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Letter of Direction #97

Date: August 3, 2023
To: Centennial Care 2.0 Managed Care Organizations
From: Lorelei Kellogg, Acting Director, Medical Assistance Division 
Subject: Human Donor Milk
Title: Human Donor Milk Billing and Guidance in an Inpatient Hospital

The purpose of this Letter of Direction (LOD) is to provide the Centennial Care Managed Care Organizations (MCOs) with information on implementing and reimbursement for Pasteurized Human Donor Milk (PHDM) to increase access in an inpatient setting.

Effective July 1, 2022, MCOs will allow and reimburse PHDM for high-risk Medicaid eligible infants up to 12 months old.

Inpatient Hospital Setting: The Medicaid program covers medically necessary PHDM provided in a hospital setting within the delivery stay as part of the hospital diagnosis-related group (DRG). To assure that reimbursement to hospitals that provide PHDM on an inpatient basis is reasonable and adequate, the MCOs will allow hospital providers to bill and be paid for PHDM services separately and in addition to the inpatient hospital stay. The separation of reimbursement for PHDM services from the inpatient hospital stay applies to both the Medicaid fee-for-service (FFS) and Centennial Care programs.

Hospitals must follow clinical recommendations for administering medically necessary PHDM to inpatient eligible infants and maintain all applicable and appropriate medical necessary documentation in the eligible infant's medical record.

The MCOs will reimburse a hospital for PHDM for inpatient Medicaid eligible infants, when the PHDM is purchased through and adheres to quality guidelines consistent with the Human Milk Bank Association of North America.

- 1. MCO Member Eligibility requirements: (Eligibility must be documented in the eligible infant's medical record)**
 - a. Infant up to 12-months old
 - b. The mother is unable to breastfeed due to medical reasons (i.e., maternal complications at delivery, medical maternal/child separation, adoption, multiple gestations, low milk supply, bridge supply – 40 ounces per mother's request)

- c. Have a documented birth weight of less than 2500 grams.
- d. Have a congenital or acquired condition that places the infant at a high risk of developing necrotizing enterocolitis (NEC) and/or infection; or have one or more of the following qualifying conditions:
 - i. Pre-term
 - ii. Failure to thrive
 - iii. Abnormal weight loss
 - iv. Hypoglycemia
 - v. Hyperbilirubinemia
 - vi. Intrauterine growth restriction
 - vii. Documented intolerance to all formulas

2. Prior Authorization: No

3. Billing:

- a. The hospital provider will bill and be paid for the infant's inpatient stay just as they do now. The PHDM service will be billed as an outpatient hospital service on the UB-04 claim format using the infant's information.
- b. The claim will be submitted using the infant's billing information and the following revenue code and a procedure code combination. This billing requirement will keep the claim for PHDM from denying against the inpatient hospital claim:
 - i. **Revenue Code:** 0220 SPECIAL CHARGES - GENERAL CLASSIFICATION
 - ii. **Procedure Code:** In addition to the revenue code, procedure code T2101 HUMAN BREAST MILK PROCESSING, STORAGE AND DISTRIBUTION ONLY must be on the claim line associated with the revenue code. One unit = 1 ounce.
 - iii. **The hospital is reimbursed** at the fee schedule rate published at <https://www.hsd.state.nm.us/providers/fee-schedules/>.

4. Submitting a claim for PHDM previously paid as part of a DRG claim:

The MCOs will allow providers who have met the requirements listed above and provided PHDM to Medicaid eligible infants within dates of service July 1, 2022, to the present to submit a new claim for the PHDM that was provided during the infant's inpatient stay by using the instructions above. MCOs will allow providers 90 days from the date on LOD to submit a claim and avoid a timely filing denial.

MCOs will work with the fiscal agent regarding the filing limit waiver for any resubmitted claim that denies for timely filing.

This LOD will sunset with the next promulgation of New Mexico Administrative Code (NMAC) 8.308.9 Managed Care Program.