

# Payment Policy: Severe Malnutrition

Reference Number: WC.PP.145

Product Types: Medicare and NJ Medicaid

Last Review Date: 05/19/2021

[Coding Implications](#)

[Revision Log](#)

See [Important Reminder](#) at the end of this policy for important regulatory and legal information.

## Policy Overview

Acute care hospitalizations for severe malnutrition require the most appropriate and most specific level of diagnosis coding. The medical record documentation supporting the diagnosis should be clearly documented by the physician or a licensed independent practitioner.

The cost difference between a Diagnosis Related Group (DRG) billed *with* severe malnutrition as a major complication or comorbidity (MCC) (in a position other than as the primary diagnosis code position) and a DRG billed without severe malnutrition as an MCC (in a position other than as the primary diagnosis code position) will be denied reimbursement unless meeting the documentation requirements described in this policy.

The purpose of this policy is to perform a retrospective review of claims billed with the diagnosis of severe malnutrition to validate correct coding and medical necessity for inpatient claims billed with a diagnosis of severe malnutrition.

## Application

Inpatient facility claims

Medicare

## Documentation Requirements

For purposes of reimbursement of inpatient claims for severe malnutrition, ALL the following criteria need to be clearly documented in the inpatient hospital records by the physician or licensed independent practitioner.

- I. In accordance with CMS and ICD-10 CM Coding Guidelines, health plans affiliated with Centene Corporation® may retrospectively audit providers regarding diagnosis assignment of severe malnutrition. Severe malnutrition diagnoses meet established coding guidelines when meeting the following criteria:
  - A. Any two of the following:
    1. BMI, weight, or size measurement meets one of the following:
      - a. Age  $\geq$  18 years and BMI  $<$  16 kg/m<sup>2</sup>;
      - b. Age  $<$  18 years and  $>$  28 days, one of the following:
        - i. BMI-for-age Z-score, length/height for age Z-score, weight-for-height Z-score (WHZ), or length Z-score is  $>$  3 standard deviations below median;
        - ii. Mid-upper arm circumference (MUAC)  $<$  11.5 cm or  $>$  3 standard deviations (SD) below median;
    2. Inadequate weight gain or nutrient intake as indicated by one or more of the following:

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- a. Age  $\leq$  23 months gaining  $<$  25% of expected weight (reduced weight gain velocity);
- b. Age 2 to 20 years and unintentional loss of  $\geq$  10% of his or her usual body weight;
- c. Deceleration in weight for height/length-Z-scores  $>$  3 standard deviations below median;
- d. Intake of  $\leq$  25% estimated energy/protein need;
3. Albumin  $<$  2.4 gm/dL and/or prealbumin  $<$  5 mg/dL;
4. Current body weight  $<$  70% of usual body weight;
5. Unintended weight loss, any of the following:
  - a.  $>$ 5 % in one week;
  - b.  $>$ 5% in one month;
  - c.  $>$ 7.5% in three months;
  - d.  $>$ 10% in six months;
  - e.  $>$ 20% in one year;
  - f. Current body weight is  $<$  70 % ideal body weight (IBW);
- B. Age  $\geq$  18 years and two of the following:
  1. Unintended weight loss, any of the following:
    - a.  $>$ 5% in one week;
    - b.  $>$ 5% in one month;
    - c.  $>$ 7.5% in three months;
    - d.  $>$ 10% in six months;
    - e.  $>$ 20% in one year;
    - f. Current body weight is  $<$  70 % IBW;
  2. Decreased energy intake:  $\leq$ 75% of estimated energy requirement for up to 3 months;
  3. Documented severe muscle wasting, or documented severe loss of subcutaneous fat;
  4. Measurable and reproducible reduced grip strength;
  5. Documented severe fluid accumulation (edema) due to severe malnutrition;
- C. Neonate, age  $>$  2 weeks and  $\leq$  28 days, one of the following:
  1. Decline in weight-for-age Z score: decline of  $>$ 2 SD;
  2. Weight gain velocity:  $<$  25% of expected rate of weight gain to maintain growth rate;
  3. Nutrient intake:  $\geq$  7 consecutive days of protein/energy intake provides  $\leq$ 75% of estimated needs;
  4. Linear growth velocity:  $<$  25% of expected rate of linear gain to maintain expected growth rate;
  5. Decline in length-for-age Z score: decline of  $>$  2 SD;
- D. Neonate, age  $\leq$  2 weeks of life, and  $\geq$ 7 consecutive days of protein/energy intake provides  $\leq$  75% of estimated needs.

**Reimbursement Guidelines**

- The Health Plan uses paid claims data and a proprietary clinical algorithm to identify severe malnutrition claims for retrospective audit.
- When a potential billing error is identified, the Health Plan will request medical records to validate the diagnosis and procedure codes billed on the claim.

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- Once the medical record is received, certified professional coders and registered nurses will clinically validate the documentation to ensure:
  - a. The medical record contains the necessary information;
  - b. The diagnosis code on the claim matches the diagnosis code in the medical record
  - c. The diagnosis billed on the claim is supported by the clinical information in the medical record.
  
