
42 C.F.R. § 412.84

Payment for extraordinarily high-cost cases (cost outliers).

- (a) A hospital may request its intermediary to make an additional payment for inpatient hospital services that meet the criteria established in accordance with § 412.80(a).
- (b) The hospital must request additional payment—
- (1) With initial submission of the bill; or
 - (2) Within 60 days of receipt of the intermediary's initial determination.
- (c) Except as specified in paragraph (e) of this section, an additional payment for a cost outlier case is made prior to medical review.
- (d) As described in paragraph (f) of this section, the QIO reviews a sample of cost outlier cases after payment. The charges for any services identified as noncovered through this review are denied and any outlier payment made for these services are recovered, as appropriate, after a determination as to the provider's liability has been made.
- (e) If the QIO finds a pattern of inappropriate utilization by a hospital, all cost outlier cases from that hospital are subject to medical review, and this review may be conducted prior to payment until the QIO determines that appropriate corrective actions have been taken.
- (f) The QIO reviews the cost outlier cases, using the medical records and itemized charges, to verify the following:
- (1) The admission was medically necessary and appropriate.
 - (2) Services were medically necessary and delivered in the most appropriate setting.
 - (3) Services were ordered by the physician, actually furnished, and not duplicatively billed.

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