

Policy terminated because Health Choice does not cover skilled nursing facilities and the remainder of the service is covered under the Inpatient Hospital policy.

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1.0 Description of the Procedure, Product, or Service

Custodial care is care designed essentially to assist a recipient in activities of daily living, with or without routine nursing care and the supervisory care of a doctor. While some skilled services are provided, the recipient does not require continuing skilled service 24 hours daily. The recipient is not under specific medical, surgical, or psychiatric treatment to reduce a physical or mental disability to the extent necessary to enable the recipient to live outside an institution providing care, nor is there reasonable likelihood that the disability will be reduced to that level even with treatment.

The controlling factor in determining whether a recipient is receiving custodial care is the level of care and medical supervision being received, rather than other considerations such as diagnosis, type of condition, or degree of functional limitation. However, these other considerations must be included in the overall review for custodial care.

Custodial care is determined to have occurred when:

- a. The recipient is not acutely ill, the condition is stable, and the recipient has reached maximum benefits from hospitalization. (Recipient may require constant supervision due to chronic condition (i.e. cerebral palsy).
- b. No definitive therapeutic services or monitoring of vital signs requiring an inpatient setting (those which could not ordinarily be provided at home with competent assistance) have been ordered.
- c. The nursing care provided is primarily maintenance of daily living, such as:
 1. Ambulating and exercising, range of motion (ROM)
 2. Bathing and dressing
 3. Catheter care
 4. Colostomy care (established)
 5. Control of activities
 6. Routine palliative and prophylactic skin care
 7. Feeding (including gastric [PEG] tube feeding)
 8. Oral medication
 9. Tracheotomy care (established)
- d. The recipient has no potential for rehabilitation or progress beyond the current level.
- e. Discharge is pending the availability of suitable accommodations in a facility providing a lesser level of care, or suitable accommodations are not available.

The longer a recipient remains in a n institution, the greater the likelihood of a non-covered level of care. An extended stay does not in itself indicate a non-covered level of care. A recipient's discharge from an institution after a relatively short period tends to indicate the care furnished to be on a covered level.

Note: Similarly, the death of a recipient shortly after admission to an institution tends to indicate a covered level of care being furnished.

Conditions which may result in a non-covered level of care include:

- a. Anoxia due to near-drowning.
- b. Cerebral palsy
- c. Cerebral insufficiency
- d. Coma
- e. Head injuries (late effects)
- f. Muscular dystrophy and other degenerative neuromuscular disorders
- g. Paralysis, spinal cord injuries
- h. Retardation (mental).

2.0 Eligible Recipients

2.1 General Provisions

To be eligible, NCHC recipients must be enrolled on the date of service.

3.0 When the Procedure, Product, or Service Is Covered

3.1 General Criteria

NCHC covers procedures, products, and services related to this policy when they are medically necessary and

- a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the recipient's needs;
- b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available; **AND**
- c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the recipient, the recipient's caretaker, or the provider.

3.2 Specific Criteria

Inpatient admissions which are custodial in nature are not covered. When inpatient hospital or skilled nursing facility care is determined to be custodial, appropriate benefits are allowed for any medically necessary ancillary and physician's services usually covered on an outpatient basis.

4.0 When the Procedure, Product, or Service Is Not Covered

4.1 General Criteria

Procedures, products, and services related to this policy are not covered when

- a. the recipient does not meet the eligibility requirements listed in **Section 2.0**;
- b. the recipient does not meet the medical necessity criteria listed in **Section 3.0**;
- c. the procedure, product, or service unnecessarily duplicates another provider's procedure, product, or service; or
- d. the procedure, product, or service is experimental or investigational.

4.2 Specific Criteria

All care which is custodial in nature, including inpatient admissions, is not covered.

5.0 Requirements for and Limitations on Coverage

5.1 Prior Approval

Prior Approval is not applicable as custodial care is not covered.

5.2 Medical Records

In determining whether an admission is custodial, it is necessary to obtain the available medical records for the admission,

- a. The admitting history will show the recipient's physical or mental status on admission and the purpose of the admission.
- b. Physicians' orders will indicate the definitive therapeutic services to be provided, their frequency, and the degree of skilled nursing care and medical supervision required in the care of the recipient.
- c. The progress notes will indicate the status of the recipient's condition, degree of stability, and the discharge planning.
- d. The nurses' notes will indicate the actual amount of skilled nursing service being received by the recipient.

6.0 Providers Eligible to Bill for the Procedure, Product, or Service

To be eligible to bill for procedures, products, and services related to this policy, providers shall

- a. meet NCHC qualifications for participation;
- b. be currently enrolled with NCHC; **AND**
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

7.0 Additional Requirements

7.1 Compliance

Providers must comply with all applicable federal, state, and local laws and regulations, including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements.

8.0 Policy Implementation/Revision Information

Original Effective Date: July 1, 2010

Revision Information:

Date	Section Revised	Change
July 1, 2010	Throughout	Policy Conversion: Implementation of Session Law 2009-451, Section 10.32 "NC HEALTH CHOICE/PROCEDURES FOR CHANGING MEDICAL POLICY"
February 29, 2012	Throughout	Policy Termination

Attachment A: Claims-Related Information

Reimbursement requires compliance with all NCHC guidelines.

A. Claim Type

Institutional (UB-04/837I transaction)

B. Diagnosis Codes

Providers must bill the ICD-9-CM diagnosis codes(s) to the highest level of specificity that supports medical necessity.

C. Procedure Code(s)

Refer to **Subsection 4.2**

D. Modifiers

Providers are required to follow applicable modifier guidelines.

E. Billing Units

The appropriate procedure code(s) used determines the billing unit(s).

F. Place of Service

Inpatient Hospital and Skilled Nursing Facility

G. Co-payments

Co-payment(s) may apply to covered prescription drugs and services.

H. Reimbursement

Providers must bill their usual and customary charges.