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Phasing Out IPO List May Not Slow Admissions; 'Because' Is Key Word for Medical Necessity

By Nina Youngstrom

Orthopedic and spine surgeons at hospitals across the country are now making patient-status decisions for the first time on musculoskeletal procedures that CMS moved off the inpatient-only (IPO) list Jan. 1, although some procedures may continue to be performed mostly on inpatients. That was the first step in the process of eliminating the IPO list completely by 2024, putting all 1,740 procedures under the purview of Medicare's two-midnight rule.

CMS announced the sea change in the 2021 outpatient prospective payment system rule,^[1] but hospitals already dipped their toes in the water when total knee arthroplasty (TKA) was pushed off the IPO list in 2018, and CMS did the same with total hip arthroplasty (THA) in 2020.

"Some hospitals are still doing every total knee replacement as inpatient," according to national data from the Program for Evaluating Payment Patterns Electronic Report, better known as PEPPER, said Ronald Hirsch, M.D., vice president of R1 RCM, at a Feb. 25 virtual presentation at Hughston Orthopedic Trauma, an acute-care hospital owned by a group of orthopedic surgeons. "I can't look at their charts to know if there is something special about their cases. Possibly they only treat morbidly obese or sleep apnea patients, but I doubt that," Hirsch said. "I suspect it's due to ongoing confusion about how to interpret Medicare guidelines on who can be an inpatient."

There was no culture shock for surgeons at one hospital when CMS pushed musculoskeletal services off the IPO list. Val Kraus, vice president of case management, said his hospital, which he prefers not to identify, continues to admit most patients because they're overwhelmingly complex cases and typically cross two midnights. "We don't do a lot of simple orthopedic procedures," he said. "We have been working on beefing up the medical necessity piece."

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