



June 21, 2012
Announcement 489

Attention Provider Types 11, 20, 24, 74, 75 and 77: Induction of Labor Prior to 39 Weeks and Non-Medically Necessary Elective C-Sections

Effective June 1, 2012, new prior authorization (PA) requirements were added for Induction of Labor (IOL) prior to thirty nine (39) weeks gestation and elective avoidable Cesarean Sections. The changes have been incorporated in the Coverage and Limitations and Authorization sections of Medicaid Services Manual (MSM) [Chapter 200](#) Hospital Services and in the Maternity section of MSM [Chapter 600](#) Physician Services.

Due to delays in the PA form availability, policy implementation will be effective July 1, 2012. The changes include:

- Hospital admissions for IOL prior to thirty nine (39) weeks gestation must be prior authorized as medically necessary to be eligible for reimbursement.
- Hospital admissions for elective avoidable Cesarean Sections must be prior authorized and will be reimbursed at the minimum federal requirement for a normal vaginal delivery.
- Physicians will be reimbursed at the vaginal delivery rate for elective avoidable Cesarean Sections.

The [Provider Type 11 Billing Guide](#) (Hospital, Inpatient) has been updated to reflect the above changes.

Please use [Induction of Labor Prior to 39 Weeks and Scheduled Elective C-Sections form FA-8A](#) to submit prior authorization requests for these services.

A list of Cesarean Section Diagnosis Codes and a link to Revenue Codes for Inpatient Hospitals (Maternity revenue codes) are available on the [Prior Authorization Procedure and Diagnosis Reference Lists](#) webpage.

To help providers determine best practices for preventing deliveries before 39 weeks, the March of Dimes, the California Maternal Quality Care Collaborative and the <39 Weeks Toolkit Development Task Force have made available to providers a [<39 Weeks Toolkit](#).