



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES**

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MEMORANDUM

TO: Hospitals (PT 01)
Physicians (PT 64)
Physicians Group (PT 659)

FROM: Stephen P. Miller, Commissioner *SPM*

DATE: June 23, 2017

RE: Early Elective Deliveries (EED) Prior to 39 Weeks Gestation
PT 01 - Provider Letter #A-259
PT 64 - Provider Letter #A-384
PT 659 - Provider Letter #A-40

The Kentucky Department for Medicaid Services is clarifying coverage for early elective deliveries (EED) including non-medically necessary inductions and cesarean deliveries. Claims submitted for labor inductions or cesarean sections on or before 39 weeks gestation that are not properly documented as medically necessary will be denied by Kentucky Medicaid including Kentucky Medicaid Managed Care Organizations.

The American College of Obstetricians and Gynecologists (ACOG) reports that babies born before 39 weeks gestation are at increased risk for health problems, including low birth weight, respiratory distress syndrome, feeding problems, and sepsis. Their research has shown that late-preterm infants born between 34-1/2 and 36-6/7 weeks gestation are mistakenly believed to be as physiologically and metabolically mature as term infants. Compared to full term infants, later-preterm infants are at higher risk of developing medical complications, resulting in higher rates of infant morbidity and mortality. Multiple studies have shown an increase in neonatal intensive care unit admission rates for early-term (37-0/7 to 38-0/7 weeks gestation): for respiratory failure, ventilator use and other non-respiratory conditions. The Kentucky Department for Medicaid Services (KY DMS) is clarifying the EED criteria for payment of non-medically necessary early elective deliveries prior to 39 weeks gestation.

KY DMS's goals are to: 1) guide providers and hospitals to sound practice recommendations made by ACOG; 2) reduce morbidity in neonates from birth trauma and fetal immaturity; 3) reduce non-medically necessary deliveries less than 39 weeks gestation and; 4) encourage greater collaborations between hospitals and their physicians in developing quality improvement initiatives aimed at improving birth outcomes in Kentucky.

Medicaid delivery claims submitted, with dates of service on or after 9/1/2017, from enrolled hospitals and practitioners for elective inductions or deliveries must adhere to this EED criteria. Applicable practitioners will be required to append designated modifiers to the delivery claim and complete the *ACOG Patient Safety Checklist* (or comparable form) when scheduling an induction of labor or planned cesarean section for deliveries less than 39 weeks gestation.

An edit will be appended to claims that do not meet the approved guidelines for certain clinical indications. The system will also be configured to link the practitioner's induction/delivery claim with the hospital's induction/delivery claim for that member. Induction/delivery claims that are submitted with medical conditions that do not warrant an exception for an induction/delivery prior to 39 weeks gestation will deny payment. The practitioner's claim will fully deny and the hospital's claim will deny for the induction and/or delivery portion.

For medically necessary conditions, clinical justification with the proper documentation for an early induction or cesarean section is required.

Hospitals are strongly encouraged to collaborate with their physicians privileged to provide obstetric services in order to develop guidelines and protocols (i.e. develop scheduling protocol (Hard Stop Policy) and/or establish documentation standards) for deliveries prior to 39 weeks gestation. Hospitals are also encouraged to enforce those guidelines and protocols.

If you have any questions, please call Provider Services at **1-855-824-5615**.