

Report on Medicare Compliance Volume 31, Number 19. May 23, 2022 OIG Audit, Survey Hint at Possible PACT Payment Policy Expansion

By Nina Youngstrom

There are signs that the post-acute care transfer (PACT) payment policy, which sometimes seems resistant to compliance, may be extended to all MS-DRGs. Two moves by the HHS Office of Inspector General (OIG) point in this direction: OIG just added an audit to the work plan of edits that are supposed to detect improperly billed claims in connection with the PACT policy and has sent hospitals a survey about the potential expansion of the PACT policy, which pays per diems instead of MS-DRGs when patients are discharged to post-acute care.^[1]

That's probably not a coincidence, said Stephen Gillis, director of compliance coding, billing and audit at Mass General Brigham in Boston. In its audit, OIG will determine whether the common working file edits do their job on the subset of MS-DRGs that fall under the PACT policy at the same time as it gathers intelligence from hospitals on the implications of expanding it to all MS-DRGs. Apparently, OIG will then decide whether to urge CMS to go all the way. If the answer is yes, hospitals could potentially face a big revenue hit and more compliance aggravation, he said.

"If the dollars are big enough, I am sure CMS will look hard at this recommendation to grow the list or make it the entire list of DRGs," Gillis said.

According to the PACT payment policy, acute-care hospital patients who receive post-acute care after discharge are considered transfers. Hospitals are paid per diems instead of MS-DRGs up to the full amount of the MS-DRG —although the PACT policy only applies to 280 MS-DRGs. Under certain length-of-stay circumstances where the actual length of stay is more than one day less than the geometric mean length of stay, hospitals are paid a fraction of the full MS-DRG payment amount, Gillis said.

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