



IPPS 2014 Final Rule: The 2-Midnight Rule and Implications for Documentation

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Objectives and Agenda

- Objectives:
 - Help hospitals understand best practices for operating under 2014 IPPS
 - Review key points of 2014 IPPS Final Rule
 - Recommended best practices

Valid Admissions – What Changed?

OLD “Rules”

- **Expectation of 24 hour stay**
- **Physician order a best practice**

NEW “Rules”

- **Expectation of 2 midnight stay**
- **Physician order required**

Medical Necessity Certification

2014 IPPS: 2 Midnight Rule

CMS states in 2014 IPPS:

• **“Our previous guidance also provided for a 24-hour benchmark,** instructing physicians that, in general, beneficiaries who need to stay at the hospital less than 24 hours should be treated as outpatients, while those requiring care greater than 24 hours may usually be treated as inpatients. **Our proposed 2-midnight benchmark,** which we now finalize, **simply modifies our previous guidance to specify that the relevant 24 hours are those encompassed by 2 midnights.** While the complex medical decision is based upon an assessment of the need for continuing treatment at the hospital, the 2-midnight benchmark clarifies when beneficiaries determined to need such continuing treatment are generally appropriate for inpatient admission or outpatient care in the hospital.”

Page 50945 2014 IPPS

Conditions of Participation

COPs Must Be Followed

- “We did not propose and are not finalizing a policy that would allow hospitals to bill Part B following an inpatient reasonable and necessary self-audit determination that does not conform to the requirements for utilization review under the CoPs.”

Page 50913, 2014 IPPS

- 482.30 (c)(1) The UR plan must provide for review for Medicare and Medicaid patients with respect to the medical necessity of:
 - (i) Admissions to the institution;
 - (ii) The duration of stays; and
 - (iii) Professional services furnished, including drugs and biologicals.

Concurrent UM Still Matters

“Use of **Condition Code 44** or Part B inpatient billing pursuant to **hospital self-audit is not intended to serve as a substitute** for adequate staffing of utilization management personnel or for continued education of physicians and hospital staff about each hospital’s existing policies and admission protocols.”

Page 50914, 2014 IPPS



Best Practice Recommendations to Comply with 2014 IPPS Requirements



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Admission Review – Key Considerations

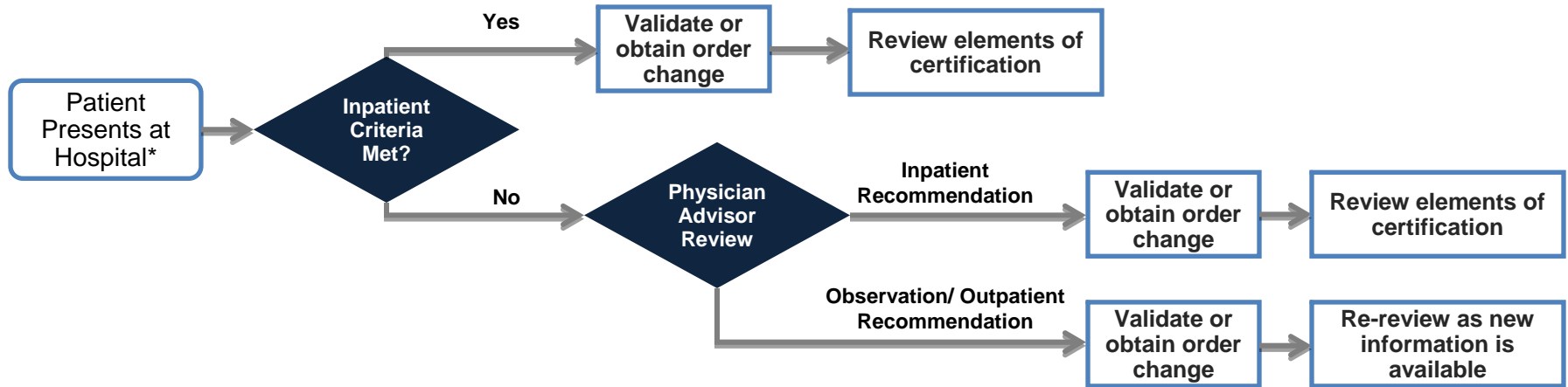
- **Physician's Order**
- **Expectation of 2 Midnight Stay**
- **Medical Necessity**
- **Documentation & Certification**

