Today’s Presenters

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Acronyms

- CMS – Centers for Medicare & Medicaid Services
- CPT – Current procedural terminology
- DRG – Diagnosis Related Group
- ED/ER – Emergency Department/Room
- FI – Fiscal Intermediary
- FISS – Fiscal Intermediary Standard System
- HCPCS – Healthcare Common Procedure Coding System
- HICN – Health Insurance Claim Number
- HIPAA – Health Insurance Portability and Accountability Act
- LCD – Local coverage determination
- MAC – Medicare administrative contractor
- MU – Medicare University
- NCD – National Coverage Determination
- NPP – Nonphysician practitioner
- PHI – Protected health information
Objectives

• The objective of this session is give providers information on Medicare inpatient coverage criteria and guidance on determining when the admission meets inpatient criteria versus outpatient observation.
Agenda

- Medical Review Results
- Medical Necessity
- Inpatient Coverage
- Documentation
- Scenarios
- Questions and Answers
Medical Review Activity

• Edit 5F1BC
  – Inpatient one day stays activated on 08/30/2012

• Edit 5F1AF
  – 1 day inpatient stay for heart failure (DRG 291-293)

• Edit 5F1AG
  – 1 day inpatient stay esophagitis/gastroenteritis diagnoses (DRG 391-392)

• Edit 5F1AH
  – 1 day inpatient stay nutritional/metabolic diagnoses (DRG 640-641)
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Medical Review Top Denials

• 55100:
  – THIS CLAIM WAS DENIED AFTER REVIEW AND IT WAS DETERMINED THAT THE DOCUMENTATION DID NOT SUPPORT THE NEED FOR AN INPATIENT LEVEL OF CARE.

• 55103:
  – THE ITEM/SERVICE WAS DENIED BECAUSE THE INFORMATION REQUIRED TO MAKE PAYMENT WAS MISSING
Acute Inpatient Coverage
Medical Necessity-Social Security Act

• Coverage defined by:
  – Title XVIII of the Social Security Act, Section 1862 (a)(1)(A). This section allows coverage and payment for only those services considered medically reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member
Medical Necessity

• For a service to be considered medically necessary, it must be all of the following:
  – Appropriate in duration and frequency
  – Suitable for the patient’s medical needs
  – Provided in accordance with accepted standards of medical practices
  – Neither experimental or investigational
  – Performed by qualified personnel in appropriate settings
Medical Necessity

- Requires care coordination
  - Physician involvement
  - Utilization review
  - Clinicians
  - Financial/billing/coding

- Even with all the coordination and input of case management, utilization review, and quality controls, Medicare views the physician order as binding

- Physician involvement at all levels is a must!
Medical Necessity

• If the basis of Medicare coverage (and ultimately payment) is based on medical necessity… how does a provider “show” or provide evidence of “medical necessity?”

Document, Document, Document
Medical Necessity Tools

- NCD's
- LCD’s
- Internet Only Manuals
- Screening Tools
- Care pathways
- Best practices
- Practice standards
Medicare Coverage for Inpatient Admission
Medicare Coverage for Inpatient Admission

• “An inpatient is a person who has been admitted to a hospital for bed occupancy for purposes of receiving inpatient hospital services. Generally, a patient is considered an inpatient if formally admitted as inpatient with the expectation that he or she will remain at least overnight and occupy a bed even though it later develops that the patient can be discharged or transferred to another hospital and not actually use a hospital bed overnight.”

*Resource: Internet Only Manual (IOM) The Medicare Benefit Policy Manual Publication 100-02 Chapter 1 Section 10 - Covered Inpatient Hospital Services Covered Under Part A
Medicare Coverage for Inpatient

• “Physicians should use a 24-hour period as a benchmark, i.e., they should order admission for patients who are expected to need hospital care for 24 hours or more, and treat other patients on an outpatient basis.”

* Resource: Internet Only Manual (IOM) The Medicare Benefit Policy Manual Publication 100-02 Chapter 1 Section 10 - Covered Inpatient Hospital Services Covered Under Part A
Medicare Coverage for Inpatient Admission

• “Inpatient care rather than outpatient care is required only if the beneficiary's medical condition, safety, or health would be significantly and directly threatened if care was provided in a less intensive setting.”

* Resource: Internet Only Manual (IOM) The Medicare Program Integrity Manual Publication 100-08 Chapter 6 Section 6.5.2 (A_ Determining Medical Necessity and Appropriateness of Admission
Medicare Coverage for Inpatient

“However, the decision to admit a patient is a complex medical judgment which can be made only after the physician has considered a number of factors, including the patient's medical history and current medical needs, the types of facilities available to inpatients and to outpatients, the hospital's by-laws and admissions policies, and the relative appropriateness of treatment in each setting.”

