

Hospital Hierarchy Payment Policy

Applies to the following Tufts Health Public Plans products:

- Tufts Health Direct – Health Connector
- Tufts Health RITogether – A RI Medicaid Plan
- Tufts Health Together – Includes MassHealth Plan and Accountable Care Partnership Plans
- Tufts Health Unify – OneCare Plan

The following payment policy applies to Tufts Health Plan contracting providers who render services for Tufts Health Public Plans products.

In addition to the specific information contained in this policy, providers must adhere to the information outlined in the [Professional Services and Facilities Payment Policy](#).

Note: Audit and disclaimer information is located at the end of this document.

POLICY

Tufts Health Plan uses a hierarchical method to cover hospital services provided at the same facility within the same episode of care.

DEFINITIONS

Hospital inpatient services: Inpatient, clinical services rendered in an acute hospital setting

Hospital surgical day care services: More invasive outpatient surgical procedures than ambulatory surgery, usually requiring incision or excision procedures, general anesthesia, and a recovery room

Hospital ambulatory/minor surgical services: Outpatient surgeries that generally do not require general anesthesia or extended recovery room time

Hospital observation bed services: Observation care is a well-defined set of specific, clinically appropriate services, which include ongoing short-term treatment, assessment and reassessment, before a decision can be made regarding whether patients will require further treatment as hospital inpatients or if they are able to be discharged from the hospital.

Hospital emergency room services: Medical services essential to the evaluation and stabilization of a patient who seeks emergency services at a hospital (see our [Emergency Department Services Payment Policy](#))

Hospital urgent care clinic services: Services rendered at walk-in medical centers that treat non-life-threatening injuries and illnesses

Hospital clinic services: Services rendered as nonemergent outpatient visits for ambulatory patients

BILLING INSTRUCTIONS

When a member requires care from more than one hierarchal level of service, Tufts Health Plan only reimburses for the highest intensity hospital services, with “1” being the highest. The lower-intensity services are bundled into the rate of the higher-intensity services.

1. Hospital inpatient services
2. Hospital surgical day care services
3. Hospital ambulatory/minor surgical services
4. Hospital observation bed services
5. Hospital emergency room services
6. Hospital urgent care clinic services
7. Hospital clinic services

When a provider transfers a member to a higher level of care (e.g., emergency room to observation), Tufts Health Plan reimburses for the lower-intensity services as a part of the reimbursement for the highest intensity services rendered within the same episode of care.

DOCUMENT HISTORY

- March 2018: Template updates
- October 2017: Updated to include RITogether; updated hospital observation bed services definition
- February 2017: Template updates

AUDIT AND DISCLAIMER INFORMATION

Tufts Health Plan reserves the right to conduct audits on any provider and/or facility to ensure compliance with the guidelines stated in this payment policy. If such an audit determines that your office/facility did not comply with this payment policy, Tufts Health Plan will expect your office/facility to refund all payments related to non-compliance. For more information about Tufts Health Plan's [audit policies](#), refer to our website.

This policy provides information on Tufts Health Plan claims adjudication processes. As every claim is unique, this policy is neither a guarantee of payment, nor a final indication of how specific claim(s) will be adjudicated. Claims payment is subject to member eligibility and benefits on the date of service, coordination of benefits, referral/authorization and utilization management requirements (when applicable), adherence to plan policies and procedures, and claims editing logic. An authorization is not a guarantee of payment. Claims for services subject to authorization may be reviewed for accuracy and compliance with payment policies.

This policy applies to the Tufts Health Plan products, as identified in the checkboxes on the first page, and to CareLinkSM for providers in Massachusetts and Rhode Island service areas. Providers in the New Hampshire service area are subject to Cigna's provider agreements with respect to CareLink members. This policy does not apply to the Private Health Care Systems (PHCS) network (also known as Multiplan). Tufts Health Plan reserves the right to amend a payment policy at its discretion.