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MA Rule: Moving from Payment to Coverage Criteria May Be Game Changer

By Nina Youngstrom

There's power for hospitals in CMS's clarification that Medicare Advantage (MA) patients have the same type of inpatient coverage as traditional Medicare patients, and that it's not a question of a payment dispute, experts say. It should help with appeals of MA denials in connection with the two-midnight rule and other Part A coverage now that CMS has proposed codifying language about MA coverage in a rule published in the *Federal Register* Dec. 27.^[1]

"They can't deny the basics of what Medicare covers," said Brian Moore, M.D., medical director of utilization management and physician advisor services at Atrium Health in North and South Carolina. MA plans will be required to follow coverage criteria for traditional Medicare under Part A, which includes the two-midnight rule. That means eschewing proprietary tools (e.g., InterQual and MCG) for patient-status decisions (inpatient versus observation), he said at a Jan. 18 webinar sponsored by PayerWatch in Towson, Maryland. But it's mainly up to hospitals to get MA plans to abide by this, in their contract language and in appeals.

The rule proposes to codify language that would explicitly require MA plans to follow coverage criteria for inpatient admissions under Part A (42 C.F.R. § 412.3). As the rule clarified, CMS is reinforcing its "longstanding policy that MA organizations may only apply coverage criteria that are no more restrictive than Traditional Medicare coverage criteria found in NCDs, LCDs, and Medicare laws. We reiterate that this proposal also applies to substantive coverage criteria and benefit conditions found in Traditional Medicare regulations, such as those governing inpatient admissions and transfers to post-acute care settings, which are not governed by NCD or LCD."

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