

Medicare Inpatient Hospital Probe and Educate Status Update

February 24, 2014

On August 2, 2013 the Centers for Medicare & Medicaid Services (CMS) issued a final rule, CMS-1599-F, updating fiscal year FY 2014 Medicare payment policies and rates under the Inpatient Prospective Payment System (IPPS) and the Long-Term Care Hospital Prospective Payment System (LTCH PPS). The final rule modified and clarified CMS’s longstanding policy on how Medicare contractors review inpatient hospital and critical access hospital (CAH) admissions for payment purposes.

Medicare Administrative Contractors (MACs) have been performing prepayment patient status probe reviews on a sample of 10 claims for most hospitals (25 claims for large hospitals) with dates of admission on or after October 1, 2013. These “probe and educate” reviews are being conducted to assess provider understanding and compliance with the final rule. Based on the results of the initial reviews, the MACs will conduct individualized educational efforts and repeat the process where necessary. These reviews and provider education will continue through September 30, 2014. CMS has been working closely with the MACs to ensure the accuracy of claim reviews and identify recurrent provider errors.

Initial data collected indicates that the probe and educate review process is well under way. Review results are being closely monitored in order to focus future educational outreach efforts. Highlights of these findings include:

As of February 7, 2014:

# of Medical Records Requested	# of Medical Records Received	# of Medical Records with MAC reviews completed
29,158	18,110	6,012

Based on these early claim review results we would like to share some examples of common denials made during the “probe & educate” period.

- Example 1 - Missing or Flawed Order for Inpatient Admission: A beneficiary presented to the emergency department (ED) with complaints of chest pain. The physician’s notes stated that the beneficiary was going to be worked-up, but it was unlikely the pain was cardiac-related. The physician’s order stated “admit to observation.” The beneficiary was kept overnight and discharged the next day. The hospital submitted a claim for a 1-day inpatient stay. Upon review of the claim, the MAC denied Medicare Part A payment because the medical record (a) failed to support an expectation of a 2-midnight stay and (b) lacked an order to admit as an inpatient.

CMS reminds providers that while Medicare does not require specific language to be used on the inpatient admission order, it is the interest of the hospital for the admitting practitioner to use language that clearly expresses intent to admit the patient as inpatient. Examples of such language include physician documentation to “admit to inpatient” or “admit to inpatient care”. CMS will continue to treat orders that specify a typically outpatient or other limited service (e.g., admit “to ER,” “to Observation,” “to Recovery,” “to Outpatient Surgery,” “to Day Surgery,” or “to Short Stay Surgery”) as defining a non-inpatient service, and such orders will not be treated as meeting the inpatient admission requirements. Additional information regarding the order and certification requirements can be found at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Downloads/IP-Certification-and-Order-01-30-14.pdf>

- **Example 2 - Short Stay Procedures:** A beneficiary presented for a procedure in which treatment and discharge typically occur in less than 2 midnights. The procedure is not on the inpatient-only list. The physician wrote an order to admit to inpatient upon arrival at the hospital for pre-operative care. The medical record did not support the expectation of a 2-midnight stay for hospital care. The beneficiary underwent the procedure without any complications either during or after the procedure and was discharged within 10 hours after arrival to the hospital. The hospital submitted a claim for a 0-day inpatient stay. Upon review of the claim, the MAC denied Medicare Part A payment because the medical record failed to support an expectation of a 2-midnight stay.

CMS reminds providers that instances in which the typical expected length of stay for a procedure is less than 2 midnights should be initiated as outpatient. If it later becomes clear that the beneficiary will require 2 or more midnights of hospital care due to a complication or other factor, the physician can order the inpatient admission at that time.

- **Example 3 - Short Stays for Medical Conditions:** The beneficiary presented to the ED with recent onset of dizziness and denied any additional complaints. The beneficiary reported a recent adjustment to his blood pressure medication. The physician’s notes stated that the beneficiary was stable and that his blood pressure medication was to be held and dosage adjusted. The notes also indicated that the physician intended to observe the beneficiary overnight. The beneficiary was discharged the next day. The hospital submitted a claim for a 1-day inpatient stay. Upon review of the claim, the MAC denied Medicare Part A payment because the medical record failed to support an expectation of a 2-midnight stay.

Medicare policy specifies that observation care is a well-defined set of specific, clinically appropriate services that include ongoing short term treatment, assessment, and reassessment before a decision can be made regarding whether a beneficiary will require further treatment as a hospital inpatient (i.e., if the physician has an expectation of care for 2 or more midnights) or if they are able to be discharged from the hospital. If the beneficiary requires additional monitoring, diagnostics, or treatment to determine the expected length of stay, the physician may keep the beneficiary as an outpatient until it is clear to the physician that the beneficiary will require 2 or more midnights of hospital care.

- Example 4 - Physician Attestation Statements without Supporting Medical Record Documentation: The physician's order contained a checkbox with pre-printed text stating "The beneficiary is expected to require 2 or more midnights of hospital care." The physician's plan of care, however, stated that the beneficiary was to have diagnostics performed post-operatively, with a plan to discharge in the morning if stable. The beneficiary was discharged the following day as planned, after a 1-midnight stay. Upon review of the claim, the MAC denied Medicare Part A payment because the medical record failed to support an expectation of a 2-midnight stay when the order was written.

CMS reminds providers that attestation statements indicating the beneficiary's hospital stay is "expected to span 2 or more midnights" are not required under the inpatient admissions policy, nor are they adequate by themselves to support the expectation of a 2-midnight stay. Rather, the expectation must be supported by the entirety of the medical record.