

March 2022

## Reimbursement for Early Elective Deliveries

The collaborative efforts of state Medicaid agencies, March of Dimes, the Centers for Medicare & Medicaid Services (CMS), The Joint Commission, the American Congress of Obstetricians and Gynecologists, and many others have contributed to improvements in early elective delivery (EED) rates across the country. They have encouraged discussion between patients, care providers, and hospitals. Hospital hard-stop policies, describing the review of clinical indication, and scheduling approval for EEDs also increased awareness of the harm that can be caused by nonmedically necessary EEDs. Additionally, voluntary efforts combined with payment reform have been found to further decrease EED rates while increasing gestational age and birth weight for the covered population.<sup>1</sup>

EED is defined as an induction of labor without medical necessity followed by vaginal or caesarean section delivery or a delivery by caesarean section before 39 weeks' gestation without medical necessity. Vaginal or caesarean delivery following non-induced labor is not considered an EED, regardless of gestational weeks.

To improve birth outcomes for our Healthy Blue members and further reduce EEDs, effective July 1, 2021, Blue Cross and Blue Shield of North Carolina (Blue Cross NC) will require a Z3A code indicating gestational age, the appropriate code to indicate the outcome of delivery, and supporting medical necessity diagnosis codes on all professional delivery claims for all EEDs. Blue Cross NC applies MCG Care Guidelines, which define medically necessary criteria for EEDs.

All professional delivery claims (59400, 59409, 59410, 59510, 59514, 59515, 59525, 59610, 59612, 59614, 59618, 59620, and 59622) with dates of service on or after July 1, 2021, require a Z3A code indicating the gestational age at the time of delivery. If the code is not on the claim, the claim will deny with the explanation code e02 – Delivery diagnoses incomplete without report of pregnancy weeks of gestation. You may resubmit the claim with the appropriate Z3A code.

Professional delivery claims with dates of service on or after July 1, 2021, with gestational ages of 37 and 38 weeks require a supporting medically necessary diagnosis code for an early delivery. If a professional delivery claim is submitted without evidence of medical necessity, the

Footnote:

1 Dahlen, H. M., et al. (2017). Texas Medicaid Payment Reform: Fewer Early Elective Deliveries and Increased Gestational Age and Birthweight. *Health Affairs*, 36 (3), 460-467.

Note: The March of Dimes, CMS, The Joint Commission, and the American Congress of Obstetricians and Gynecologists are not affiliated with Blue Cross and Blue Shield of North Carolina (Blue Cross NC). Blue Cross NC provides information about these programs for your convenience and is not liable in any way for the information, goods or services received.

<https://provider.healthybluenc.com>

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claim will deny with the explanation code k34 – Delivery is not medically indicated. You may resubmit the claim with the appropriate supporting diagnosis code or submit an appeal with the relevant medical records. For more information on the appeal process, refer to the provider manual at <https://provider.healthybluenc.com> > Manuals, Directories, Training & More.

If you have questions, contact your Healthy Blue Provider Relations representative or call Healthy Blue Provider Services at **844-594-5072**.