

Administrative Simplification
Policy Statement

Simplification Area: Managed Care Referrals

Topic: Referrals to Hospital Emergency Rooms

Objective: Reduce administrative burden on PCP and Emergency Room

Elimination of referrals for ER visits will reduce this administrative burden.

Expected Impact: *Hospitals* – For patients covered by managed care plans who are seen in the ER, approximately 10 minutes of staff time is spent determining whether a referral is required and getting authorization if it is. Patient wait time in the ER is impacted. On average, 5% of ER visits fall into this case. Seeing five to six patients of this type each day can contribute as much as one hour to patient wait time.

Practitioners – PCP staff typically spends 45 minutes processing a single ER referral. This includes conversations with ER staff and conversations/paperwork with the appropriate health plan. For a small-medium size practice, this can take five hours per month.

Synopsis:

For their managed care products, participating health plans will not require referrals for Emergency Room services that are provided in a hospital facility. More specifically, referrals are not required for services that are coded with a revenue code of 450, a place of service code of 23, and CPT codes in the range 99281-99285.

Background:

For patients covered by managed care products, the Primary Care Provider (PCP) is generally required to notify the responsible health plan of a referral before the patient receives care from the specialist. Participating health plans recognize that situations will arise when emergency care is required and the PCP will not be directing that care.

Policy Statement:

For their managed care products, participating health plans will not require referrals for Emergency Room services that are provided in a hospital facility. More specifically,

referrals are not required for services that are coded with a revenue code of 450, a place of service code of 23, and CPT codes in the range 99281-99285. These services may be provided by ER physicians or by specialists that are called in to treat the patient in the ER. (Services provided by specialists should be coded using the appropriate ER code and not a consultation code.) Benefits will be processed to the highest benefit level. Deductible and co-payments may apply.

Health plans encourage the Emergency Room to notify the patient's PCP about the care that was provided.

A referral from the patient's PCP will be required for any follow-up care, even if the follow-up care is delivered by the same physician that delivers the services in the ER. If any follow-up care is required, the Emergency Room should refer patients to their PCP.