



THE KAISER COMMISSION ON Medicaid and the Uninsured

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Medicaid Benefits

Services Covered, Limits, Copayments and Reimbursement Methodologies For 50 States, District of Columbia and the Territories (as of January 2003)

Inpatient Hospital Services, Other than in an Institution for Mental Disease

State/Territory Name	Is the Benefit Offered?	Populations Covered	Copayment Requirement	Prior Approval Requirement	Coverage Limitations	Reimbursement Methodology
Alabama	Yes	CN	\$50/admission		16 days/year	Capitated per eligible per month payment or cost based payment
Alaska	Yes	CN	\$50/day up to \$200/discharge for nonemergency services	Non emergency admissions except maternity, admissions for specified procedures	LOS limited to 50th percentile of published guidelines for region, vaginal delivery LOS 2 days, C-section delivery LOS 4 days, heart transplants not covered	Prospective cost based per diem
Arizona	Yes	CN		Non-emergency admissions (including psych) except maternity, emergency admissions more than 3 days, ICU care more than 1 day	LOS 3 days for psych care up to 12 days/year	Prospective per diem
Arkansas	Yes	CN & MN	22% of first day's per diem rate up to specified limit	Admissions for specified procedures, elective surgery admissions	LOS 4 days/admission up to 24 days/year	Cost based payment
California	Yes	CN & MN			LOS limited for specified procedures and conditions, including vaginal delivery LOS 2 days and C-section delivery LOS 4 days	Competitively bid rate or prospective all-inclusive rate using historical costs and peer groups
Colorado	Yes	CN	\$15/admission	Admissions for specified procedures, elective surgery admissions	Second opinions required for specified procedures	Prospective payment/discharge using DRG or prospective per diem
Connecticut	Yes	CN & MN		Non-emergency admissions except maternity, emergency admissions within 2 days	Weekend admissions must be medically justified	Cost based payment
Delaware	Yes	CN				Prospective payment/discharge using DRG, prospective per diem for psych, rehab and other special hospitals/units
District of Columbia	Yes	CN & MN			Cosmetic and oral surgery limited to emergency repair due to injury or trauma, pre-surgical days limited to 1 unless medically justified, weekend admissions must be	Prospective payment/discharge using DRG and peer group adjustment or percentage of charge for specific hospitals and services

					medically justified	
Florida	Yes	CN & MN	\$3/admission	Elective admissions, admissions for psych care	45 days/year	Prospective per diem
Georgia	Yes	CN & MN	\$12.50/admission	Non-emergency admissions except maternity	Transplants of some organs not covered, LOS 30 days for psych care	Prospective payment/discharge
Hawaii	Yes	CN & MN		Administrative days while awaiting nursing facility placement	Psych services limited to 30 days/year, LOS limited by state's Utilization Review authority	Prospective per diem by type of admission, cost based payment for critical access hospitals
Idaho	Yes	CN		Elective surgery admissions		Cost based payment
Illinois	Yes	CN & MN	\$2-\$3/day unless per diem less than \$275	Admissions for specified procedures safely rendered on outpatient basis, physical rehab services	Pre-surgical days limited to 1 unless medically justified, admissions and LOS limited by state's Utilization Review authority, second opinion required for specified procedures	Prospective payment/discharge using DRG, prospective per diem for psych, rehab and other special hospitals/units
Indiana	Yes	CN			Second opinions required for specified procedures	Prospective payment/discharge using DRG, prospective per diem for psych, rehab and other special hospitals/units
Iowa	Yes	CN & MN		Non-emergency admissions, including dental and excluding maternity	LOS limited to 50th percentile of published guidelines for region	Prospective payment/discharge using DRG
Kansas	Yes	CN & MN	\$48/admission, medical/surgical and psych		Elective surgery limited to sterilizations, rehab therapies must be restorative and post-trauma, transplants of some organs not covered, psych care limited to daily therapy, substance abuse limited to detox	Prospective payment/discharge using DRG or percentage of charge for specific hospitals and services
Kentucky	Yes	CN & MN		Admissions for specified procedures safely rendered on outpatient basis, elective admissions	Admissions limited to maternity and management of acute or chronic illness or injury that can't be rendered on outpatient basis, non-emergency admissions on weekend not covered, pre-surgical diagnostic tests required before admission unless emergency	Prospective per diem, using peer groups and occupancy adjustments
Louisiana	Yes	CN & MN		Admissions for specified procedures safely rendered on outpatient basis	LOS in specified hospitals limited by state's Utilization Review authority	Prospective per diem using peer groups, higher per diem for high intensity services
Maine	Yes	CN & MN	\$3/day up to \$30/month			Cost based payment
Maryland	Yes	CN & MN		Elective admissions	LOS limited by state's Utilization Review authority, 2 therapeutic leaves of less than 12 hours/admission	Cost based payment
Massachusetts	Yes	CN & MN		Admissions for specified procedures safely rendered on outpatient basis		Prospective payment/discharge using statewide average cost adjusted for case mix, prospective cost based per diem for specified hospitals/units
Michigan	Yes	CN & MN		Elective admissions, readmissions within 15 days, non-emergency transfers		Prospective payment/discharge using DRG, prospective per diem for psych hospitals/units
Minnesota	Yes	CN & MN	See FN			Prospective payment/discharge using DRG
Mississippi	Yes	CN	\$10/day up to half of first day's per diem per admission	Non-emergency admissions except maternity	30 days/year, including emergency admissions	Prospective per diem, geographically adjusted

