DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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NEWS FLASH

Are you ready to transition to ICD-10 on October 1, 2014? In this MLN Connects™ video on ICD-10 Coding Basics, Sue Bowman from the American Health Information Management Association (AHIMA) provides a basic introduction to ICD-10 coding, including:

- Similarities and differences;
- ICD-10 code structure; and
- Coding process and examples.

To receive notification of upcoming MLN Connects videos and calls and the latest Medicare program information on ICD-10, subscribe to the weekly *MLN Connects™ Provider eNews*.

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Probe & Educate Medical Review Strategy: Probe Reviews of Inpatient Hospital Claims and Corresponding Provider Outreach and Education

Provider Types Affected

This MLN Matters® Article (Special Edition) is intended for providers and suppliers who submit institutional claims to Medicare Administrative Contractors (MACs) for inpatient hospital services provided to Medicare beneficiaries.

Provider Action Needed

This article describes a focused prepayment medical review strategy for MACs to conduct prepayment review of inpatient hospital claims with dates of admission from October 1, 2013, through March 31, 2014. See the Background and Additional Information Sections of this article for further details regarding these changes, and make sure that your billing staffs are aware of these changes.

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This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2012 American Medical Association.

Background

The focused prepayment medical review strategy for MACs is being implemented to:

- Ensure provider understanding of 42 CFR 412.3, and
- Provide responsive provider-specific education, as necessary, to correct improper payment(s).

On August 2, 2013, the Centers for Medicare & Medicaid Services (CMS) released regulation number CMS-1599-F (Fiscal Year (FY) 2014 Hospital Inpatient Prospective Payment System (PPS) Final Rule), in which CMS clarifies and modifies its guidance regarding the proper billing of inpatient hospital stays. This regulation is available at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2014-IPPS-Final-Rule-Home-Page.html on the CMS website. This rule, as codified, is available at http://www.ecfr.gov/cgi-bin/text-idx?SID=e41124920411234f0c9a1897eac4225b&node=42:2.0.1.2.12&rgn=div5 on the Internet.

The FY 2014 Hospital Inpatient PPS Final Rule helps clarify when a beneficiary should be admitted as an inpatient to any acute care hospital, Long-Term Care Hospital (LTCH), Inpatient Psychiatric Facility (IPF), or Critical Access Hospital (CAH). This rule is not applicable to inpatient admissions at Inpatient Rehabilitation Facilities (IRFs).

The rule is applicable to inpatient admissions beginning on or after October 1, 2013. Under the rule, if an admitting physician expects a beneficiary's surgical procedure, diagnostic test, or other treatment (not specifically designated as inpatient-only) to require a medically necessary stay in the hospital spanning 2 or more midnights, it is generally appropriate for the physician to order and formally admit the beneficiary as an inpatient and for the claim to be paid under Medicare Part A.

The rule emphasizes the need for a formal inpatient admission order to begin inpatient status and time (as it relates to Skilled Nursing Facility (SNF) coverage or other benefit eligibilities). However, the rule permits the physician and the medical reviewer to consider all time a beneficiary has spent in the hospital receiving continuous hospital services, including outpatient services (such as observation services and treatment in the emergency department, operating room, or other treatment area), in guiding their 2-midnight expectation.

The Probe & Educate reviews will allow CMS to identify those providers that have properly understood and implemented the 2-midnight benchmark, and those providers who might benefit from additional education, as evidenced by high claim error rates.

Probe Sample Medical Reviews

- MACs will review a pre-payment, provider-specific probe sample of inpatient hospital Part A claims for appropriateness of inpatient admission under the revised 2 midnight benchmark with dates of admission between October 1, 2013 and March 31, 2014.

- Samples will only be selected from acute care inpatient hospitals, LTCHs, and IPFs impacted by CMS-1599-F.

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Note: MACs will send Additional Documentation Requests (ADRs) per the timelines provided in Chapter 3 of the "CMS Program Integrity Manual" (see http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/pim83c03.pdf on the CMS website).

- MACs will review the claims in conjunction with review instruction provided by CMS and shared with providers at http://go.cms.gov/InpatientHospitalReview in our "Reviewing Hospital Claims for Patient Status" document.

- MACs will send detailed results letters for all providers per current "Program Integrity Manual" instruction.

- MACs will indicate in their letters the offer for 1:1 telephone explanations, as needed, for providers requiring moderate-significant or major corrective action.

Note: This requirement will include sending result letters to providers with no findings. Review results letters required per the general complex probe process will be sent per the guidance provided in Chapter 3 of the "CMS Program Integrity Manual" (Publication 100-08; see http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/pim83c03.pdf on the CMS website).

Education and Corrective Action

- MACs will implement, upon review of the completed probe, corrective action plans on a provider specific basis. Provider concern levels will be categorized as minor, moderate, or major concerns.

1. Minor Concern: A provider with a low error rate and no pattern of errors, defined as 0-1 errors out of 10 claims or 0-2 errors out of 25 claims. MACs will educate the provider via the results letter indicating the reasons for denial of the inpatient claim.

2. Moderate-Significant Concern: A provider with a moderate error rate, defined as 2-6 errors out of 10 claims or 3-13 errors out of 25 claims. MACs will offer 1:1 telephonic provider education in addition to the written review results letters. MACs will repeat the probe strategy for Dates of Admission January through March 2014.

3. Major Concern: A provider with a high error, defined as 7+ errors out of 10 claims or 14+ errors out of 25 claims. MACs will offer 1:1 telephonic provider education in addition to the written review results letters. MACs will repeat the probe strategy for Dates of Admission January through March 2014.

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4. If at the end of the six month review period continuing major concerns are identified, MACs will select 100 claims (for providers with 10 sampled claims) and 250 claims (for providers with 25 sampled claims) for additional review.

Additional Information

If you have any questions, please contact your MAC at their toll-free number, which is available at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.

Questions pertaining to the Probe & Educate Medical Review Strategy may also be submitted to IPPSAdmission@cms.hhs.gov.

News Flash - Generally, Medicare Part B covers one flu vaccination and its administration per flu season for beneficiaries without co-pay or deductible. Now is the perfect time to vaccinate beneficiaries. Health care providers are encouraged to get a flu vaccine to help protect themselves from the flu and to keep from spreading it to their family, co-workers, and patients. Note: The flu vaccine is not a Part D-covered drug. For more information, visit:

- MLN Matters® Article #MM8433, "Influenza Vaccine Payment Allowances - Annual Update for 2013-2014 Season"
- MLN Matters® Article #SE1336, "2013-2014 Influenza (Flu) Resources for Health Care Professionals"
- HealthMap Vaccine Finder - a free, online service where users can search for locations offering flu and other adult vaccines. While some providers may offer flu vaccines, those that don't can help their patients locate flu vaccines within their local community.
- The CDC website for Free Resources, including prescription-style tear-pads that allow you to give a customized flu shot reminder to patients at high-risk for complications from the flu.

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