Admission Review – Key Considerations

- **Initial review for Expectation of Length of Stay**
- **Physician documentation of an expectation of two midnight stay generally falls into three categories:**
 - **Supports expectation of 2 midnight stay**
 - “I expect this patient to remain in the hospital for longer than...”
 - Expected LOS > 2 midnights (in document signed by physician)
 - **No documentation/conflicting documentation**
 - **Clearly conflicts with or fails to support expectation of 2 midnight stay**
 - Order – “Discharge in am” (when care has not already crossed at least one midnight)
 - Progress note – “anticipate d/c in am” (when care has not already crossed at least on midnight)

Recommended Hospital Work Flow

Expected LOS Greater Than Two Midnights or Unclear



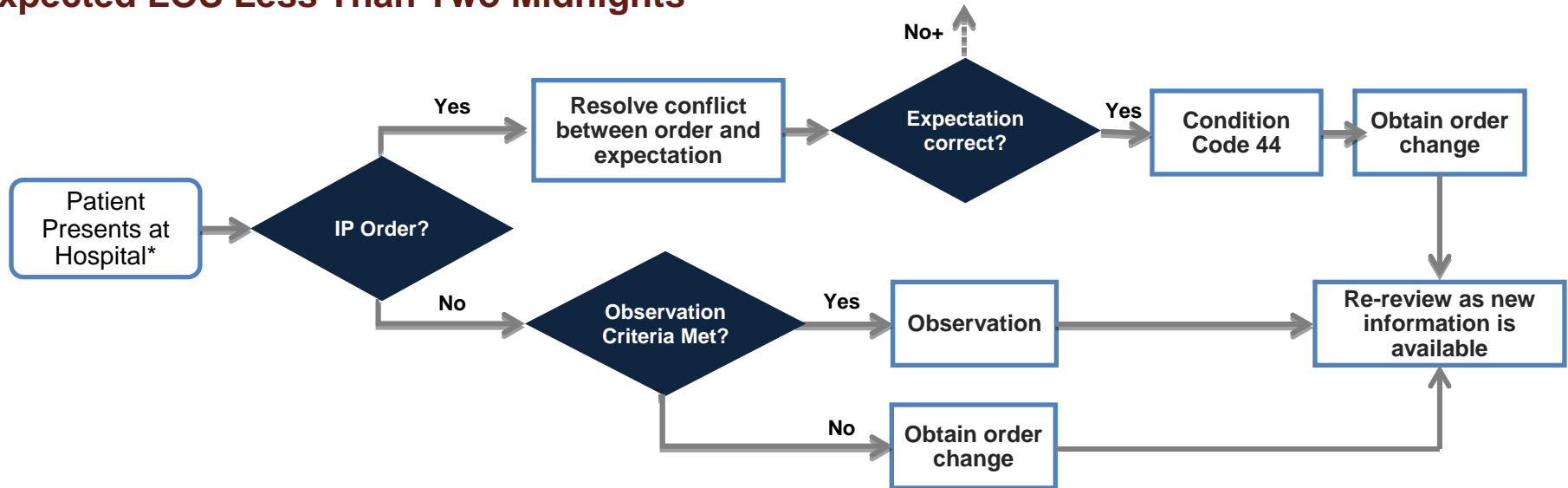
Follow this process when:

- Physician documentation of expected discharge is greater than 2 midnights; or
- There is no documentation of expected discharge

* Patient hospitalized for condition other than Inpatient Only Procedure List

Recommended Hospital Work Flow

Expected LOS Less Than Two Midnights



Follow this process when:

- Physician documentation of expected discharge is in less than two midnights

- * Patient hospitalized for condition other than Inpatient Only Procedure List.
- +If the expectation is not correct, follow the workflow for an expected length of stay of greater than two midnights.