Missouri	Yes	CN	\$10/admission, except emergency & transfers	Admissions for specified surgical procedures	LOS limited to 75th percentile of published guidelines for region or days certified by state's Utilization Review authority	Prospective per diem, reasonable charge or percentage of charge for specific services
Montana	Yes	CN & MN	\$100/discharge			Prospective payment/discharge using DRG up to 180 days then percentage of charge, cost based payment for rehab and other special hospitals/units
Nebraska	Yes	CN & MN			Psych services limited to approved facilities	Prospective payment/discharge using DRG and peer groups, cost based payment for critical access hospitals, prospective cost based per diem for psych and rehab hospitals/units
Nevada	Yes	CN		Non-emergency admissions except maternity		Prospective all-inclusive payment/discharge by type of admission and LOS, prospective cost based per diem after 25 days, per diem or cost based payment for psych, rehab and other special hospitals/units
New Hampshire	Yes	CN & MN			LOS limited by state's Utilization Review authority, transplants limited to approved facilities and 2 transplants of same type/lifetime	Prospective payment/discharge using DRG, payment ceiling for transplants
New Jersey	Yes	CN & MN - See FN		Admissions for specified procedures and LOS	Specified procedures require a second opinion	Prospective payment/discharge using DRG
New Mexico	Yes	CN				Prospective payment/discharge using DRG, cost based payment for rehab and children's hospitals
New York	Yes	CN & MN	\$25/admission			Prospective payment/discharge using DRG, some hospitals paid percentage of charge
North Carolina	Yes	CN & MN		Elective admissions and surgeries		Prospective payment/discharge using DRG or prospective per diem
North Dakota	Yes	CN & MN		Transfers to long term care hospitals	30 days for rehab, 21 days for psych	Prospective payment/discharge using DRG, prospective per diem for psych and rehab services, cost based payment for state-owned facilities
Ohio	Yes	CN		Admissions for dental procedures, readmissions within 60 days to DRG-exempt hospitals/units	LOS limited to 30 days/episode in DRG-exempt hospitals/units, substance abuse treatment limited to detox	Prospective payment/discharge using DRG and peer groups, facility specific rates for children's hospitals, cost based payment for LTC and rehab hospitals/units
Oklahoma	Yes	CN & MN	\$3/day		15 days/year, LOS in critical access hospitals limited to 96 hours	Prospective per diem, transplants paid 75% of charge up to \$150,000
Oregon	Yes	CN & MN		Non-emergency transfers, readmissions for specified services	Specified procedures require a second opinion	Prospective payment/discharge using DRG, cost based payment for small hospitals
Pennsylvania	Yes	CN & MN	\$3/day up to \$21/admission	Non-emergency substance abuse treatment	Non-emergency weekend admissions must have procedures same or next day, medical/surgical patients limited to two 12-hour therapeutic leaves/month, seven 12-hour leaves/month for psych patients may be consecutive	Prospective payment/discharge using DRG, psych units paid prospective per diem, cost based payment for rehab hospitals/units and drug/alcohol detox units
Rhode Island	Yes	CN & MN		Admissions for state specified procedures		Negotiated prospective cost based payment with a ceiling on allowable cost increases
South Carolina	Yes	CN				Prospective payment/discharge using DRG or prospective per diem
South Dakota	Yes	CN	\$2/admission	Admissions to DRG-exempt hospitals/units	Cosmetic surgery must be post-trauma, substance abuse treatment not covered	Prospective payment/discharge using DRG, cost based payment for psych, rehab and other special hospitals/units
Tennessee	Yes	A & B - See FN	B - \$100/admission	Non-emergency admissions including rehab care and LOS	Only organ transplants also covered by Medicare	Prospective per diem, reduced after 20 days
Texas	Yes	CN & M		Admissions for dental procedures	\$200,000/year, LOS limited to 30 days/episode	Prospective payment/discharge using DRG and peer groups

