



MEDICAL COVERAGE POLICY

SERVICE: NICU Level of Care

Policy Number: 250

Effective Date: 05/01/2024

Last Review: 04/08/2024

Next Review: 04/08/2025

Important note: Unless otherwise indicated, medical policies will apply to all lines of business.

Medical necessity as defined by this policy does not ensure the benefit is covered. This medical policy does not replace existing federal or state rules and regulations for the applicable service or supply. In the absence of a controlling federal or state coverage mandate, benefits are ultimately determined by the terms of the applicable benefit plan documents. See the member plan specific benefit plan document for a complete description of plan benefits, exclusions, limitations, and conditions of coverage. In the event of a discrepancy, the plan document always supersedes the information in this policy.

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PRIOR AUTHORIZATION: Not applicable

POLICY:

Note: Unless otherwise indicated (see below), this policy will apply to all lines of business.

The Neonatal Intensive Care Unit (NICU) is a critical care unit for neonates who need specialized care. Most infants admitted to the NICU are premature. Some infants born at term have medical conditions that require specialized NICU care.

The NICU levels of care are based on the American Academy of Pediatrics (AAP) definitions penned to facilitate uniform standards of services for the standardization of the care and outcomes of neonates. **The care is based on the complexity of care required.**

Each of the four levels of care are represented by a unique revenue code: Level 1=0171, Level 2=0172, Level 3=0173 and Level 4=0174. This policy provides guidelines for determining the medically appropriate level of care based on available documentation. Any inpatient NICU revenue codes not billed as levels 1-4 will be adjudicated as a level 1.

NICU admissions will be reviewed in order to ensure that services are of an appropriate duration and level of care to promote optimal health outcomes in the most efficient manner. Clinical documentation of an ongoing NICU hospitalization will be reviewed concurrently to substantiate level of care with continued authorization based on the documentation submitted and aligning with the guidelines set forth in this policy. Reimbursement for the NICU stay will be based on the authorized level of care and determined by the concurrent review process.



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The guidelines set forth in this policy are based on guidelines published on the internet from various sources.

| NICU Level | Rev Code | Minimum Criteria for NICU Level of Care | General Description of Care Delivered |
|------------|----------|--|---|
| Level I | 0171 | <p>May be indicated for a newborn or neonate with ALL of the following:</p> <ul style="list-style-type: none"> • Physiologically stable (e.g., no apnea, bradycardia, or unstable temperature) • In need of care consisting of one or more of the following: <ul style="list-style-type: none"> ○ Routine newborn care ○ Evaluation and care of neonates with conditions that require inpatient services available at Level I ○ Continued inpatient care during convalescence from condition(s) treated in Level II, III or IV while awaiting resolution of specific issues (e.g., sustained weight gain, establishment of safe discharge destination and plan) ○ Uncomplicated jaundice treated only with phototherapy and requiring bilirubin checks while inpatient at intervals of greater than 6 hours | <p>Level I Nursery provides postnatal care to stable term newborns and stable infants 35-37 weeks gestation</p> |
| Level II | 0172 | <p>May be indicated for one or more of the following:</p> <ul style="list-style-type: none"> • Use of oxygen via hood ($\leq 40\%$), nasal cannula oxygen, HFNC ($\leq 2L/min$), with other co-morbidities stable • Administration of intravenous (IV) medications • Weaning from nasogastric (NG) or naso-jejunal (NJ) tube feedings while attempting to increase oral intake • Apnea, bradycardia, or desaturation, but with rare episodes requiring stimulation, or only self-limited episodes; OR: <ul style="list-style-type: none"> ○ apnea "countdown", OR ○ weaning caffeine • Services for neonatal abstinence syndrome (NAS) requiring medication (weaning) when the Finnegan score is 8 or less • Monitoring of jaundice during phototherapy with bilirubin levels at intervals of < 6 hours • Temperature control system (e.g., incubator, radiant warmer) in otherwise stable infant. • Evaluation for sepsis NOT toxic appearing but on antibiotics • Clinically stable infections completing course of IV medications | <p>Level II Special Care Nursery (SCN) provides comprehensive care to infants who are generally ≥ 32 weeks gestation and weigh ≥ 1500 g who:</p> <ul style="list-style-type: none"> • Are physiologically immature OR moderately ill AND have conditions that are expected to resolve quickly; AND • Are NOT anticipated to require subspecialty services on an urgent basis; OR • Are back transferred from a higher-level facility for convalescent / continued inpatient care |



