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Confusion About Rules on Inpatient Admission Orders Could Cause Denials

By Nina Youngstrom

After a Medicare patient is treated for a stroke in the emergency department (ED) on a Monday morning, the ED physician calls the hospitalist for an inpatient admission order. Although the hospitalist enters an inpatient admission order, the patient isn't moved upstairs until very early Tuesday morning when a bed becomes available. It may not seem like a big deal—the patient is well cared for in the ED—but every moment as an inpatient matters, because Medicare requires a three-day consecutive inpatient stay before patients qualify for admission to a skilled nursing facility (SNF), which may be necessary for stoke patients.

"You don't want to lose that day," said Ronald Hirsch, M.D., vice president of R1 RCM, at a webinar sponsored by RACmonitor.com.[1] Although the hospitalist had entered the inpatient order, the time in the ED doesn't count toward the three days if the hospital's billing policy is to consider the start of the inpatient admission when the patient arrives on an inpatient unit, he said.

That's one twist for hospitals to keep in mind as they navigate Medicare rules for inpatient admission orders.

"The catch is that although it's just three words, it's three words worth thousands of dollars and tremendous implications for hospitals and patients," he said. If the words are AWOL, hospitals lose money and patients lose access.

Although Hirsch said mistakes with inpatient admission orders are probably uncommon, they do happen. For example, Medicare auditors may deny claims for inpatient-only (IPO) procedures without an admission order. In some cases, Medicare allows hospitals to bill Part A even with defective admission orders, but only in rare circumstances.

With SNF three-day qualifying stays, compliance professionals may challenge the idea of physicians writing inpatient admission orders for patients when they're still in ED beds, Hirsch said. "There are facilities where the compliance card comes out and they say, 'We can't make them inpatients because our ED beds aren't licensed for inpatient care,'" he said. "But Medicare and other payers don't look at it that way. They look at care being provided as the basis to bill what's being done."