



You Matter
to Molina

Observation Billing Requirements Reminder

This communication serves as clarification on Molina Healthcare's Emergency Room Services and Outpatient Observation Stay Services billing guidelines:

Outpatient Hospital services, when billed for emergency room services and observation stay services must be billed together on one claim, even if they span more than one calendar day. The statement from and through dates should reflect the entire outpatient episode of care.

- Bill type 13X
- Billing codes:
 - Revenue code 0762
 - HCPCS code G0378: Hospital observation service, per hour. Report units of hours spent in observation (rounded to the nearest hour).
 - HCPCS code G0379: Direct admission of patient for hospital observation care – required to be reported when a revenue code 450 is not present on claim.
- The total accumulation of observation time for the entire period of observation, up to 48 hours (for Medicaid) or 72 hours (for Marketplace/Medicare), must be included and submitted on a single line.
- The date of service for the observation services (G0378) is the date the order for observation was written.
- Orders for observation services are not considered to be valid inpatient admission levels of care orders.
- When billing observation services, Molina expects the charges associated with those services to be billed as an outpatient level of care services.

Some examples are noted on the following page

You can view the [Observation Policy](#), as well as our other payment policies, at any time by visiting MolinaHealthcare.com/providers/fl/medicaid/home and navigating to the Policies > Payment Integrity Policies section. We appreciate your attention to this matter.

Thank you for your continued care to our members!
Molina Healthcare of Florida

Hospital Billing Examples

Direct admit example

A patient was sent from their provider's office for a direct admit to observation care. The patient arrived at the facility and started treatment at 11:00am on 02/17/2022 and was discharged at 4:00am the next day. 02/17/2022, at 11:00am through 02/18/2022, at 4:00am = 17 total hours.

Observation reporting:

Report one line item with revenue code 0762, HCPCS code G0378, line-item date of service 02/17/2022, and 17 units.

Report one line item with revenue code 0762, HCPCS code G0379, line-item date of service 02/17/2022, and 1 unit.

Carve out example

A patient is placed into observation on 01/06/2022, at 2:00 pm and is discharged from the facility on 01/07/2022, at 6:00pm. The patient had a surgical procedure performed that lasted three hours. 01/06/2022, at 2:00pm through 01/07/2022, at 6:00pm = 28 total hours.

Carve out three hours for surgery = 25 total hours.

Observation reporting:

Report one line item with revenue code 0762, HCPCS code G0378, line-item date of service 01/06/2022, and 25 units.

Observation spanning more than one calendar day

Observation may span multiple calendar dates. When outpatient observation services span more than one (1) calendar day:

The total accumulation of observation time for the entire period of observation must be included on a single line.

The date of service would be the date observation care began.

Note: If the total hours of observation exceed the plan guidelines, a second line of observation should be billed and the additional hours, which are considered medically unlikely, should be billed as non-covered.

Emergency Room (ER) example with no observation hours

A patient presents to the Emergency Room on 01/31/2023, at 3:00 pm and is discharged from the facility on 02/01/2023, at 9:00am. The patient had diagnostic testing in conjunction with the emergency room services but did not require admission.

Statement Start Date – 1/31/2023

Statement End Date – 2/1/2023

All services rendered during the span are included in one claim/statement.