

Neonatal Level of Care Designation Required for Hospital Providers Rendering Neonatal Inpatient Services

Effective for dates of admission on or after September 1, 2018, hospitals enrolled in Texas Medicaid may be reimbursed for inpatient neonatal services only if the hospitals have received a neonatal level of care designation from the Department of State Health Services in accordance with 25 Texas Administrative Code §§133.181 -133.190.

Hospitals That Do Not Meet Minimum Requirements for Neonatal Level of Care Designation

A hospital that does not meet the minimum requirements for any level of care designation for neonatal services will not be reimbursed for inpatient neonatal services rendered to Texas Medicaid Program clients. Hospitals without a neonatal level of care designation may be reimbursed for emergency services provided or reimbursed under state or federal law to stabilize an infant prior to transport to a facility capable of providing the appropriate level of care.

Claims for inpatient neonatal services submitted by hospitals that do not have a neonatal level of care designation on file will be denied. Providers can appeal the claim with documentation of the emergency services required.

If neonatal inpatient services are rendered by a facility that has applied for (but not yet received) a neonatal designation, the facility must still adhere to existing claim filing deadlines (95 days from the date of discharge). The facility is also responsible for keeping their claim appeals active while awaiting neonatal level of care designations in order to adhere to the 120-day claim appeal deadline.

Requirements to obtain a neonatal level-of-care designation only apply to facilities located in Texas. Those entities physically located outside of Texas but enrolled in Texas Medicaid (i.e. out-of-state or border state facilities) are exempt from requiring a neonatal level of care designation for inpatient services rendered to neonatal clients.

Note: *When submitting paper claims for inpatient neonatal services rendered at a facility with an address that is different from the provider's physical address, providers must enter the address of the facility where services were rendered in the remarks field.*

Other Requirements

The submitted facility address on the claim must match the physical address of the location that has been issued a neonatal level of care designation. If the facility address is not included on the claim, the submitted billing address must match the physical address of the location that was issued a neonatal level of care designation.

Important: The hospital address submitted to DSHS on the neonatal level of care designation application must match the address billed on the claim. Claims will be denied if the address submitted on the claim does not match the address on file. For example, numbers must be spelled out as words or left numeric on the claim to match the address submitted to DSHS on the neonatal level of care designation application, "street" or "avenue" must either be spelled out or abbreviated, etc.

Address on Neonatal Designation Application	Correct	Incorrect (Claim may be denied)
12345 First Street	12345 First Street	12345 1st Street
6 Maine Street	6 Maine Street	Six Maine St.

Providers can refer to the DSHS approval letter for the correct address.

Change of Address for a Neonatal Designation

Neonatal designated address that require updates/corrections must be updated through DSHS not TMHP. Refer to www.dshs.texas.gov/emstraumasystems/formsresources.shtm#neonatal to complete the Neonatal Facility Designation application.

Transfers

When Texas Medicaid Program clients are neonates on the date of admission and are subsequently transferred to another facility, neonatal level of care designation requirements will apply to all facilities involved in that client's continuous inpatient stay.

TPI Change Due to Split or Merge

Hospital providers with a Texas Provider Identifier (TPI) change that is due to a split or merge will be responsible for notifying DSHS. Also, hospital providers must notify DSHS of any maintenance required on their neonatal level of care designation address due to an address change.

Crossover Claims for Dual-eligible Clients

Neonatal level of care designation requirements will also apply for inpatient crossover claims.

Resources

Other Health and Human Services Commission (HHSC) websites/resources:

- HHSC announcement: [Maternal and Neonatal Levels of Care Change In Effective Dates](#)
- HHSC website: [Neonatal Level of Care Designation](#)
- HHSC webinars: [Neonatal Care Designation](#)

Neonatal Level of Care Designation Reminder

Reminder: Hospitals must apply for a neonatal level of care designation for each physical location. Information about applying for the designation can be found at www.dshs.texas.gov/emstraumasystems/formsresources.shtm.

DSHS will assign one of four neonatal level of care designations to each hospital location based on the services and care provided at each hospital location.