



# Medical Coverage Policy

**Subject:** Early Elective Delivery<39 Weeks (EED)

**Policy #:** MED

**Status:** New

**Current Effective Date:** 11/10/14

**Last Review Date:** 11/10/14

## Description/Scope

Sendero Health Plans will not cover EEDs for dates of service on or after July 1, 2014. For deliveries performed prior to 39 weeks, 0 days, services will be covered only when medical documentation supports that decision for delivery was for a specific medical reason. Records will be subject to retrospective review. Payments made for non-medically-indicated caesarean sections, labor inductions, or any deliveries following labor induction, which fail to meet medical necessity criteria, will be subject to recoupment. Recoupment may apply to all services related to the delivery, including additional physician fees and the hospital fees.

All obstetric deliveries will require the use of a modifier or condition code to identify the gestational age of the fetus as of the date of the delivery. Failure to provide a modifier/condition code with the obstetric delivery procedure code will result in denial of the claim.

## Position Statement

### Medically Necessary:

According to ACOG, the indications for delivery prior to 39 weeks gestation are not absolute, but should take into account maternal and fetal conditions, gestational age, cervical status and other factors. Claims for cesarean sections, labor inductions, or any deliveries following labor induction that occur prior to 39 weeks of gestation may be considered medically necessary when the medical documentation supports that decision for delivery was for a specific medical reason.

### Investigational and Not Medically Necessary:

Due to a number of non-medical reasons, a woman and her physician may decide to induce labor or schedule a C-section before the full term of her pregnancy. Physicians may schedule deliveries for convenience reasons, scheduling conflicts, or because of perceived liability concerns. In addition, physicians may perform EEDs to relieve symptoms during the final stages of pregnancy. A patient's request for an EED may also be influenced by a lack of personal knowledge; specifically about the risks of delivering early for non-medical reasons, the benefits of carrying a healthy pregnancy to 39-40 weeks, and the lack of decision making between physician and patient. The decision to perform a C-section may also be influenced by a number of factors, including insurance incentives and efficiencies for providers, casual attitudes about surgery, and lack of risk awareness. Claims for cesarean sections, labor inductions, or any deliveries following labor induction that occur prior to 39 weeks of gestation and are not considered medically necessary—because the medical documentation does not support that decision for delivery was for a specific medical reason—will be denied.

## Rationale

Early elective deliveries are associated with an increased risk of maternal and neonatal morbidity (and longer hospital stays) for both mothers and newborns, as compared with deliveries occurring between 39 and 40 weeks gestation.<sup>1</sup> Infants born between 36 and 38 weeks may weigh as much and appear to be as healthy as those born later, but are more likely to have serious lung problems and other medical conditions resulting in admissions to the neonatal intensive care unit.<sup>2</sup> Long-term effects in academic achievement, as measured by math and reading performance in third grade, are also evident with variations in gestational age at delivery.<sup>3</sup> In 2011, for example, Texas enacted House Bill 1983 to prohibit Medicaid reimbursement to hospitals for early non-medically necessary deliveries. The final weeks of pregnancy are important to a baby's development, especially to allow the lungs and brain to fully mature. Elective deliveries by induction or Caesarean section may increase the risk of breathing and feeding problems and blood infections, which may require costlier hospital stays and cause long-term health conditions. Elective deliveries before 39 weeks of gestation have increased during recent decades; as many as 10 percent of all

deliveries are scheduled without a medical reason during weeks 37 and 38. Mothers' discomfort, convenience and physician schedules contribute to this increase.

## Definitions

Early elective deliveries are medically unnecessary deliveries of babies before 39 weeks of gestation.

## Coding

*The following codes for treatments and procedures applicable to this document are included below for informational purposes. Inclusion or exclusion of a procedure, diagnosis or device code(s) does not constitute or imply member coverage or provider reimbursement policy. Please refer to the member's contract benefits in effect at the time of service to determine coverage or non-coverage of these services as it applies to an individual member.*

The change to obstetric procedure codes affects the following: 59409, 59410, 59514, 59515, 59612, 59614, 59620, and 59622. Physicians using these codes must include one of the modifiers listed below or else the claim will be denied.

U1 — Medically necessary delivery prior to 39 weeks of gestation

U2 — Delivery at 39 weeks of gestation or later

U3 — Non-medically necessary delivery prior to 39 weeks of gestation

### **When services may be Medically Necessary when criteria are met:**

#### **For professional claims on CMS-1500 forms:**

For deliveries with dates of service on or after July 1, 2014, one of the following modifiers will be required on the CMS-1500 claim form when billing with CPT codes 59409, 59514, 59612 and 59620. CPT delivery codes 59410, 59515, 59614 and 59622 are not covered.

