



What Laboratory Providers Need to Know About Outpatient Services & Billing Requirements for Inpatient Members

The Wisconsin Department of Health Services (DHS) – Office of the Inspector General (OIG) developed this information to help educate providers on federal and state program requirements. Featured topics include the rules and regulations that providers must follow, as well as program guidance, best practices, and helpful resources to support program participation efforts.



Issue Guide Overview

This issue guide is designed to help educate laboratory providers on key program requirements, including the potential for billing errors due to overlapping laboratory and pathology outpatient services during a member's inpatient stay.

Except for certain professional services, all covered services provided during a member's inpatient stay are considered inpatient services under Wis. Admin. Code § [DHS 107.08\(3\)\(c\)4.](#) and ForwardHealth Handbook Topic [#1380](#) and are included in the Diagnosis Related Group (DRG) payment system. Technical services provided by a non-hospital laboratory are also considered part of the DRG payment system.

Did you know?

Outpatient service dates that fall within inpatient admission and discharge dates are considered overlapping services and should be denied.

Program Requirements

According to Wis. Admin. Code § [DHS 106.02\(4\)](#), providers will be reimbursed only if they comply with federal and state program requirements. To help ensure that eligible members do not receive overlapping inpatient and outpatient laboratory and pathology services, laboratory providers also must comply with general inpatient hospital requirements listed under Wis. Admin. Code § [DHS 107.08](#). This includes:

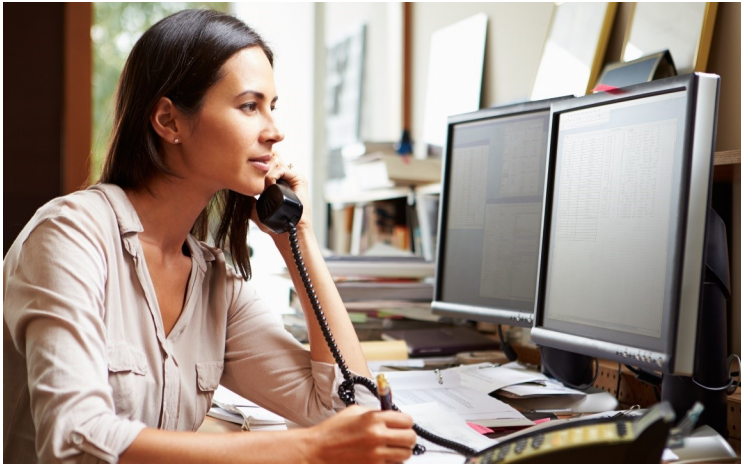
- All covered services provided during an inpatient stay are considered hospital inpatient services, except for separately billed professional services. See Wis. Admin. Code § [DHS 107.08\(3\)\(c\)4.](#)
- On any given day, a hospitalized member is considered inpatient or outpatient, but not both. See Wis. Admin. Code § [DHS 107.08\(3\)\(c\)3.](#)
- Services of physicians, including pathologists, and the billed professional component for laboratory services are not covered hospital inpatient services. See Wis. Admin. Code § [DHS 107.08\(4\)\(d\)1.](#)
- Inpatient and outpatient services for the same member on the same date of service are not covered, unless the member is admitted to a hospital other than the facility providing the outpatient care. See Wis. Admin. Code § [DHS 107.08\(4\)\(a\)4.](#)



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Billing Professional Services

Most professional services provided during an inpatient stay are not covered under the DRG payment system. Examples include professional services provided by physicians, pathologists, and the professional component of billed laboratory services with modifier 26. ForwardHealth Handbook Topic [#910](#) discusses that providers in a hospital setting are reimbursed for the professional component of allowable laboratory procedures listed with modifier 26. In addition, those who perform the professional component are required to submit claims independently from the hospital. Furthermore, the technical component is paid using the hospital's usual reimbursement method. For more information, please refer to Wis. Admin. Code §§ [DHS 107.08\(3\)\(b\)](#) and [DHS 107.08\(4\)\(d\)1](#).



Billing Global Services

ForwardHealth coverage policy recognizes that most laboratory services are performed and reimbursed as a complete or global service. It is appropriate for a relatively small number of procedures to be billed in components. Because some laboratory services have both professional and technical components, the Wisconsin Medicaid program allows the use of:

- Technical component modifiers to identify the performance of only the technical component.
- Modifier 26 to identify the performance of only the professional component.

For more information, please see ForwardHealth Handbook Topic [#909](#) and the Issue Guide on Potential Duplicate Billing ([P-02544](#)).

How to Avoid Overlap

- Use the ForwardHealth Max Fee Schedule to verify that the laboratory procedure code covers modifier 26 before submitting claims for the professional component: <https://www.forwardhealth.wi.gov/WIPortal/Subsystem/publications/maxfeehome.aspx>
- Do not bill for outpatient services that fall within a member's inpatient admission and discharge dates at another hospital, unless those services were provided on the admission and discharge dates.
- The technical component of a laboratory procedure provided to an inpatient member must be included with the inpatient claim.

Overlapping Service Exceptions

Under Wis. Admin. Code § [DHS 107.08\(4\)\(a\)4](#), and ForwardHealth Handbook Topic [#1357](#), the Wisconsin Medicaid program does not reimburse for outpatient service claims provided when the member is inpatient at another hospital, except on the admission or discharge dates. For any other day during the member's inpatient stay, the hospital providing outpatient services must arrange payment with the inpatient hospital. Please note that exceptions apply for all Institutions for Mental Disease and some rehabilitation hospitals.

Get Billing Help

The OIG encourages providers to seek help with billing questions prior to submitting claims by calling Provider Services at 800-947-9627.

Contact Us

- For OIG audit assistance, please contact the staff person listed on your audit letter.
- To report suspected fraud, call 877-865-3432 or visit www.reportfraud.wisconsin.gov.