

## NEWBORN CHARGES

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### I. ISSUE

How are charges for newborn care to be billed?

### II. BACKGROUND

Routine newborn care (nursery charges, etc.) has traditionally been considered as part of a maternity episode. There is only one admission--that of the mother--and the cost of routine newborn care is a part of the mother's admission expenses. This policy is common throughout the health care industry. As a result of this policy, routine newborn care was frequently included on the mother's claim.

### III. POLICY

A. Under the DRG-based payment system, there are separate DRGs for the mother and the newborn. Therefore, separate claims must be submitted for the mother and the newborn, whether or not the newborn care is considered routine. Since the vast majority of deliveries will be subject to the DRG-based payment system, and to maintain consistency in processing, all newborn services must be billed separately from the mother's claim, except as provided under Policy Considerations below.

B. In the case of multiple births, separate claims must be submitted for each newborn.

C. Claims for newborn care for maternity episodes of active duty members, is covered if a separate claim is submitted to the contractor for the newborn.

D. Separate professional claims must be submitted for the mother and the newborn.

### IV. POLICY CONSIDERATIONS

A. There are some cases where the newborn stays in the mother's room and does not incur nursery charges. It would not be appropriate to pay such cases under DRG 391, Normal Newborn, because the basic service of that DRG is nursery charges.

Therefore, the newborn services in such cases shall be exempt from the DRG system and paid based on billed charges. In order to pay such services based on billed charges, the

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following conditions must be met.

1. The services, if they were paid under the DRG-based payment system, would group only into DRG 391.
2. There can be no nursery/room charges for the newborn.
3. The billed charges for the newborn (pharmacy, supplies, etc.) must be included on the mother's claim.

B. In processing such claims, the contractor will split the mother's claim to separate any charges for the newborn. The mother's claim will be paid under the appropriate DRG. If double coverage is involved, the OHI payments shall be applied first to the mother's claim and then to the newborn claim if any OHI payment remains uncoordinated after application to the mother's claim.

V. EFFECTIVE DATE

This policy is effective for all admissions occurring on or after October 1, 1987.

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