

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS

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Reimbursement policy regarding inpatient transfers and appropriate patient status codes reminder

The Indiana Health Coverage Programs (IHCP) reminds providers about the reimbursement policy for inpatient hospital transfers as well as the patient status codes required.

Transfers

In the event of a transfer during a diagnosis-related group (DRG)-reimbursed inpatient stay, both the *transferring* hospital and the *receiving (transferee)* hospital are reimbursed at a **DRG-prorated daily rate**, not to exceed the full DRG amount. The IHCP calculates the DRG daily rate by dividing the DRG base payment (statewide base rate x DRG relative weight) by the average length of stay (ALOS).



Transferring hospital identification and instructions

To identify themselves as a *transferring hospital*, it is important for providers to enter the appropriate **patient status code** on the institutional claim to indicate that the patient was discharged or transferred to another hospital.

The patient status codes for the transferring hospital payment adjustment are the following:

- 02 – Discharged or transferred to another short-term general hospital for inpatient care
- 05 – Discharged or transferred to a designated cancer center or children's hospital
- 62 – Discharged or transferred to another rehabilitation facility, including rehabilitation distinct part units of a hospital
- 63 – Discharged or transferred to a long-term care hospital
- 65 – Discharged or transferred to a psychiatric hospital or psychiatric unit of a hospital
- 66 – Discharged or transferred to a critical access hospital
- 70 – Discharged or transferred to another type of healthcare institution not defined elsewhere in the code list

To ensure accurate reimbursement, the applicable patient status code must be entered in the appropriate field of the institutional claim:

- Patient Status field on the IHCP Provider Healthcare Portal (IHCP Portal) institutional claim
- Field 17 of the *UB-04* claim form
- Loop 2300 CL102 on the 837I electronic transaction

Receiving hospital billing instructions

Receiving hospitals are instructed to use **admission source code 4** in the appropriate field of the institutional claim:

- Admission Source Code field on the IHCP Portal institutional claim
- Field 15 on the *UB-04* claim form
- Loop 2300 CL102 on the 837I electronic transaction

More billing information

Providers are not to bill separately for two DRG-reimbursed inpatient stays when a member is transferred from one unit of the hospital to another unit within the same inpatient facility. Inpatient transfer claims from one inpatient unit of the hospital to another inpatient unit should be billed on one claim (a single paper or electronic claim submission), as they are considered part of the same episode of care. Exclusions to this policy are claims priced according to the level-of-care (LOC) reimbursement methodology.

For more information on reimbursement for inpatient transfers, see the *Transfers* section of the [Inpatient Hospital Services](#) module.

QUESTIONS?

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