



STATE OF MARYLAND
DHMH

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM

Hospital Transmittal No. 225

Managed Care Organization Transmittal No. 94

Federally Qualified Health Centers Transmittal No. 2

EPSDT Transmittal No. 34

November 6, 2013

TO: Hospitals
Managed Care Organizations
Federally Qualified Health Centers
EPSDT Providers

FROM: *Susan J. Tucker*
Susan J. Tucker, Executive Director
Office of Health Services

RE: Thirty-one days of private coverage for newborns born to mothers with third party insurance

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

The purpose of this transmittal is to clarify State regulations on private coverage of newborns with Medical Assistance and other third party insurance. Providers have expressed confusion about which insurance entity is responsible for newborn costs.

State law requires private health insurance policies covered under § 15-401 of the Insurance Article to cover the first thirty-one days of newborn care if a family member is covered under the private insurance policy. The State requires policies subject to these provisions to provide coverage regardless of whether the newborn is later found to be eligible for Medical Assistance for the same time period. Maryland Medical Assistance covers pregnant women up to 250 percent of the federal poverty level. If the private health insurance policy allows a grandchild to be enrolled, the policy would cover the newborn as stated above.

Please note that many private health insurance policies enforce the provisions of § 15-401, which require that a grandchild be in the court-ordered custody of the insured. If the grandchild is not in the custody of the insured, however, the coverage protections defined in §§ 15-811 and 15-812 of the Insurance Article apply. These protections provide a minimum of 48 hours of inpatient hospitalization care for both mother and child after an uncomplicated vaginal delivery and 96 hours of inpatient hospitalization care after an uncomplicated cesarean section. If medical conditions require that the mother remain in the hospital for a longer period, the mother may request that the child be permitted to remain as well, up to four additional days; however, the carrier must pay for any additional days that child spends in the hospital.

The provisions in § 15-401 of the Insurance Article do not apply to self-insured policies and policies issued in another state. Thus hospitals and other health care providers may need to ask the policy holder for specific information about the coverage and should document any limitations related to newborn coverage.

Most women are enrolled in a Managed Care Organization (MCO) at the time of delivery. Newborns are enrolled in the mother's MCO effective from the date of birth. To ensure timely enrollment of the newborn in the Medical Assistance Program and MCO eligibility files, hospitals must submit the Hospital Report of Newborn Births- DHMH 1184 through the DHMH eMedicaid portal (<https://encrypt.emdhealthchoice.org/emedicaid/>). Therefore, to assure that the Maryland Medical Assistance remains the payer of last resort as is required under federal rules, the following billing procedures must be followed and are effective immediately:

- Providers must always check the Eligibility Verification System (EVS) to determine if the mother has third party coverage and if she is enrolled in an MCO (<https://encrypt.emdhealthchoice.org/emedicaid/>).
- Hospitals must first submit all claims for delivery and care of the newborn to the mother's private policy. If the private insurance denies the claim, then the provider or hospital may bill either the MCO or if the mother was not enrolled in an MCO, the Medical Assistance Program.
- Newborn coverage under § 15-401 of the Insurance Article also applies to hospital readmissions within the first 31 days of life and may also include the entire inpatient hospital stay if the admission began during the first 31 days of life. Thus all hospitalization stays for infants during the first 31 days of life must first be billed to third party insurance before billing the MCO or Medical Assistance Program.
- Newborn coverage also extends to physician care and any other services covered by the insurer's policy. Thus claims for those services must first be billed to third party insurance before billing the MCO or the Medical Assistance Program.
- There is an exception for primary care visits for well child care; those visits may first be billed to the MCO or the Medical Assistance Program.

MCOs are not responsible for the payment of claims for the newborn's first thirty-one days of life if the mother has private health insurance coverage subject to the provisions in § 15-401 of the Insurance Article. MCOs must recover such costs if they were paid in error and report recoveries to the Department.

For additional information about § 15-401 of the Insurance Article go to:

<http://mgaleg.maryland.gov/webmga/firmStatutesText.aspx?article=gin§ion=15-401&ext=html&session=2014RS&tab=subject5>

If an individual or provider needs assistance in determining whether a private insurer will cover a newborn claim, please call the number on the back of your health plan membership card.

Complaints about lack of coverage need to be filed with the Maryland Insurance Administration (<http://www.mdinsurance.state.md.us/sa/jsp/Mia.jsp>).

For Medical Assistance related questions, please email dhmf.medicatransmittals@maryland.gov.

