospitalization plus 30 coinsurance days represent the maximum benefit period. The period is renewed when the beneficiary has not been in a hospital or skilled nursing facility for 60 days.

MEDICARE ADVANTAGE

Coverage for unlimited inpatient hospital care is provided to group members under select Medicare Advantage private fee-for-service plans. The member's cost-sharing and coverage conditions are determined by the group.

Conditions for Payment

BCBSM Medicare Advantage private fee-for-service plans use the Centers for Medicare & Medicaid Services deemed provider¹ concept for group specific benefits. The table below specifies payment conditions for inpatient care coverage:

¹ 2008 Terms and conditions

Conditions For Payment	
Eligible providers	Consistent with Original Medicare
Deemed provider	See terms and conditions on bcbsm.com/ma
Payable locations	Consistent with Original Medicare
Frequency	Unlimited days
CPT/HCPCS codes	Consistent with Original Medicare
Diagnosis restrictions	
Age restrictions	

Reimbursement

The maximum payment amounts for inpatient hospital care is consistent with Original Medicare. Reimbursement is made through a prospective payment system in which Medicare payment is made based on a predetermined, fixed amount.² This represents payment in full and providers are not allowed to balance bill the member for the difference between the allowed amount and the charge.

Member Cost-Sharing

- Deemed providers must agree to collect from the member only the cost-sharing amounts described in the table below. They may not otherwise charge or bill the member.
- If the member elects to receive a noncovered service, he or she is responsible for the entire charge associated with the noncovered service.

The cost-sharing chart below identifies members with coverage for inpatient hospital care:

Member Cost-Sharing Responsibilities						
Group Name and Number	Annual Deductible		Coinsurance		Out-of-Pocket Maximum	
			Institutional Claim			
	2007	2008	2007	2008	2007	2008
BCBSM Retirees ³ 80311, 80312	No MA PFFS plan	\$250	No MA PFFS plan	5%	No MA PFFS plan	\$1,000

² <http://www.cms.hhs.gov/ProspMedicareFeeSvcPmtGen/>

³ BCBSM Retirees Benefit grid

Member Cost-Sharing Responsibilities						
Group Name and Number	Annual Deductible		Coinsurance		Out-of-Pocket Maximum	
			Institutional Claim			
	2007	2008	2007	2008	2007	2008
City of Detroit Option E ⁴ 81100, 81101	\$175 Waived	\$0	Does not apply		Does not apply	
City of Detroit Option F ⁵ 54731, 81097						
City of Detroit Option G ⁶ 04436						
MPSERS ⁷ 59000	\$250	\$250	Does not apply	<u>1/1-3/31</u> Does not apply <u>4/1-12/31</u> 10%	Does not apply	\$500
State of MI Retirees ⁸ 81820, 81821, 81828	No MA PFFS plan	\$200	No MA PFFS plan	Does not apply	No MA PFFS plan	Does not apply

Billing Instructions

1. Bill services on the CMS-1450 (UB-04) claim form, or 837 equivalent claim.
2. Use the Medicare Advantage private fee-for-service unique billing requirements.
3. Report CPT/HCPCS codes and diagnosis codes to the highest level of specificity.
4. Report your National Provider Identifier number on all claims.
5. Submit claims to your local BCBS plan.

⁴ City of Detroit - Option E Benefit grid

⁵ City of Detroit - Option F Benefit grid

⁶ City of Detroit - Option G Benefit grid

⁷ MPSERS Benefit grid

⁸ State of Michigan Retirees Benefit grid

6. Use electronic billing:
 - a. Michigan providers:
 - A copy of the BCBSM EDI Professional 837/835 Companion Document is available at:
http://www.bcbsm.com/pdf/systems_resources_prof_837_835.pdf
 - b. Providers outside of Michigan should contact their local BCBS plan.