When a Medicaid beneficiary has a delivery and sterilization procedure during the same admission to the hospital, the hospital provider bills all charges and reports both the delivery and sterilization procedures when billing their claim.

In some instances, the sterilization procedure is not covered by Medicaid because the physician failed to get the sterilization consent form requirements completed or the sterilization federal requirements, such as age appropriate, were not satisfied. In such cases, the hospital is entitled to benefits for covered delivery services. To ensure that the fiscal agent can process the claim to pay benefits for the delivery, the Division of Medicaid is authorizing the hospital to carve out all charges relating to the sterilization and submit the claim without reporting the procedure codes for the sterilization. The business office must document the carved out charges and maintain the document in the beneficiary's file for audit purposes.

If the hospital receives a denial on a claim which is related to the consent form, it is the responsibility of the hospital provider to make a determination on whether the beneficiary can be billed.

- If the physician failed to get the sterilization consent form requirements completed, the beneficiary cannot be billed. Refer to Section 3.09, Charges Not Beneficiary's Responsibility, item # 6 which states that "the beneficiary may not be billed for services denied because a provider failed to request required authorization for a service or failed to meet procedural requirements".

- If the federal requirements for sterilization procedures were not satisfied, the beneficiary may be billed as the procedure is non-covered under Medicaid. For example, if the beneficiary is not less than 21 years of age or the form was not signed 30 days prior to the procedure.

In some instances, the consent form may be forwarded to Medicaid after the hospital claim has been processed; therefore, hospital providers must thoroughly check each case before billing beneficiaries.

The purpose of the policy is to provide a process through which hospitals can receive benefits for covered deliveries in a more expedient manner. If complaints are received from beneficiaries which indicate beneficiaries are being billed for covered instead of non covered sterilizations, the cases will be investigated by the Division of Medicaid.