				under age 21	except LOS for transplants 60 days, occupational therapy not covered	
Utah	Yes	A, B & C - See FN	B - \$100/admission	B - specified non-emergency admissions or complications from non-covered surgery	All - organ transplants not covered, B - psych admissions limited to 30 days/year irrespective of setting, specified surgical procedures and occupational therapy not covered, C - psych admissions not covered	Prospective payment/discharge using DRG for most urban hospitals, enhanced DRG payment for children's hospital, rural and psych hospitals paid percentage of charge, cost based payment for Utah State Hospital
Vermont	Yes	A & B - See FN	\$50/admission	Some surgery, Some psych admissions	B - Only urgent and emergency admissions covered	Prospective per diem using peer groups and dependent on hospital participation status
Virginia	Yes	CN & MN	\$100/admission		LOS limited to 3 days or 75th percentile of published LOS guidelines for region up to 21 days with approval, admissions for specified procedures safely rendered on outpatient basis, weekend admissions and days before elective surgery must be medically justified	Prospective payment/discharge using DRG, prospective per diem for psych, rehab and other special hospitals/units
Washington	Yes	CN & MN		Elective admissions	LOS limited to 50th percentile of published guidelines for region if admission not paid under DRG method	Prospective payment/discharge using DRG, some hospitals paid percentage of charge
West Virginia	Yes	CN & MN		Non-emergency admissions except maternity		Prospective payment/discharge using DRG and urban/rural adjustment, adjusted rate for sole community hospitals, negotiated rates for transplant services
Wisconsin	Yes	CN & MN	\$3/day up to \$75/admission	Admissions for specified procedures	Weekend admissions limited to hospitals providing full services every day	Prospective payment/discharge using DRG, prospective per diem for rehab hospitals/units
Wyoming	Yes	CN				Prospective payment/discharge based on LOC, negotiated rates for specialty care
American Samoa	See FN					
Guam	Yes	CN			LOS limited to 60 days	Negotiated rate/service
Northern Mariana Islands	Yes	CN & MN - See FN				
Puerto Rico	Yes	CN & MN			Services in public health or contracted facilities only	Prospective per diem up to Medicare cost ceiling
Virgin Islands	Yes	CN			Services in public health facilities only	Prospective all-inclusive per diem up to Medicare cost ceiling

Footnotes

General:

Most states require prior approval for any non-emergency care out of state; the territories generally require prior approval for off island care. Prior approval is not required for those admissions where Medicare is the primary payer. Prior approval is generally required for major organ transplants; some states limit service to approved centers. In addition, prior approval is typically required for cosmetic surgery, obesity services/surgery and other unique procedures.

Some states have adopted length of stay guidelines based on a publication called Length of Stay in Professional Activity Studies (PAS) Hospitals by Diagnosis, available by geographic region.

The co-payment field is blank unless the state or territory requires a payment for that service. Other fields may be blank unless the state or territory has identified a specific characteristic beyond those in the footnotes.

Reimbursement Methodologies:

States/territories use varied reimbursement methodologies for inpatient services. These have been generalized for purposes of this table as follows:

1. "Cost based payment" means there is a year-end settlement process, while "prospective payment" means there is not such a process although the payment rates are generally based on historical cost.
2. Some states/territories make payment for each day of care, a "per diem"; others make a single payment for the hospitalization, "per discharge". In some cases the payment includes all services, i.e., is "all-inclusive", and in others, certain ancillary services can be billed separately.
3. Several states/territories make payment using a "percentage of charge" to reflect cost, typically using a hospital's prior year cost report or the values established for the Medicare program to estimate the percentage of charge representing cost.
4. Others use a methodology that establishes payment by the diagnosis of the patient, procedures performed and duration of stay; the most common of these methodologies is Diagnosis Related Groups (DRG). A variation would be to use "casemix", the average acuity level of a hospital's patients compared to

its peers, to adjust payment.

5. Some states establish their rates on a hospital-specific basis, while others group hospitals with their peers and/or set rates geographically.

6. Some states adjust rates of reimbursement based on hospital occupancy levels.

7. Some states, and some of the territories, negotiate payment rates.

Most states/territories pay additional amounts or adjust payments to hospitals serving a disproportionate number of Medicaid and indigent patients: these are called disproportionate share hospital (DSH) payments. Many states/territories also make separate payments for capital and direct graduate medical education (GME) costs.

Abbreviations:

CN: Categorically Needy

DRG: Diagnosis Related Groups: a per-discharge reimbursement methodology that bases payment on the patient's age, primary diagnosis and procedures rendered during the stay

ICU: Intensive Care Unit

LOS: Length of Stay

MN: Medically Needy

State/Territory Specific Information:

Alaska: The copayment for an inpatient admission may not exceed 50% of the state's payment for the first day.

Minnesota: [See the Information](#) regarding copayment requirements in this state's Section 1115 Waiver.

New Jersey: Inpatient services for the Medically Needy are limited to pregnant women.

Tennessee: [See the Information](#) regarding this state's Section 1115 Waiver.

Utah: [See the Information](#) regarding this state's Section 1115 Waiver.

Vermont: [See the Information](#) regarding this state's Section 1115 Waiver.

American Samoa: [See the Information](#) regarding this territory's method for determining Medicaid eligibility.

Northern Mariana Islands: [See the Information](#) regarding this territory's method for reimbursing providers.

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