

# CHAPTER 7:

## Inpatient & Outpatient Hospital Care

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### 7.0 ACUTE INPATIENT ADMISSIONS

All elective and emergent admissions require prior authorization and/or notification for all Steward Health Choice Generations Member admissions.

Admission notification must be faxed to the Inpatient Admissions line at (480) 760-4732 on the day of admission. Upon receipt of the information, Steward Health Choice Generations will provide an authorization number for the inpatient admission to the hospital.

Steward Health Choice Generations Utilization Review staff will review the medical necessity criteria to make admission and level of care determinations. Continued stay review will be conducted by Steward Health Choice Generations Utilization Review staff and communicated to the hospital case management staff. Steward Health Choice Generations Utilization Review staff will also assist in coordinating services identified for discharge planning, as well as required follow-up post discharge.

The term “hospital” means a facility that is certified by the Medicare program and licensed by the state to provide inpatient, outpatient, diagnostic and therapeutic services. The term “hospital” does not include facilities that mainly provide custodial care (such as convalescent nursing homes or rest homes). By “custodial care,” we mean help with bathing, dressing, using the bathroom, eating, and other activities of daily living.

Members are covered for **90 days each benefit period**.

A benefit period begins the day the Steward Health Choice Generations Member is admitted into a hospital or skilled nursing facility.

The benefit period ends when the Steward Health Choice Generations Member has not received hospital or skilled nursing care for **60 days** in a row. If the Steward Health Choice Generations Member is admitted into the hospital after one benefit period has ended, a new benefit period begins.

There is no limit to the number of benefit periods a Steward Health Choice Generations Member can have over a lifetime.

## 7.1 INPATIENT HOSPITAL COVERED SERVICES

Covered services include, but are not limited to:

- Semi-private room (or a private room if medically necessary)
- Meals including special diets
- Regular nursing services
- Costs of special care units (such as intensive or coronary care units)
- Drugs and medications
- Lab tests
- X-rays and other radiology services
- Necessary surgical and medical supplies
- Use of appliances, such as wheelchairs
- Operating and recovery room costs
- Physical therapy, occupational therapy, and speech therapy
- Inpatient substance abuse services
- Blood - including storage and administration. Coverage of whole blood and packed red cells begins only with the fourth pint of blood needed – Medicaid (AHCCCS) will pay for the first 3 pints of un-replaced blood. All other components of blood are covered beginning with the first pint used
- Physician Services
- Under certain conditions, the following types of transplants are covered:
- Corneal, kidney, pancreas, heart, liver, lung, heart/lung, bone marrow, stem cell, intestinal/multivisceral. See Chapter 11 for more information about transplants.

## 7.2 INPATIENT SERVICES – HOSPITAL OR SNF DAYS ARE NOT COVERED OR LIMITS EXHAUSTED

When the hospital or SNF days are not or are no longer covered (limits are exhausted), physician services and other medical services will still be covered.

These services are:

- Physician services
- Tests (like X-ray or lab tests)
- X-ray, radium, and isotope therapy including technician materials and service
- Surgical dressings, splints, casts and other devices used to reduce fractures and dislocations
- Prosthetic devices (other than dental) that replace all or part of an internal body organ (including contiguous tissue), or all or part of the function of a permanently inoperative or malfunctioning internal body organ, including replacement or repairs of such devices
- Leg, arm, back, and neck braces; trusses, and artificial legs, arms, and eyes including adjustments, repairs, and replacements required because of breakage, wear, loss, or a change in the patient's physical condition

- Physical therapy, speech therapy, and occupational therapy

### 7.3 HOSPITALIST

Hospitalists primarily take care of patients when they are in the hospital. Hospitalists are required to take over inpatient care for PCPs for their Steward Health Choice Generations Members who are in the hospital. The hospitalist must keep the primary doctor informed about the member's progress and will return the member's care to the primary doctor when the member is discharged from the hospital.

Steward Health Choice Generations covers hospitalist care **except** in the following situations:

- If a child is receiving Medicare Advantage Special Needs benefits through SHC Generations, the plan does not require hospitalist care but will cover care received from their Primary Care Physician (PCP).
- If a pregnant woman is receiving Medicare benefits through SHC Generations, the plan will not cover hospitalist care, but will cover care received from their PCP or OB provider.

