



Billing for Hospital Part B Inpatient Services

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PROVIDER TYPE AFFECTED

This MLN Matters Article is for physicians, providers, and suppliers billing Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

CR11181 provides billing instructions for hospital Part B inpatient services. Make sure your billing staffs are aware if these instructions.

BACKGROUND

Medicare pays for hospital, including Critical Access Hospital (CAH), inpatient Part B services in the circumstances provided in the Medicare Benefit Policy Manual, Chapter 6, Section 10 (Medical and Other Health Services Furnished to Inpatients of Participating Hospitals). Hospitals must bill Part B inpatient services on a 12x Type of Bill. This Part B inpatient claim is subject to the statutory time limit for filing Part B claims described in the Medicare Claims Processing Manual, Chapter 1, Section 70.

A hospital may bill for Part B inpatient services if the hospital determines under Medicare's utilization review requirements that a beneficiary should have received hospital outpatient rather than hospital inpatient services, and the hospital already discharged the beneficiary from the hospital (commonly referred to as hospital self-audit). If the hospital already submitted a claim to Medicare for payment under Part A, the hospital must cancel its Part A claim prior to submitting a claim for payment of Part B inpatient services.

Whether or not the hospital submitted a claim to Part A for payment, Medicare requires the hospital to submit a Part A claim indicating that the provider is liable under Section 1879 of the Social Security Act for the cost of the Part A services. The hospital could then submit an inpatient claim for payment under Part B for all services that would have been reasonable and necessary if the hospital treated the beneficiary as a hospital outpatient rather than admitted as a hospital inpatient, except where those services specifically require an outpatient status.

ADDITIONAL INFORMATION

The official instruction, CR11181, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4259CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
March 22, 2019	Initial article released.

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