



PCHP Reimbursement Policy		
Topic: Inpatient Newborn & NICU	Policy Number: PCHP.RI.013	Policy Section: Clinical
Last Modification Date:	Effective Date: 5/15/2025	

Policy Disclaimer:

Please ensure adherence to correct billing and submission protocols. Utilize industry-standard, compliant codes when submitting claims. Services should be coded using Current Procedure Terminology® (CPT), Healthcare Common Procedure Coding System (HCPCS), and/or revenue codes. These codes specify the services or procedures rendered and must be fully substantiated in the medical record or office notes upon billing. Our reimbursement policies apply uniformly to both participating and non-participating professional providers and facilities, unless stated otherwise.

Failure to comply with appropriate coding/billing guidelines or current reimbursement policies may result in actions by PCHP, including claim rejection or denial, claim payment recovery/recoupment, or reimbursement adjustment to accurately reflect the services provided.

These reimbursement policies are designed to support you in submitting accurate claims and to clarify the criteria for reimbursement if PCHP covers the service under the member's benefit plan; however, coverage determination for items such as, but not limited to service, procedure, item, do not guarantee reimbursement. All billed services must align with authorization and medical necessity guidelines.

These reimbursement policies may be overridden by mandates in provider contracts, state or federal regulations, or Centers for Medicare & Medicaid Services (CMS) requirements. PCHP strives to implement policy changes promptly; any delays may necessitate recoupment of claims payment to the effective date as outlined in the policy. We reserve the right to periodically review and update these policies as needed, with the most current version available on our website upon any revisions.

Policy:

For reimbursement based on Diagnosis Related Group (DRG) criteria, inpatient stays for newborns must be billed with the appropriate revenue code corresponding to the relevant DRG code.

If a claim lacks a Neonatal Intensive Care Unit (NICU) revenue code or was not authorized as a NICU admission, it will not be categorized under a sick newborn DRG and will be categorized under Labor & Delivery revenue codes.

Reimbursement for inpatient newborn stays adheres to the following guidelines:

- A) For normal newborn DRGs, bill using appropriate well baby revenue codes.
- B) For sick baby DRGs, bill using appropriate sick baby revenue codes.



PCHP authorization guidelines for normal and sick baby inpatient stays will be enforced.

References:

This policy has been developed through consideration of the following:

CMS, Department of Health and Human Services, Texas Health and Human Services and all applicable agencies, National Correct Coding Initiative, National Uniform Billing Committee (NUBC)

Policy History:

Description	Date
Policy Created	May 9, 2024
Policy Approved	January 30, 2025