Case 1

Symptoms:

- 80 year old female admitted with chest pain, positive biomarkers and EKG changes in the emergency room, urgently taken to catheterization lab

Order

- “Admit as inpatient”

Expectation of LOS

- “I expect this patient to remain in the hospital for a time greater than 2 midnights”

Medical Necessity

- Documentation present to support inpatient admission

Certification

- All elements of certification present per document review

Follow up necessary

- Patient does not remain for 2 MN
 - Was (presumption not met) due to of the exception: death, transfer, AMA, inpatient only procedure or “recovery faster than anticipated”?
 - Evaluate based on start of service to see if benchmark met

Case 2

Symptoms:

- 65 year old male, no previous cardiac history, presents with shoulder pain after exertion, physician suspects musculoskeletal, biomarkers below detection threshold, no EKG changes. Monitor overnight if telemetry, enzymes and EKG's remain negative anticipate discharge in am. No planned stress test or further evaluation during hospitalization.

Order

- Admit as inpatient

Expectation of LOS

- 23 hour monitoring

Medical Necessity

- Documentation does not support inpatient admission – observation

Certification

- Order and physician expectation of 2 midnights are in conflict
- Order and medical necessity are in conflict

Follow up necessary

- Consider Condition Code 44 if requirements are met
- If patient remains in hospital, or new information available re-review for medical necessity at inpatient level
- If patient discharged – cannot do Condition Code 44, if within rebilling timeframe, consider for Part B Rebilling

Case 3

Symptoms:	<ul style="list-style-type: none">• 78 year old female admitted for atrial flutter, stabilized in Emergency Room. Although expected to be discharged after medication adjustments, patient developed heart block requiring additional adjustments and possible pacemaker
Order	<ul style="list-style-type: none">• Place in observation
Expectation of LOS	<ul style="list-style-type: none">• Anticipate short stay, 23 hour monitoring
Medical Necessity	<ul style="list-style-type: none">• Delayed review suggests that inpatient may be appropriate
Certification	<ul style="list-style-type: none">• All elements of certification would need to be completed prior to discharge
Follow up necessary	<ul style="list-style-type: none">• EHR would recommend inpatient level of service• Call with physician to discuss medical necessity in light of order change requirement• Call with Case manager to discuss order change, and expectation documentation with regard to certification requirements• Inpatient order, documentation of expectation and all other elements of certification would need to be addressed prior to discharge

Case 4

Symptoms:

- 76 year old woman with UTI, treated with intravenous antibiotics. Fevers continue with tachycardia and hypotension requiring fluid support. Immunosuppressed due to post kidney transplant status.

Order

- Admit for inpatient services

Expectation of LOS

- Admission orders include order for “discharge in am”

Medical Necessity

- Would meet for inpatient by criteria, but documentation clearly violates 2 midnight expectation

Certification

- Depending on follow-up activity, if inpatient supported confirm all elements of certification prior to discharge

Follow up necessary

- Although historically inpatient medical necessity would be met, the documentation does not support 2 MN expectation
- Resolve conflict between order/medical necessity and expectation
 - Update documentation if patient not discharged as planned
- Consider Condition Code 44 if expectation of discharge remains

Case 5

Symptoms:	<ul style="list-style-type: none">• 68 year old male, with a history of stroke, known carotid stenosis, and previous neck irradiation making carotid end-arterectomy high risk. Patient scheduled for carotid angiography and stent placement.
Order	<ul style="list-style-type: none">• Observation
Expectation of LOS	<ul style="list-style-type: none">• <2 midnights
Medical Necessity	<ul style="list-style-type: none">• Procedure appropriate for inpatient based on inpatient-only status
Certification	<ul style="list-style-type: none">• All elements of certification except the 2 MN expectation would be required to be documented prior to discharge to support inpatient claim
Follow up necessary	<ul style="list-style-type: none">• Order should be corrected for procedure on CMS inpatient only procedure list• For procedures on the inpatient only list, order must be present on the medical record prior to the initiation of the procedure• Inpatient only procedures are exempted from the 2 midnight expectation, but all other certification requirements remain

Summary

- “Get It Right” while the patient is in the hospital and as early in the stay as possible
- Admission Review – Key Considerations:
 - Order
 - Expectation
 - Medical Necessity
 - Documentation & Certification
- While the time requirement has evolved, the science at the core of medical necessity remains the same

Questions?

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