* Resource: Internet Only Manual (IOM) The Medicare Benefit Policy Manual Publication 100-02 Chapter 1 Section 10 - Covered Inpatient Hospital Services Covered Under Part A
Key Components

- Admitted
- Purpose: To receive inpatient services (as defined by 42 Code of Federal Regulation [CFR] 409.10)
- Decision of physician (or NPP) responsible for patient’s care at hospital
Meaning...

...to remain compliant with Medicare

- Must have order for admission
  - “Admit” with no other clarifier means “inpatient”
- Must be for purpose of receiving covered inpatient services
- Inpatient services are those that cannot safely or effectively be rendered at a lesser level of care without jeopardizing health or safety of patient
Determining Factors for Admission
Step One: Decision Making Process for Inpatient Versus Outpatient Observation

Step 1- Medical Judgment decision

1) Establish a probable diagnosis and treatment plan, or a list of differential diagnoses

The determination: can the patient go home?

YES

Release patient no further payment decision

NO

Proceed to step two
Step Two: Clinical and Payment Decision

Definitive Diagnosis

- YES: Patient requires multi day diagnostic/therapeutic tx → Inpatient Admission

- NO: Uncertain diagnosis uncertain treatment → Outpatient Observation up to 48 hours of care. Appropriate diagnostic and therapeutic care

Outpatient Observation:

- Patient remains unstable, diagnosis unclear. Inpatient tx needed
Step Two: Clinical and Payment Decision

- Definitive Diagnosis
  - NO
  - Uncertain Diagnosis Uncertain Treatment
    - Outpatient Observation
      - Up to 48 hours of care
      - Appropriate Diagnostics and Care
        - Patient stabilized or effective treatment to be continued as outpatient

- Discharge home
Scenario 1
Scenario 1
DOS 02/06-02/07/2012

- Patient presented to the ED after experiencing a syncopal episode. Patient was in a dental chair getting a panorex x-ray with a bite block. Patient stated he began to feel light headed with a warm flushing sensation and some nausea. He states he was seated and slumped to the ground; thinks he lost consciousness for a few seconds

- Denied incontinence; was slightly confused upon waking which cleared quickly. Patient states this happened one time last year when it was really hot outside; otherwise no other problems. No history of MI- just atrial fibrillation for which he takes coumadin
Scenario 1

- While in ED:
  - B/P 90/56 P 59 pulse oximetry on room air 97%, telemetry shows sinus brady with brief periods of atrial fibrillation. EKG shows sinus brady in the 50’s, normal zero ST/T changes. Patient was bolused with normal saline and blood pressure 138/82
- Physicians impression: Syncope given patient’s age and history of atrial fibrillation, is admitted to the hospital for further observation
Scenario 1

- Physician orders:
  - Admit
  - Labs
  - EKG
  - 2-D Echocardiogram
  - Activity Ad Lib every 8 hours
  - Telemetry every 8 hours
  - Vital Signs every 4 hours
  - Orthostatic vital signs every 8 hours
Scenario 1

• Hospital Course:
  – Cardiac enzymes negative times 3, telemetry failed to show atrial fibrillation overnight, his heart rate 70’s overnight. He was noted to have very low MCV of 60 and HCT of 33.7. Recommended follow up with primary care physician for evaluation of hemoglobinopathy
Scenario 1

- Should this patient be an…?
  - Inpatient admission
  - Outpatient observation
Step One: Decision Making Process for Inpatient Versus Outpatient Observation

1) Establish a probable diagnosis and treatment plan, or a list of differential diagnoses.

The determination: can the patient go home?

- YES: Proceed to step two
- NO: Release patient no further payment decision
Step Two: Clinical and Payment Decision

- **Definitive Diagnosis**
  - YES: Patient requires multi day diagnostic/therapeutic treatment → Inpatient Admission
  - NO: Uncertain diagnosis uncertain treatment
    - NO: Outpatient Observation up to 48 hours of care. Appropriate diagnostic and therapeutic care
    - YES: Patient remains unstable, diagnosis unclear. Inpatient treatment needed
Scenario 2
Scenario 2
DOS: 09/02-09/03/2012

- 57-year-old female arrived in the ED via ambulance with c/o seizure activity. History of metastatic adenocarcinoma of the lung with bone, brain and liver mets. S/P gamma knife today, presented to ED after having 1st seizure.

- Prior to EMS (ambulance): loss of consciousness occurred with seizure, tonic clonic movements. Pt has amnesia to event.
Scenario 2

• Assessment: Skin w/d dusky, pale in color. Moves all extremities, grips equal bilaterally. Respirations unlabored, no apparent distress. Facial symmetry appears normal. Bilaterally pupils are PERRL, present and equal.

