



The Centers for Medicare and Medicaid Services (CMS) recently issued the final 2014 Inpatient Prospective Payment System rule that updates payment rates for approximately 3,400 acute care hospitals and about 440 long-term care acute hospitals across the country.

Among the many items contained in the annual payment rule for inpatient services, CMS also finalized language to clarify its policy on admissions for inpatient services. A stay in a hospital spanning at least two midnights is presumed to be appropriate for Medicare coverage at an inpatient level. A formal admission order still is needed to begin inpatient status, but physicians can use all the time a patient spent in the hospital as an outpatient when considering if he or she will cross the two-midnight threshold.

Health Choice is committed to meeting CMS regulations and complies with the requirements set forth in this rule by submitting any claim received for inpatient charges billing less than two midnights to medical review and disposition. Exceptions to this rule apply anytime a service is on the Medicare defined inpatient only list or the Physician anticipates a two midnight stay and the patient (i) dies, (ii) transfers to another acute inpatient facility, (iii) leaves AMA or (iv) improves and can be discharged.

Please consult www.cms.gov for more information and contact your Provider Service Representative with any questions about the Health Choice review process.

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