- Medical record reviews are overseen by the health plan Medical Director.
- After review of the medical record, the Health Plan will issue an audit determination letter to the provider. The letter will provide a thorough explanation of the determination as well as details for the provider to submit a dispute if they disagree with the determination.
- The clinical validation review will be completed within 30 days from receipt of medical records.
- The following explanation codes will be sent to the provider on the Explanation of Payment (EOP) at the conclusion of the review.

Explanation Code	Description
iA	DENY:MEDICAL RECORDS NOT RECEIVED PER PREVIOUS REQUEST
iB	PAY:DRG PAYMENT INCREASE AFTER REVIEW OF MEDICAL RECORDS
iC	PAY:DRG PAYMENT ADJUSTMENT AFTER REVIEW OF MEDICAL RECORDS
iE	DENY:DRG INPATIENT PYMT DENIED AFTER REVIEW OF RECORDS. OBSERVATION CLM
iF	PAY:REINSTATE PAYMENT AFTER REVIEW OF MEDICAL RECORDS

**Coding and Modifier Information**

This payment policy references Current Procedural Terminology (CPT®). CPT® is a registered trademark of the American Medical Association. All CPT® codes and descriptions are copyrighted 2020, American Medical Association. All rights reserved. CPT codes and CPT descriptions are from current manuals and those included herein are not intended to be all-inclusive and are included for informational purposes only. Codes referenced in this payment policy are for informational purposes only. Inclusion or exclusion of any codes does not guarantee coverage. Providers should reference the most up-to-date sources of professional coding guidance prior to the submission of claims for reimbursement of covered services.

CPT/HCPCS Code	Descriptor
N/A	N/A

Modifier	Descriptor
NA	NA

ICD-10 Codes	Descriptor
NA	NA

**Definitions:**

**Diagnosis Related Groups (DRG)**

Patient classification scheme that relates the type of patients a hospital treats (case mix) to the costs incurred by the hospital. The case mix consists of 1) severity of illness, 2) prognosis, 3) treatment difficulty, 4) need for intervention; and 5) resource intensity.

**Major Complication or Comorbidity**

Diagnosis code(s) used by Medicare to assign individual cases to MS-DRGs based on severity of illness.

**Medicare Severity Related Diagnosis Groups (MS-DRGs)**

Classification of diagnoses according to severity for payment under the Inpatient Prospective Payment System (IPPS). This classification is based on information reported from the hospital: 1) the principal diagnosis, 2) up to 24 additional diagnoses; and 3) up to 25 procedures performed during the hospitalization.

**Inpatient Prospective Payment System**

A method of reimbursement in which Medicare payments are based on a predetermined, fixed amount. The payment amount for a specific service is based on how that service is classified, for example, diagnosis related groups (DRG) for inpatient services.

**Additional Information**

NA

**Related Documents or Resources**

NA

**References**

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<b>Revision History</b>	
02/01/2020	Policy CPP-145 developed. Approved by MPC.
04/30/2021	Transferred to Centene template and renumbered policy from CPP-145 to CP.MP.212. Minor rewording of criteria with no clinical significance. Condensed background. References reviewed and updated. Approved by CPC.
05/31/2021	In I.A.5.a and I.B.1.a, added >5% weight loss in one week as a criteria option. In I.B.4, added severe muscle wasting or loss of subcutaneous fat

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	as criteria option. In I.B.5, added severe edema as an option. Deleted I.C.6 as if I.C.3 is met, the neonate doesn't also have to take >21 days to regain birthweight. Approved by CPC.
06/07/2021	Transferred to Centene template and renumbered from CPP-145 to WC.PP.145, changed ALL to Medicare for now per Kimberly Waidler
08/01/2021	Added post pay audit details

### **Important Reminder**

For the purposes of this payment policy, “Health Plan” means a health plan that has adopted this payment policy and that is operated or administered, in whole or in part, by Centene Management Company, LLC, or any other of such health plan’s affiliates, as applicable.

The purpose of this payment policy is to provide a guide to payment, which is a component of the guidelines used to assist in making coverage and payment determinations and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage and payment determinations and the administration of benefits are subject to all terms, conditions, exclusions and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable plan-level administrative policies and procedures.

This payment policy is effective as of the date determined by Health Plan. The date of posting may not be the effective date of this payment policy. This payment policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this payment policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. Health Plan retains the right to change, amend or withdraw this payment policy, and additional payment policies may be developed and adopted as needed, at any time.

This payment policy does not constitute medical advice, medical treatment or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members. This payment policy is not intended to recommend treatment for members. Members should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this policy are independent contractors who exercise independent judgment and over whom Health Plan has no control or right of control. Providers are not agents or employees of Health Plan.

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**Note: For Medicaid members,** when state Medicaid coverage provisions conflict with the coverage provisions in this payment policy, state Medicaid coverage provisions take precedence. Please refer to the state Medicaid manual for any coverage provisions pertaining to this payment policy.

**Note: For Medicare members,** to ensure consistency with the Medicare National Coverage Determinations (NCD) and Local Coverage Determinations (LCD), all applicable NCDs and LCDs should be reviewed prior to applying the criteria set forth in this payment policy. Refer to the CMS website at <http://www.cms.gov> for additional information.

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