• Denies weakness, blurred vision, dizziness, difficulty swallowing, numbness or headache. Denies pain, resting comfortably without c/o. A & O X 3, VS WNL

• B/P 123/81 P110 R 18 02 sat 98% on RA
Scenario 2

- CT scan shows small hemorrhage into metastatic area without middle shift
- Clinical impression: Seizure, intracranial hemorrhage
Scenario 2

• Significant past medical history to consider:
  – Metastatic adenocarcinoma of the lung with bone, brain and liver mets. Also with remove h/o DVT and more recent PE and LLE DVT, receiving Lovenox SQ 60mg QD
Scenario 2

- Physician orders
  - Admit to surgical floor-inpatient
  - Hematology consult for Lovenox use
  - Neurosurgical evaluation
  - Repeat CT with and without contrast in 6 hours
  - VS Q 4 hours until discharge
  - Neuro checks Q 4 hours
  - Activity as tolerated
  - I & O
  - Medications
Scenario 2

• Should this patient be an…?
  – Inpatient admission
  – Outpatient observation
Step One: Decision Making Process for Inpatient Versus Outpatient Observation

Step 1- Medical Judgment decision

1) Establish a probable diagnosis and treatment plan, or a list of differential diagnoses

The determination: can the patient go home?

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NO

Proceed to step two

YES

Release patient no further payment decision
Step Two: Clinical and Payment Decision

Definitive Diagnosis

Patient requires multi day diagnostic/therapeutic treatment

YES

Inpatient Admission

NO

Uncertain diagnosis uncertain treatment

Outpatient Observation up to 48 hours of care. Appropriate diagnostic and therapeutic care

Patient remains unstable, diagnosis unclear. Inpatient treatment needed
CMS Resources

• CMS Web site: http://www.cms.gov

• CMS IOM Publication 100-02, Medicare Benefit Policy Manual
• CMS IOM Publication 100-04, Medicare Claims Processing Manual
  – Chapter 1 (General Billing Requirements)
  – Chapter 3 (Inpatient Hospital Billing)
  – Chapter 25 (UB-04 Form Locators)
• CMS IOM Publication 100-08, Medicare Program Integrity Manual
CMS Resources

- MLN Matters articles

- Acute Care Hospital Web page
  - http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/index.html

- ACH Fact Sheet
CMS Resources

- Quarterly Provider Updates

- Open Door Forums

- Medicare Claim Review Programs: MR, NCCI Edits, MUEs, CERT, and Recovery Audit Program
CMS Resources

• Medicare Quarterly Compliance Newsletters

• October 2012 CMS Fast Fact

  • Documentation must contain enough information to determine the date on which the service was performed or ordered. If the entry immediately above or below the entry is dated, medical review may reasonably assume the date of the entry in question.

  • Please refer to the Medicare Learning Network® (MLN) fact sheet titled “Complying with Medicare Signature Requirements” and the “Medicare Program Integrity Manual,” Chapter 3, Section 3.3.2.4.H, for more information.
CMS Resources

• Web-based training courses are available on the CMS Web site; for example:
  – World of Medicare
  – Uniform Billing (UB-04)
  – Acute Hospital IPPS

• Add link to your browse and key in courses!
CMS Web-based Training Module: Safeguarding Your Medical Identity

• “Safeguarding Your Medical Identity” training module
  – Education on how to recognize the risks of medical identity theft and the resources available to protect your medical identity
• Health care professionals can earn a total of 1.0 hour of Continuing Medical Education (CME) credit
  – Registration is required to earn CME credit
    » Must completing a post-assessment with three questions
New CMS Fraud Prevention Training Modules for Providers

• Two CMS Fraud Prevention training modules on Medscape Web site
  – Must create free account to access, do not need to be health care professional

• Total of 1.25 hours of continuing medical education (CME) credit can be earned
  – Must be Medscape user registered as doctor or health care professional
New CMS Fraud Prevention Training Modules for Providers

• Reducing Medicare and Medicaid Fraud and Abuse: Protecting Practices and Patients

• How CMS Is Fighting Fraud: Major Program Integrity Initiatives
Web Site Survey

• This is your chance to have your voice heard—Say “yes” when you see this pop-up so National Government Services can make your job easier!
Medicare University

- [http://www.MedicareUniversity.com](http://www.MedicareUniversity.com)
- Interactive online system available 24/7
- Educational opportunities available
  - Computer-based training courses
  - Teleconferences, Webinars, live seminars/face-to-face training
- Self-report attendance
Medicare University
Self-Reporting Instructions

• Log on to the National Government Services Medicare University site at http://www.NGSMedicare.com
  – Topic = <Insert course name/delete arrows>
  – Medicare University Credits (MUCs) = #
  – Catalog Number = <Insert catalog number>
  – Course Code = <Enter course code>
  – For step-by-step instructions on self-reporting please visit http://www.NGSMedicare.com > Medicare University > Accessing the Self-Reporting Tool
Thank You!