

**Title:** Medicare Readmissions  
**Policy #:** AD.001.C  
**Type:** Medical  
**Sub-Type:** Administrative Process

**Implementation Date:** 1/1/2014  
**Version [C] Effective Date:** 4/1/2018  
**Last Reviewed:** 5/15/2018  
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## PRODUCT VARIATIONS

This policy applies only to those Health Partners Plan product lines checked below.

Please note that differences may exist between product lines. When variations exist, they will be summarized in the table below and — if necessary — explained in greater detail in appropriate sections of this policy bulletin document.

<input type="checkbox"/> Medicaid	<i>Does not apply</i>
<input checked="" type="checkbox"/> Medicare	This policy applies to all readmissions to facilities regardless of contracted status.
<input type="checkbox"/> CHIP	<i>Does not apply</i>

*NOTE: This policy only applies when a specific HPP medical necessity policy addressing the item/service does not exist.*

## POLICY STATEMENT

Health Partners' Medicare Plans do not reimburse inpatient readmission claims to the Same Hospital for the same, similar, or a related condition when the readmission occurs less than 31 calendar days from the date of the discharge from the initial facility and the second admission was potentially avoidable.<sup>1a</sup>

A Health Partners Plan Medical Director will perform a medical review of each case to determine if the readmission is for a same, similar or related condition. Inpatient payment for the readmission may be denied if the readmission was not medically necessary, the readmission was a result of premature discharge, or the readmission was an attempt to circumvent the prospective payment system (PPS) by the same hospital<sup>1a</sup>.

Types of Prohibited Actions That Circumvent PPS -- Following are the four types of prohibited actions:

- 1. Premature Discharge of Patient That Results in Subsequent Readmission of Patient to Same Hospital** -- This prohibited action occurs when a patient is discharged even though he/she should have remained in the hospital for further testing or treatment or was not medically stable at the time of discharge. A patient is not

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medically stable when, in your judgment, the patient's condition is such that it is medically unsound to discharge or transfer the patient. Evidence such as elevated temperature, postoperative wound draining or bleeding, or abnormal laboratory studies on the day of discharge indicate that a patient may have been prematurely discharged from the hospital.

2. **Readmission of Patient to Hospital for Care That Could Have Been Provided During First Admission** -- This prohibited action occurs when a patient is readmitted to a hospital for care that, pursuant to professionally recognized standards of health care, could have been provided during the first admission. This action does not include circumstances in which it is not medically appropriate to provide the care during the first admission.
3. **Inappropriate Transfer of Patient From PPS Unit to PPS-excluded Unit in Same Hospital** -- This prohibited action occurs when a patient is admitted to an acute care part of the hospital even though the medical record shows that the patient required care in a PPS-excluded psychiatric or rehabilitation unit within the same hospital, a bed in the PPS-excluded unit was available at the time of initial admission, and the patient is subsequently transferred to the PPS-excluded unit. This also applies to similar transfers from PPS units to beds in hospital-based SNFs and SNF swing beds. A transfer is considered an admission for purposes of payment under PPS (See 42 CFR 412.4).
4. **Inappropriate Transfer of Patient From PPS-excluded Unit to PPS Unit in Same Hospital** -- This prohibited action occurs when a patient, who requires only the level of care being provided him/her in the PPS-excluded unit, is transferred to a PPS unit in the same hospital. A prohibited action also occurs when the transfer is from a PPS-excluded unit to a hospital-based SNF or swing bed

**Exclusions**

The following readmission scenarios are excluded from the above listed payment limitations:

**(Note:** Usual preauthorization and notification requirements apply to all exclusions.)

- a. Planned unrelated readmissions within 30 days of a discharge from the same facility.<sup>6</sup> (Please also see definition of Planned Readmission) Examples:
  - i. Planned admission for lung volume reduction surgery after a motor vehicle accident admission for loss of consciousness
  - ii. Planned total knee replacement admission after syncope admission
- b. Staged inpatient procedure(s) after the initial surgical admission when a staged procedure is medically acceptable AND warranted.
- c. Planned related readmissions for inpatient appropriate care when the frequency of the needed services is medically appropriate. For example, chemotherapy administration that is most appropriate as an inpatient and occurs every 3 weeks according to acceptable oncologic protocol.<sup>6</sup>

