Compliance Today - October 2021
Building an internal electronic process for Medicare short-stay admission reviews

By Anuja Mohla and Patty Resnik

Anuja Mohla (amohla@christianacare.org) is Senior Physician Advisor and Medical Director Patient Access & Flow at ChristianaCare Health Care System in Newark, DE, and **Patty Resnik** (presnik@christianacare.org) is Vice President, Operations, at ChristianaCare Center for Virtual Health in Wilmington, DE.

The Centers for Medicare & Medicaid Services (CMS) implemented the two-midnight rule as part of the fiscal year 2014 Inpatient Prospective Payment System final rule. In December 2016, the Office of Inspector General (OIG) published a report identifying remaining vulnerabilities in healthcare systems since the two-midnight rule.[1] OIG expressed concerns regarding acute hospitals submitting costlier Part A inpatient claims instead of Part B outpatient claims for "short stays," defined as hospital stays of less than two midnights. Thus, the OIG recommended CMS conduct a routine review of short-stay admissions and target hospitals with high numbers of these potentially inappropriate claims.

History of short-stay audits

In October 2013, CMS assigned Medicare administrative contractors to conduct pre-payment status probe and educational reviews for the short stays.[2] However, two years later, this task was shifted to a post-payment review under the Beneficiary and Family Centered Care Quality Improvement Organizations. Less than a year later, in May 2016, CMS temporarily paused the reviews to promote a more consistent approach toward medical review of short-stay admissions. A few months were taken to retrain the Beneficiary and Family Centered Care Quality Improvement Organizations and short-stay audits were resumed in September 2016. Three years later, in May 2019, CMS again paused the reviews with the intention of having one organization conduct the audits nationwide. In November 2020, the OIG again expressed concerns regarding overpayment of millions of dollars for short inpatient stay claims as well as its intent to audit the short inpatient stay claims.[3] More recently in April 2021, Livanta was announced as the national Medicare claim review contractor with plans to resume short-stay admission audits in the near future.[4]

Step-by-step guide to an electronic short-stay review process

A proactive approach toward conducting internal short-stay admission reviews can help identify and correct any errors prior to claim submission. In 2016, ChristianaCare transitioned from a manual to an electronic review process. Below is the framework of our current electronic short-stay review process, which incorporates various departments within the revenue cycle team.

The two-midnight rule alert

The entire process is initiated when a discharge order is entered by a clinical provider on a Medicare beneficiary in inpatient status who has not crossed a second midnight. The two-midnight rule alert is received by the clinical provider at the time of discharge. In addition to educating the provider about the two-midnight rule, it directs the discharging provider to the appropriate action. If it is a true short stay, it guides the provider to another

screen where free text information can be entered indicating clinical rationale for early discharge for a short inpatient stay. Alternatively, it leads the provider to ensure appropriate discharge location is selected when applicable toward one of the CMS's exceptions for short inpatient stays, including departure against medical advice, unexpected death, selection of hospice care, or transfer to another acute hospital.[5] More importantly, unnecessary alerts are suppressed if the encounter meets one of the CMS exceptions for short-stay admissions during the hospitalization.

Identification of short-stay cases

A daily report is reviewed by the utilization management (UM) manager for any patients stays where the two-midnight rule alert was fired. Additional reports are designed for patients with a change in status, resulting in fewer than two midnights in the inpatient status. Any patients changed from observation/outpatient to inpatient status are identified for possible occurrence span code 72. Patients changed from inpatient to observation/outpatient without UM committee member are also flagged for a potential condition code W2.

Initiation of UM retrospective review documentation form

A new form is created for each short-stay admission encounter with the most appropriate review type, short stay or occurrence span code 72 being the most common options. For a patient with an elective surgery, the form is sent electronically to the coding team for potential inpatient-only (IPO) procedure. If an IPO is identified, the form is sent directly to the finance auditor for appropriate claim submission. If the procedure is determined to be not IPO, the form is sent electronically to the physician advisor for medical necessity review under the two-midnight rule regulations.

Physician advisor review

Upon receipt of the form in the message center, the physician advisor can access the complete medical record by one click as the form itself is attached to that specific admission encounter being reviewed. The physician advisor must review the case for medical necessity and document a summary supporting the status determination. If the physician advisor disagrees with the discharging status, the case is sent to a second physician advisor for additional review. After the physician advisors have recorded their final status determination, the form is sent electronically for completion to the finance auditor, a member of the ChristianaCare's Medicare finance team.

Finance auditor review

The final document review outcome is reconciled by the finance auditor based on the input from the coding team and/or physician advisors, as applicable. Most importantly, all short-stay cases are automatically put on a bill hold built into the institution's billing system as a safety net. This helps the finance auditor ensure all short-stay encounters are reviewed appropriately through the various steps of the short-stay review process prior to the final claim submission.