### 7.4 SKILLED NURSING FACILITY CARE (SNF)

If Steward Health Choice Generations Members need skilled nursing facility care, providers must notify Steward Health Choice Generations. The term "skilled nursing facility" does not include places that mainly provide custodial care, such as convalescent nursing homes or rest homes.

By "custodial care," we mean help with bathing, dressing, using the bathroom, eating, and other activities of daily living.

"Skilled nursing facility care" means a level of care ordered by a physician that must be given or supervised by licensed health care professionals. It can be skilled nursing care, or skilled rehabilitation services, or both.

Skilled nursing care includes: Services that require the skills of a licensed nurse to perform or supervise.

Skilled rehabilitation services include: Physical therapy, speech therapy, and occupational therapy.

- Physical therapy includes exercise to improve the movement and strength of an area of the body, and training on how to use special equipment such as how to use a walker or get in and out of a wheel chair.
- Speech therapy includes exercise to regain and strengthen speech and/or swallowing skills.
- Occupational therapy helps members learn how to do usual daily activities such as eating

and dressing by them self. It can be a separate facility, or part of a hospital or other healthcare facility. No prior hospital stay is required for Skilled Nursing Facility Care.

## 7.5 AUTHORIZATION FOR SNF SERVICES

Steward Health Choice Generations members may not be admitted to any skilled nursing facility without prior authorization by Steward Health Choice Generations. The Steward Health Choice Generations utilization review nurse managing member care at the acute facility will provide authorization to the SNF.

Members are covered for **90 days** each benefit period. As a member of Steward Health Choice Generations the member qualifies for Medicaid (AHCCCS) benefits. If this remains true, then Medicaid will cover the Steward Health Choice Generations Member copay and deductible. These will be billed through our Steward Health Choice (AHCCCS) plan if a member, or another AHCCCS plan.

A benefit period begins the day a member is admitted into a hospital or skilled nursing facility.

The benefit period ends when the Steward Health Choice Generations member has not received hospital or skilled nursing care for **60 days** in a row. If the member goes into the SNF after one benefit period has ended, a new benefit period begins.

There is no limit to the number of benefit periods Steward Health Choice Generations members can have in a lifetime.

## 7.6 SKILLED NURSING FACILITY COVERED SERVICES

Covered services include, but are not limited to, the following:

- Semi-Private room (or a private room if medically necessary)
- Meals, including special diets
- Regular nursing services
- Physical therapy, occupational therapy, and speech therapy
- Drugs (this includes substances that are naturally present in the body, such as blood clotting factors)
- Blood - Including storage and administration. Coverage of whole blood and packed red cells begins only with the fourth pint of blood needed. Medicaid (AHCCCS) will pay for the first 3 pints of un-replaced blood
- All other components of blood are covered beginning with the first pint used. Coverage begins with the third pint of blood needed including storage and administration Medical and surgical supplies
- Laboratory tests

- X-rays and other radiology services Use of appliances such as wheelchairs
- Physician services

## 7.7 STEWARD HEALTH CHOICE GENERATIONS MEMBERS MUST MEET CERTAIN CRITERIA TO BE COVERED IN A SNF

To be covered, Steward Health Choice Generations members must need daily skilled nursing or skilled rehabilitation care, or both. If the member does not need daily skilled care, other arrangements for care would need to be made.

The Steward Health Choice UR nurse will assist with transition to the right level of care.

## 7.8 CUSTODIAL CARE STAYS ONLY ARE NOT COVERED

“Custodial care” is care for personal needs rather than medically necessary needs. Custodial care is care that can be provided by people who do not have professional skills or training. This care includes help with walking, dressing, bathing, eating, preparation of special diets, and taking medication. Custodial care is not covered by Steward Health Choice Generations unless it is provided as other care the Steward Health Choice Generations member is getting *in addition to* daily skilled nursing care and/or skilled rehabilitation services.

## 7.9 OBSERVATION SERVICES

Observation services are those reasonable and necessary services provided on a hospital's premises for evaluation until criteria for inpatient hospital admission or discharge/transfer have been met.

Covered observation services include:

- Use of a bed
- Periodic monitoring by a hospital's nursing staff or, if appropriate, **other** staff necessary to evaluate, stabilize, or treat medical conditions of a significant degree of instability and/or disability on an outpatient basis

Observation stays must be provided in a designated "observation area" of the hospital unless such an area does not exist.

