Commercial Reimbursement Policy

Subject: **DRG Newborn Inpatient Stays – Facility**	
Policy Number: **C-18002**	Policy Section: **Facilities**
Last Approval Date: **12/18/2025**	Effective Date: **12/18/2025**

Policy

The health plan allows reimbursement for newborn inpatient stays unless provider, state, federal, or contracts and/or requirements indicate otherwise.

Section I. Diagnosis Related Group (DRG) Newborn Revenue Code Mismatch

When the reimbursement is based on the Diagnosis Related Group (DRG), newborn inpatient stays should be billed with the appropriate revenue code to match the corresponding DRG code. If there is no Neonatal Intensive Care Unit (NICU) revenue code listed on the claim, the claim will not group to a sick newborn DRG.

Inpatient newborn stay reimbursement is based on the following rules:

- Normal newborn DRG: Normal newborn DRG codes billed with the appropriate well newborn revenue codes.
- Sick newborn DRG: Sick newborn DRG codes billed with the appropriate sick newborn revenue codes.

Note: Current authorization guidelines for newborn inpatient stays will be applied.

Section II. Neonatal Levels of Care

When the reimbursement is based on the revenue code, neonatal levels of care shall be based on the following guidelines indicated in the related coding section below.

Related Coding

Revenue Code	Description	Comments
0170	General Nursery or Well-Baby Nursery	For healthy neonates who are physiologically stable and receiving evaluation and observation in the immediate post-partum period. Care may take place in a nursery or in the birth mother's room ("maternal rooming-in"). Infants weighing 2000 grams or more at birth and clinically stable infants at 35 weeks gestational age or greater may be cared for in a well-baby nursery. This is not a neonatal

		intensive care level. Phototherapy, intravenous (IV) fluids or medications and antibiotic therapy are not appropriate for General Nursey or Well-Baby Nursery level of care.
0171	Level I Surveillance "Special Care Nursery"	Covers neonates who are medically stable but require surveillance/care at a higher level than provided in the general nursery.
0172	Level II Neonatal Intensive Care	Newborns admitted or treated at this level are those with physiological immaturity combined with medical instabilities.
0173	Level III Neonatal Intensive Care	Directed at those neonates that require invasive therapies and/or are critically ill with respiratory, circulatory, metabolic, or hematologic instabilities and/or require surgical intervention with general anesthesia.
0174	Level IV Neonatal Intensive Care	Covers hemodynamically unstable or critically ill neonates including those with respiratory, circulatory, metabolic or hemolytic instabilities, as well as conditions that require surgical intervention, and the first 24 hours of monitoring of infants with major congenital anomalies or extreme prematurity who are at risk for hemodynamic instability.

Exemptions

Maine	Anthem Blue Cross and Blue Shield does not apply Section I. Diagnosis Related Group (DRG) Newborn Revenue Code Mismatch of the policy.

Definitions

General Reimbursement Policy Definitions

Related Policies and Materials

Claims Requiring Additional Documentation – Professional and Facility

References and Research Materials

This policy has been developed through consideration of the following:

- CG-MED-26: Neonatal Levels of Care

Policy History

12/18/2025	Review approved and effective: updated title from Newborn Inpatient Stays

11/17/2023	Review approved and effective: updated the revenue code comments in the Related Coding section to reflect the latest Clinical UM Guidelines
07/01/2021	Section I. Diagnosis Related Group (DRG) Newborn Revenue Code Mismatch of the policy adopted for Connecticut, Colorado, Missouri, Nevada, New Hampshire, and Ohio: exemption added for Maine, and New York
12/09/2020	Review approved: Neonatal policy C-15001 retired and revenue code level and complexity and descriptions included in this policy (C-18002).
08/12/2020	Initial approval 8/12/2020 and effective 03/01/2021: policy adopted by Georgia, Indiana, Kentucky, and Wisconsin.

Disclaimer

These reimbursement policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if the service is covered by a member's benefit plan. The determination that a service, procedure, or item is covered under a member's benefit plan is not a determination that you will be reimbursed. Services must also meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis, as well as to the member's state of residence.

Ensure that you use proper billing and submission guidelines, including industry-standard, compliant codes on all claim submissions. Services should be billed with Current Procedure Terminology (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes and/or revenue codes. These codes denote the services and/or procedures performed and when billed, must be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our reimbursement policies apply to both participating and non-participating professional providers and facilities.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, we may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.

These reimbursement policies may be superseded by mandates in provider, state, federal, or Centers for Medicare & Medicaid Services (CMS) contracts and/or requirements. We strive to minimize delays in policy implementation. If there is a delay, we reserve the right to recoup and/or recover claims payment to the effective date, in accordance with the policy. We reserve the right to review and revise these policies when necessary. When there is an update, we will publish the most current policy to the website.

Use of Reimbursement Policy

This policy is subject to federal and state laws, to the extent applicable, as well as the terms, conditions, and limitations of a member's benefits on the date of service. Reimbursement Policy is constantly evolving and we reserve the right to review and update these policies periodically.