
1. Inpatient Hospital Services

- a. Payment is made for inpatient hospital care as medically necessary. Each admission must have prior approval of appropriateness by the designated peer review organization in order for the admission to be covered under the Medicaid program, this requirement does not apply to emergency admissions. Weekend stays associated with a Friday or Saturday admission will not be reimbursed unless an emergency exists. Covered admissions are limited to those admissions primarily indicated in the management of acute or chronic illness, injury, or impairment, or for maternity care that could not be rendered on an outpatient basis. Admissions relating to only observation or only diagnostic purposes or for elective cosmetic surgery shall not be covered. Laboratory tests not specifically ordered by a Physician and not done on a preadmission basis, where feasible, will not be covered unless an emergency exists which precludes such preadmission testing
- b. A recipient may transfer from one hospital to another hospital when such transfer is necessary for the patient to receive medical care which is not available in the first hospital. In such situations, the admission resulting from the transfer is an allowable admission.
- c. The following listed surgical procedures are not covered on an inpatient basis, except when a life threatening situation exists, there is another primary purpose for the admission, or the admitting physician certifies a medical necessity requiring admission to a hospital:
 - (a) Biopsy: breast, cervical node, cervix, lesions (skin subcutaneous, submucous), lymph node except high axillary excision, etc.), and muscle.
 - (b) Cauterization or cryotherapy: lesions (skin, subcutaneous, submucous), moles, polyps, warts/condylomas, anterior nose bleeds, and cervix.
 - (c) Circumcision.
 - (d) Dilation: dilatation and curettage (diagnostic or therapeutic nonobstetrical); dilatation/probing of lacrimal duct.
 - (e) Drainage by incision or aspiration: cutaneous, subcutaneous, and joint
 - (f) Exam under anesthesia (pelvic).

- (g) Excision: bartholin cyst, condylomas, foreign body, lesions lipoma, nevi (moles), sebaceous cyst, polyps, and subcutaneous fistulas.
 - (h) Extraction: foreign body, and teeth (per existing policy).
 - (i) Graft, skin (pinch, splint of full thickness up to defect size 3/4 inch diameter).
 - (j) Hymenotomy.
 - (k) Manipulation and/or reduction with or without x-ray; cast change: dislocations depending upon the joint and indication for procedure, and fractures.
 - (l) Meatotomy/ urethral dilation, removal calculus and drainage of bladder without incision.
 - (m) Myringotomy with or without tubes, otoplasty.
 - (n) Oscopy with or without biopsy (with or without salpingogram): arthroscopy, bronchoscopy, colonoscopy, culdoscopy, cystoscopy, esophagoscopy, endoscopy, otoscopy, and sigmoidoscopy or proctosigmoidoscopy.
 - (o) Removal: IUD, and fingernail or toenails.
 - (p) Tenotomy hand or foot.
 - (q) Vasectomy.
 - (r) Z-plasty for relaxation of scar/contracture.
- d. Abortion services are reimbursable under the Medical Assistance Program only when the woman suffers from a physical disorder, physical injury or physical illness, including a life endangering physical condition caused or arising from the pregnancy itself that would place the woman in danger of death unless an abortion is performed, or when the pregnancy is the result of an act of rape or incest.

2 Outpatient Hospital Services

- a. Outpatient Hospital Services are provided in accordance with 42 CFR 440.20. Hospital outpatient services are limited to therapeutic and diagnostic services as ordered by a physician or if applicable, a dentist; to emergency room services in emergency situations; and to drugs, biologicals, or injections administered in the outpatient hospital setting (excluding "take home" drugs and those drugs deemed less-than-effective by the Food and Drug Administration).
- b. Abortion services are reimbursable under the Medical Assistance Program only when the woman suffers from a physical disorder, physical injury or physical illness, including a life endangering physical condition caused or arising from the pregnancy itself that would place the woman in danger of death unless an abortion is performed, or when the pregnancy is the result of an act of rape or incest.

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