

March 2023

Clarification for Submitting Observation Claims

Overview

Observation is a set of specific, clinically appropriate services, which include ongoing short-term treatment, assessment, and reassessment, that are rendered while a decision is being made regarding whether a patient requires further inpatient treatment or if the patient can be discharged from the hospital. This document will provide Healthy Blue providers with clarification of what is required when submitting a claim for observation for Healthy Blue members.

Observation claim submission clarification

Observation claims that exceed 30 hours and have covered and non-covered services billed on the same line will be denied.

To avoid these denials on observation claims, providers must do the following:

- Submit the observation claim for 30 hours or less **and** bill non-covered lines separately:
 - **If** the observation claim submitted is for service(s) that exceeds 30 hours:
 - Submit the observation hours on two lines; one line for 30 hours of covered service and a second line for non-covered services.
 - For all other services rendered, the claim lines must be separated to indicate what services were rendered within 30 hours and what was rendered after 30 hours on a non-covered line.
 - **If** the observation claim submitted exceeds 30 hours on the same line, the entire claim will deny with disallow code **ZA5 – Missing or Invalid Units of Service**.
 - **If** subsequent services are billed with covered and non-covered services on the same line, the claim will deny with disallow code **MB9 – Not a covered service/benefit**.

Blue Cross and Blue Shield of North Carolina asks for the inclusion of the admit time in box 13 on the UB-04 claim form to help Healthy Blue members understand which services were rendered over 30 hours.

If you have any questions, please contact Healthy Blue Provider Services at **844-594-5072**, Monday to Saturday, 7 a.m. to 6 p.m. ET or contact your Healthy Blue Provider Relationship Account Consultant.

<https://provider.healthybluenc.com>

Healthy Blue is a Medicaid plan offered by Blue Cross and Blue Shield of North Carolina. Blue Cross and Blue Shield of North Carolina is an independent licensee of the Blue Cross Blue Shield Association. ® Marks of the Blue Cross Blue Shield Association. All other marks are the property of their respective owners.

NCHB-CD-020366-23 March 2023