



MEDICAID NEWBORN DELIVERIES

Modifier Codes Required for Reimbursement Beginning Oct. 1

Effective Oct. 1, 2011, Texas Medicaid will [require](#) physicians to include newly developed modifiers for specific newborn delivery procedure codes.

Failure to include the required modifiers on the physician bill will result in the denial or recoupment of payment from [both the physician and the hospital](#). In addition, **any cesarean section, labor induction or any delivery following labor induction that is coded as non-medically necessary prior to 39 weeks of gestation will result in the denial or recoupment of payment from both the [physician and the hospital](#).**

Texas Health and Human Services Commission will implement the new requirement for **all** Medicaid inpatient deliveries, including births covered under a Medicaid managed care arrangement.

As detailed in the notice, the modifiers must be included for the following obstetric delivery procedure codes:

OB Delivery Code
59409
59410
59514
59515
59612
59614
59620
59622

Modifiers to be added to the physician claim are:

Modifier	Indication	Claim Status
U1	Medically necessary delivery prior to 39 weeks of gestation	Covered Service
U2	Delivery at 39 weeks of gestation or later	Covered Service
U3	Non-medically necessary delivery prior to 39 weeks of gestation	Claim Denied, payment subject to recoupment
Modifier Not Present		Claim Denied, payment subject to recoupment

THHSC provided a [document](#) outlining criteria that should be considered in determining which modifier to use. THHSC indicates that its Office of the Medical Director will provide final guidelines using the criteria outlined in its development process.

The new requirement is being implemented by THHSC in response to House Bill 1983 passed by the Texas Legislature earlier this year. The legislation was developed to reduce the number of elective or non-medically indicated induced deliveries and cesarean sections.

PLEASE NOTE: The Seton Healthcare Family is developing physician education around these changes in Medicaid obstetrical services. Please watch your e-mail and the [Doctor Link](#) website for additional information to come.