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QIO Will Retract July Publication on Short Stays; CMS Wants Closer Look

By Nina Youngstrom

Hospitals should set aside the guidance in a July publication from Livanta, the CMS contractor that reviews short hospital stays under Medicare's two-midnight rule—at least for now.[1] The publication had opened the door to greater use of the case-by-case exception and seemed to have a more generous view of inpatient admissions than in its audits—including for appendectomies and gallbladder removals—but CMS has put it on ice pending a closer inspection.[2]

"Livanta has been instructed to retract the publication of the 'Livanta Claims Review Advisor for July 2023', until CMS internal review of the publication is completed," CMS said in a Sept. 13 email to Ronald Hirsch, M.D., vice president of R1 RCM.

A CMS spokesperson told *RMC* that "CMS is in process of reviewing the publication to support clarification and corrections, as needed. We anticipate the review to be complete within the next 30 days."

In the publication, Livanta—a Beneficiary and Family Centered Care-Quality Improvement Organization (QIO)—explained it relies on CMS's two-midnight guidelines "to identify cases where resource utilization best justifies inpatient payment" and makes decisions based on the documentation available when the inpatient order was written. Under step four of the guidelines, Livanta assesses whether it was reasonable for the admitting physician to expect the patient to require medically necessary hospital services for two midnights or more, including all outpatient/observation and inpatient time. Under step six, the QIO evaluates whether claims for patients who stayed fewer than two midnights (i.e., one night in the hospital) support the physician's determination that inpatient care was necessary based on complex medical factors (e.g., risk of an adverse event, severity of signs and symptoms).