It is not an observation stay when a recipient with a known diagnosis enters a hospital for a scheduled procedure/treatment that is expected to keep the recipient in the hospital for less than 24 hours. This is an outpatient procedure, regardless of the hour in which the recipient presented to the hospital, whether a bed was utilized, or whether services were rendered after midnight.

Extended stays after outpatient surgery must be billed as recovery room extensions.

Observation status *must* be ordered in writing by a physician or another individual authorized to admit patients *to* the hospital or *to* order outpatient diagnostic tests or treatments. The following factors must be taken into consideration by the physician or authorized individual in ordering observations status:

- Severity *of* the signs and symptoms *of* the recipient Degree *of* medical uncertainty that the recipient may experience an adverse occurrence. Need *for* diagnostic studies that appropriately are outpatient stays (i.e., they *do not* ordinarily require the recipient *to* remain at the hospital *for 24 hours or more*) *to* assist in assessing whether the recipient should be admitted
- The availability *of* diagnostic procedures at the time and location where the recipient presents *for* medical treatment

The following services are **not** Steward Health Choice Generations-covered observation services:

- Substitution *of* outpatient services provided in lieu *of* observation status *for* physician ordered inpatient services
- Services that are not reasonable, cost-effective, and necessary *for* diagnosis or treatment. Services provided for the convenience *of the* recipient or physician
- Excessive time and/or amount *of* services medically required by the condition *of* the recipient
- Services customarily provided in a hospital-based outpatient surgery center and *not* supported by medical documentation *of the* need *for* observation status

In general, observation status should **not** exceed 24 *hours*.

This time limit may be exceeded, if medically necessary, *to* evaluate the medical condition and/or treatment *of* a recipient. Extensions *to* the 24-hour limit must be prior authorized. A physician of another individual authorized to admit patients to the hospital or to order outpatient tests or treatments must sign an order for further observation each day.

Observation services, without labor, billed on the UB claim *form* must be billed with a 762 revenue code (Treatment/Observation Room - Observation Room) and the appropriate observation HCPCS procedure code 99218, 99219 or 99220 (note that 99217 is *not* appropriate *for* hospital billing). Each *hour* or portion *of an hour* that a recipient is in observation status must be billed as one unit *of* service.

Observation services, with labor, billed on the UB claim *form* must be billed with a 721 revenue code (Labor Room Delivery - Labor) and the appropriate HCPCS procedure codes. Each *hour* or portion *of an hour* that a recipient is in observation status must be billed as one unit *of* service.

Steward Health Choice Generations will review the immediate and continuing observation status by assessing the medical criteria for that level of care. Medical review for continued observation

status will consider each case on an individual basis. At a minimum, the following documentation is required:

- Emergency room record, if applicable
- Progress notes
- Operative report, if applicable Diagnostic test results, if applicable Nursing notes, if applicable
- Labor and delivery records, if applicable Physician orders
- Orders for observation status must be written on the physician's order sheet, not the emergency room record, and must specify "admit to observation." Rubber stamped orders are not acceptable
- Follow-up orders must be written at least every 24 hours
- Changes in status such as "observation status to inpatient" or "inpatient to observation status" must be made by a physician or authorized individual
- Inpatient to observation status must be made by a physician or authorized individual and occur within 12 hours after admission as a inpatient. .
- Inpatient/outpatient status change must be supported by medical documentation

## **7.10 OUTPATIENT HOSPITAL SERVICES**

Steward Health Choice Generations covers preventive, diagnostic, rehabilitative, and palliative items or services ordinarily provided in hospitals on an outpatient basis for all Steward Health Choice Generations members.

If Steward Health Choice Generations members are treated in the emergency room, observation area, or other outpatient department and are directly admitted to the same hospital, the emergency room, observation, or other outpatient charges must be billed on the inpatient claim.

## **7.11 INPATIENT BEHAVIORAL HEALTH CARE**

Inpatient behavioral health services that require a hospital stay:

- Medicare beneficiaries may only receive 190 days in a free standing psychiatric hospital in a lifetime.

Providers must notify Steward Health Choice of the admission

## **7.12 OUTPATIENT BEHAVIORAL HEALTH CARE (including Hospitalization Services)**

Outpatient behavioral health services may be provided by a doctor, clinical psychologist, clinical social worker, clinical nurse specialist, nurse practitioner, physician assistant, or other behavioral health care professional as allowed under applicable state and federal coverage guidelines.

Available 24 hours a day, 7 days a week.