



# Attacking Bad Habits with Surgical Outpatients

UR joined at the hip with Surgery  
Other wins in re-education

# Some **Bad Habits** with Outpt Surgeries

- “Just stay the night’ –go home in the morning. Why?
- Write an order to OBS since they left PACU. Why?
- Nursing sees the post procedure pt as a mini-inpt –only one way to chart so every outpt looks like a mini-inpt. How does nursing know the status?
- Pt is in an inpt bed; pt and family believe the pt is ‘staying the night’.
- Pt continues beyond routine recovery (up to 6 hrs). What is happening to keep the pt beyond this routine period?
- Unplanned event or scheduled longer than routine surgery? (OBS, INPT or extended recovery)
- Still must have a clinical reason to be a billable bed – at all.



# A new language and process for post surgical cases

- Why does the pt need to stay beyond the routine recovery?
- What is the plan for why the pt is being held beyond the standard routine recovery hrs?
- Unplanned = obs or 2 MN/inpt
- “Do the test in the morning?” Convenience or clinically appropriate to hold thru the night?
- Discuss- what is the plan for **extended recovery**?  
A planned recovery that takes beyond the standard 4-6 hrs. Must be clinically appropriate as ‘resting comfortably, no acute distress, family with pt, patient sleeping, pain under control with oral meds’ – question why?



# What is OBS? Medicare Guidelines

- **APC regulation (FR 11/30/01, pg 59881)**

*“Observation is an active treatment to determine if a patient’s condition is going to require that he or she be admitted as an inpatient or if it resolves itself so that the patient may be discharged.”*

- **Medicare Hospital Manual (Section 455)**

*“Observation services are those services furnished on a hospital premises, including use of a bed and periodic monitoring by nursing or other staff, which are reasonable and necessary to evaluate an outpatient condition or determine the need for a possible as an inpatient.”*

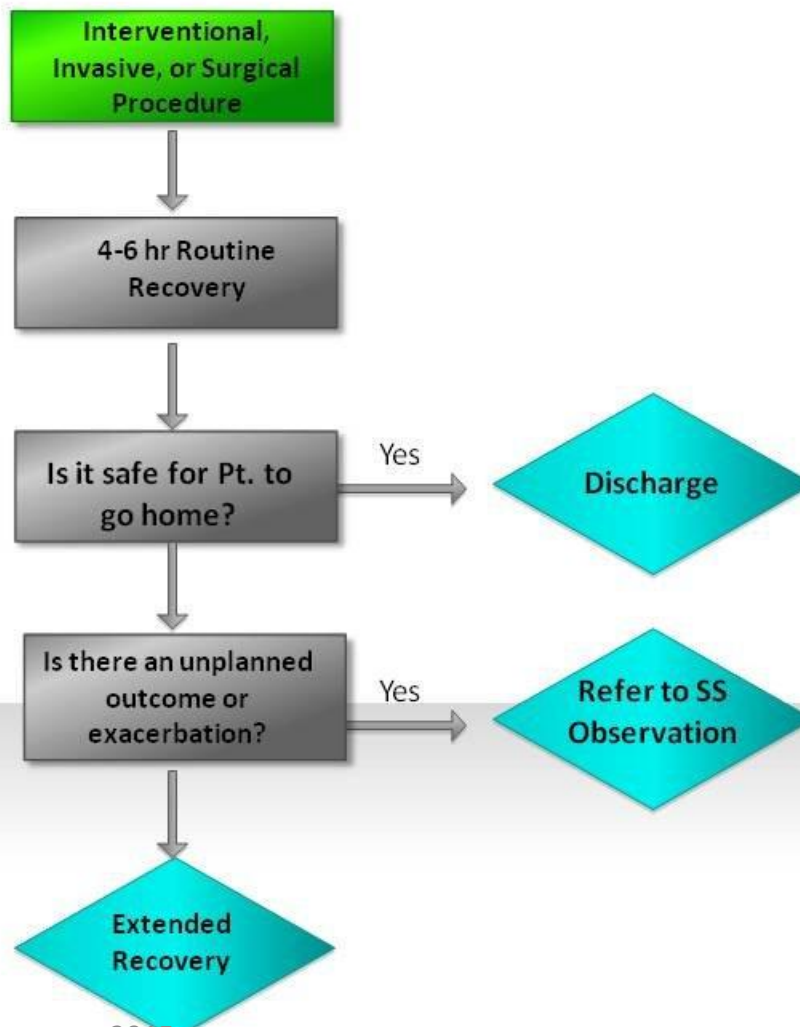
# Expanded 2006 Fed Reg Info

- **Observation** is a well defined set of specific, clinically appropriate services, which include ongoing short-term treatment, assessment and reassessment, before a decision can be made regarding whether a pt will require further treatment as hospital inpts or if they are able to be discharged from the hospital.
- *Note: No significant 2007, 08 ,09 , 10 , 11, 12, 13,14,15 and forward – no significant changes*
- *No 23, 24, 48 hrs = each hr is tied to the above requirements.*

# More 2006 Regulations

Observation status is commonly assigned to pts with **unexpectedly** prolonged recovery after surgery and to pts who present to the emergency dept and who then require a significant period of treatment or monitoring before a decision is made concerning their next placement. (Fed Reg, 11-10-05, pg 68688)

**OBSERVATION  
DECISION TREE**



Need an updated order

# HOT: Related Claims Denials- SURGEONS

Effective 9-8-14 Transmittal 534/now 540/now 541

- “Claims that are related”
  - **Purpose:** to allow the MAC and ZPIC/Audit groups within Medicare to have discretion to deny other ‘related’ claims submitted before or after the claim in question. If documentation associated with one claim can be used to validate another claim, those claims may be considered ‘related.’
  - **Situations:** The MAC performs pre or post-payment review/recoupment of the admitting physician’s and/or
  - MAC must initiate the related claim denials; MAC specific.
- Surgeon’s Part B services.
  - For services related to inpt admissions that are denied, the MAC reviews the hospital records and if the physician services were reasonable and necessary, the service will be re-coded to the appropriate outpt E&M.
  - **540/changed- HOLD - For services where the H&P, physician progress notes or other hospital record documentation does not support for medical necessity of the procedure, post payment recoupment will occur for the Part B service.**



# More Transmittal 534/now 540/now 541

- If Documentation associated with one claim can be used to validate another claim, those claims may be considered related.
- Upon CMS approval, the MAC shall post the intent to conduct 'related' claims reviews on their website.
- If 'related' claims are denied automatically- shall be an 'automated' review. If 'related' claims are denied after manual intervention, MACs shall count these as denials as routine review.
- The RAC shall utilize the review approval process as outlined in their Statement of work when performing reviews of 'related' claims. (Note: New RACs = new SOW. Pending)
- Contractors shall process appeals of the 'related' claims separately.
- <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R541PI.pdf>

# Questions and Answers

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