

Payment Policy: Not Medically Necessary Inpatient Professional Services

Reference Number: LA.PP.060

Product Types: Medicaid

Last Review Date: 6/2025

Coding Implications

Revision Log

See Important Reminder at the end of this policy for important regulatory and legal information.

Policy Overview

Medical professional services performed in an inpatient facility location are only payable if the admission is determined to be medically necessary.

The purpose of this policy is to define payment criteria for medical professional services when the inpatient facility admission is denied as not medically necessary.

Application

Inpatient professional services

Inpatient Facility Claims

Participating and non-participating providers

Policy Description

All acute inpatient facility admissions require authorization. Louisiana Healthcare Connections uses written clinical support criteria to evaluate medical necessity, level of care, and/or clinical appropriateness. When the inpatient facility admission is denied as not medically necessary, the associated professional services are also not payable. Louisiana Healthcare Connections will not reimburse services which are not considered medically necessary.

Reimbursement

The health plan will utilize programmed claims logic to review inpatient professional claims and compare them to inpatient facility authorizations to draw a conclusion as to whether or not the professional services are payable.

In the event there is no matching inpatient authorization for the same member with dates of service included within the authorization date span, the professional claim will be denied with the following explanation code:

Explanation Code	Description
Exmg	NO AUTHORIZATION ON FILE FOR ASSOCIATED INPATIENT ADMISSION

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PAYMENT POLICY

Not Medically Necessary Inpatient Professional Services



Providers should reference the most up-to-date sources of professional coding guidance prior to the submission of claims for reimbursement of covered services.

Definitions

EXmg – No authorization on file for associated inpatient admission

Inpatient Facility – For the purposes of this policy, a facility is defined as a Hospital, Skilled Nursing and other location and requires at least one overnight stay.

Inpatient Professional Services – Physician services rendered while a member has been admitted to an inpatient facility.

Member – A person insured or otherwise provided coverage.

Revision History	Revision Date	Approval Date	Effective Date
Converted corporate to local policy.	8/15/20		
Annual review; Updated copyright dates. Removed clinical and added payment policy in “Important Reminder” section	8/30/22		
Annual review; update copyright date.	8/01/23	9/12/23	10/25/23
Annual review, updated policy dates Did not send to LDH due to non-material revisions.	7/26/24	7/30/24	8/19/24
Annual review; dates updated	6/2025	6/24/25	

Important Reminder

This payment policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this payment policy; and other available clinical information. LHCC makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this payment policy. This payment policy is consistent with standards of medical practice current at the time that this payment policy was approved.

The purpose of this payment policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions and the administration of benefits are subject to all terms, conditions, exclusions and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable LHCC administrative policies and procedures.

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This payment policy is effective as of the date determined by LHCC. The date of posting may not be the effective date of this payment policy. This payment policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this payment policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. LHCC retains the right to change, amend or withdraw this payment policy, and additional clinical policies may be developed and adopted as needed, at any time.

This payment policy does not constitute medical advice, medical treatment or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members. This payment policy is not intended to recommend treatment for members. Members should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this payment policy are independent contractors who exercise independent judgment and over whom LHCC has no control or right of control. Providers are not agents or employees of LHCC.

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