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| <p>Level III</p> | <p>0173</p> | <p>Includes Level II requirements, AND one or more of the following:</p> <ul style="list-style-type: none"> • Respiratory support using one of the following: <ul style="list-style-type: none"> ○ HFNC with > 2 L/minute of blended oxygen ○ Continuous positive airway pressure (CPAP) ○ Conventional ventilation ○ High-frequency ventilation, long-term (> one week) • Presence of chest tubes or UAC • Active apnea / bradycardic episodes requiring PPV • Suspected or proven sepsis during acute phase or with toxic appearance • Persistent hypoglycemia (glucose < 30 mg/dl) • Hyperbilirubinemia with other findings requiring intervention (e.g., dehydration requiring IV fluids, hemolysis AND transfusions needed, etc.) • TPN or IV fluids alone or to supplement inadequate oral intake (NG or PO) • NAS requiring medication and having one or more of the following: <ul style="list-style-type: none"> ○ Three consecutive Finnegan scores greater than or equal to 8, OR ○ Two consecutive Finnegan scores greater than or equal to 12 • Neonatal surgery for non-critical conditions, e.g., hernia repair, diverting ostomy, eye procedures, PDA ligation, etc. • Pediatric subspecialty care of severe disorder or complication | <p>Level III Neonatal Unit provides comprehensive care for infants < 32 weeks gestation and weighing < 1500 g, AND infants born at all gestational ages and birth weights with critical illness</p> |
| <p>Level IV</p> | <p>0174</p> | <p>Includes Level III requirements AND one or more of the following clinical interventions:</p> <ul style="list-style-type: none"> • Perioperative care following surgical repair of severe neonatal conditions, for example: <ul style="list-style-type: none"> ○ Bowel resection for necrotizing enterocolitis (NEC) ○ Tracheoesophageal fistula or esophageal atresia repair ○ Cardiac surgery excluding PDA ligation ○ Myelomeningocele closure (up to 48 hours post-op) ○ Organ transplant • Inhaled medically necessary nitric oxide (iNO) • Extracorporeal membrane oxygenation (ECMO) • High frequency oscillatory or jet ventilation (initial week) • Therapeutic cooling • Exchange transfusion (day of procedure) • Uncontrolled seizures | <p>Level IV Neonatal Unit provides comprehensive care for infants born at all gestational ages and birth weights, with complex critical conditions or medical problems requiring sustained life support, full range of respiratory support, and have the capability to provide surgical repair of complex conditions.</p> |



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CODES:

Important note:

Due to the wide range of applicable diagnosis codes and potential changes to codes, an inclusive list may not be presented, but the following codes may apply. Inclusion of a code in this section does not guarantee that it will be reimbursed, and patient must meet the criteria set forth in the policy language.

| | |
|--------------------|--|
| CPT Codes | |
| CPT Not Covered | |
| ICD-10 Codes | |
| ICD-10 Not Covered | |

POLICY HISTORY:

| Status | Date | Action |
|----------|------------|---|
| New | 07/03/2018 | New policy |
| Updated | 09/25/2018 | Clarified level for non-critical surgery |
| Updated | 10/30/2018 | Removed requirement for warming device for Level 3 |
| Updated | 11/27/2018 | Explained that Level 2 sepsis eval requires antibiotics |
| Updated | 02/26/2019 | Removed UVC criterion from Level 3 |
| Reviewed | 02/27/2020 | No significant changes |
| Reviewed | 10/24/2020 | Clarified language on several criteria |
| Reviewed | 10/28/2021 | No changes |
| Reviewed | 10/27/2022 | No changes |
| Reviewed | 12/01/2023 | Added language in Policy section referencing AAP, added references, added column in table to include general description of care delivered. Formatting changes, added hyperlinks to NCD and TMPPM, beginning and ending note sections updated to align with CMS requirements and business entity changes. |
| Reviewed | 04/08/2024 | No changes |



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The following scientific references were utilized in the formulation of this medical policy. BSWHP will continue to review clinical evidence related to this policy and may modify it at a later date based upon the evolution of the published clinical evidence. Should additional scientific studies become available and they are not included in the list, please forward the reference(s) to BSWHP so the information can be reviewed by the Medical Coverage Policy Committee (MCPC) and the Quality Improvement Committee (QIC) to determine if a modification of the policy is in order.

1. Stark, Ann R., Pursley, DeWayne M., Papile, Lu-Ann, Eichenwald, Eric C., Hankins, Charles T., Buck,, Rosanne K., Wallace, Tamara J., Bondurant, Patricia G., FASTER, Nicole E. Standards for Levels of Neonatal Care: II, III, and IV. Pediatrics, Volume 151, Issue 6, June 2023.

Note:

Health Maintenance Organization (HMO) products are offered through Scott and White Health Plan dba Baylor Scott & White Health Plan, and Scott & White Care Plans dba Baylor Scott & White Care Plan. Insured PPO and EPO products are offered through Baylor Scott & White Insurance Company. Scott and White Health Plan dba Baylor Scott & White Health Plan serves as a third-party administrator for self-funded employer-sponsored plans. Baylor Scott & White Care Plan and Baylor Scott & White Insurance Company are wholly owned subsidiaries of Scott and White Health Plan. These companies are referred to collectively in this document as Baylor Scott & White Health Plan.

RightCare STAR Medicaid plans are offered through Scott and White Health Plan in the Central Managed Care Service Area (MRSA) and STAR and CHIP plans are offered through SHA LLC dba FirstCare Health Plans (FirstCare) in the Lubbock and West MRSA's.