U9— Deliveries prior to 39 weeks, 0 days due to spontaneous labor. *These claims will automatically pay.*

#### **For institutional claims on UB-04 forms:**

For deliveries with dates of admission on or after July 1, 2014, one of the following condition codes must be included on the UB-04 claim form, when applicable, and when billing with CPT codes 59409, 59514, 59612 and 59620. CPT delivery codes 59410, 59515, 59614 and 59622 are not covered.

81— Cesarean sections or inductions performed at less than 39 weeks, 0 days of gestation for medical necessity:  
- Claims with condition code 81 and one of the diagnosis codes on the attached Sendero Health Plans Early Elective Delivery Medical Necessity Code List will pay.

- If a claim is submitted with the condition code 81, but without one of the codes from the Sendero Health Plans Early Elective Delivery Medical Necessity Code List, medical records demonstrating medical necessity for delivery must be submitted with the claim. Submitted medical records will be reviewed prior to payment to determine if the delivery was medically necessary and the claim will pay/deny accordingly. In the case of denial, the right to appeal is retained.

- If a claim is submitted with the condition code 81, but there is no diagnosis code on the claim from the Sendero Health Plans Early Elective Delivery Medical Necessity Code List and no records are submitted with the claim, the claim will deny. The right to appeal is retained. Medical records may be submitted at the time of appeal request.

82— Cesarean sections or inductions performed at less than 39 weeks, 0 days of gestation: Use this condition code for deliveries prior to 39 weeks, 0 days of gestation that do not meet Sendero Health Plan's definition for medically necessary deliveries. *These claims will automatically deny.* The right to appeal is retained.

83— Cesarean sections or inductions performed at 39 weeks, 0 days of gestation or later. *These claims will automatically pay.*

An institutional claim for a delivery that was the result of spontaneous labor, regardless of route of delivery, should be submitted without a condition code. Institutional claims submitted without a condition code because the delivery was the result of spontaneous labor will automatically pay.

All claims are subject to audit and retrospective recoupment.

UB– Medically necessary deliveries prior to 39 weeks, 0 days: Deliveries resulting from inductions or cesarean sections with a documented Sendero Health Plans approved medical indication

- Claims with the UB modifier and one of the diagnosis codes on the attached Sendero Health Plans Early Elective Delivery Medical Necessity Code List will pay.

- If a claim is submitted with the UB modifier but without a code from the Sendero Health Plans Early Elective Delivery Medical Necessity Code List, medical records demonstrating medical necessity for delivery must be submitted with the claim. Submitted medical records will be reviewed prior to payment to determine if the delivery was medically necessary and the claim will pay or deny accordingly. In the case of denial, the provider retains the right to appeal.

- If a claim is submitted with the UB modifier, but there is no diagnosis code on the claim from the Sendero Health Plans Early Elective Delivery Medical Necessity Code List and no records are submitted with the claim, the claim will deny. The provider will have the right to appeal and may submit medical records at that time.

UC– Deliveries at 39 weeks, 0 days of gestation or later, regardless of method (induction, cesarean section or spontaneous labor). *These claims will automatically pay.*

**ICD-9 Procedure**      *[For dates of service prior to]*

**ICD-9 Diagnosis**      *[For dates of service prior to 10/01/2015]*

**ICD-10 Procedure**      *[For dates of service on or after]*

**ICD-10 Diagnosis**      *[For dates of service on or after]*

**When services are Investigational and Not Medically Necessary:**

For the procedure and diagnosis codes listed above when criteria are not met, for all other diagnoses not listed; or when the code describes a procedure indicated in the Position Statement section as investigational and not medically necessary.

**References**

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**Peer Reviewed Publications:**

1 Ashton DM. 2010, Elective delivery at less than 39 weeks. *Current Opinion in Obstetrics & Gynecology*. 22(6):506-510.

2 Centers for Medicare and Medicaid Services, "Reducing Early Electives in Medicaid and SCHIP," last modified November 2012, [www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/EED-Brief.pdf](http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/EED-Brief.pdf).

3 Noble KG, Fifer WP, Rauh VA, Nomura Y, and Andrews HF. 2012, Academic Achievement Varies With Gestational Age Among Children Born at Term. *Pediatrics*; 130:1-8. Government Agency, Medical Society, and Other Authoritative Publications:

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**Index**

The use of specific product names is illustrative only. It is not intended to be a recommendation of one product over another, and is not intended to represent a complete listing of all products available.

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**Document History**

Status	Date	Action
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Federal and State law, as well as contract language, including definitions and specific contract provisions/exclusions, take precedence over Medical Coverage Policy and must be considered first in determining eligibility for coverage. The member's contract benefits in effect on the date that services are rendered must be used. Medical Coverage Policy, which addresses medical efficacy, should be considered before utilizing medical opinion in adjudication. Medical technology is constantly evolving, and Sendero Health Plans reserves the right to review and update Medical Policy periodically.

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