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## POLICY GUIDELINES

### Review Process

1. **Initial UM Review for a Request for Inpatient Level of Care:** During the initial UM Review, a Medical Director will
  - a. **Determine the Level of Care:** During review of a request for readmission, the HPP Medical Director will determine if the request is appropriate for the inpatient level of care using the InterQual Acute Module as adopted by Health Partners. If an alternative setting is most appropriate, the request will be denied as not medically necessary. If appropriate for the inpatient level of care, move to step 2.
  - b. A medical condition resulting in readmission could have reasonably been prevented by the provision of appropriate care consistent with accepted medical standards either prior to the initial discharge or during the post-discharge follow up period;
  - c. Hospital care is now required as a result of care provided (or inappropriately not provided) during the original admission through a period immediately following discharge, such as but not limited to:
  - d. The same or closely-related condition or procedure that existed prior to the initial discharge
    - i. An infection or other complication of care
    - ii. A condition or procedure indicative of a failed surgical intervention
    - iii. An acute decompensation of a coexisting chronic disease
  - e. An issue was caused by a premature discharge from the same facility
  - f. A readmission occurred within 24 hours of discharge from the same facility
  - g. A planned or unplanned readmission for services — that should have been available during the first admission — occurred
  - h. **Determine if the care rendered during the readmission is “clinically related” to the care during the initial admission:** The readmission is plausibly “clinically related” to the original admission if any of the following examples apply. These are only intended as examples:
    - i. **Ongoing or recurrent condition treated during initial admission:** Readmission is for continuation or recurrence of a condition treated during the initial admission
    - ii. **Acute decompensation of chronic problem present during prior admission:** Readmission is for acute decompensation of a chronic problem present on the prior admission but was not necessarily the focus of the initial admission. Treatment of an acute condition may have worsened this chronic problem.

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- iii. **Unplanned readmission for surgery:** Readmission is for an unplanned surgery related to a complication of care during the initial admission or the extent of the patient's condition was not fully evaluated or not fully treated.
- iv. **Surgery for a problem from the first admission:** Readmission (planned or unplanned) for surgery to address a continuation or recurrence of a problem that was identified or should have been identified within the first admission where a staged procedure is either not medically appropriate or the delay was not warranted.

If the care in the readmission is plausibly "clinically related" to the first admission, the readmission will be APPROVED but considered RELATED to the prior admission. For payment purposes this means that the second admission will not be reimbursed.

2. **Appeal Process:** On Appeal, a Medical Director will

- a. **Clinically Related Review:** Determine if the initial determination of being plausibly "clinically related" was accurate using the above defined process.
- b. **Potentially Avoidable:** Determine if the readmission was potentially avoidable. The medical director should consider whether or not **ALL** of the following was done
  - i. A discharge plan was created that was comprehensive and consistent with the current standard of care for the condition(s) and unique member circumstances. Potential language barriers were assessed and mitigated with use of an appropriate translator.
  - ii. The comprehensive discharge plan was clearly communicated to the member
  - iii. A post hospitalization appointment was arranged for the Member within an acceptable timeframe for the Member's condition. The discharging facility assessed the Member's ability to attend the appointment and attempted to mitigate any issues such as but not limited to transportation, travel challenges (ability to travel alone or need for assistance etc.), and conflict with work or childcare.
  - iv. Medication reconciliation was done, prescriptions provided (or arranged) and communicated to the Member.
  - v. If needed, Durable Medical Equipment, (DME) was arranged to ensure prompt delivery.
  - vi. The need for home care was assessed and arranged where appropriate.
- c. **Consider AMA Cases:** Give individual consideration to readmissions where the patient left Against Medical Advice (AMA) during the first admission specifically looking for whether or not
  - i. The provider documented attempts to explain to the Member why inpatient care is most appropriate
  - ii. Records show at least attempts to provide prescriptions, DME, follow up appointments, a copy of the medication list and post hospitalization patient instructions

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## CODING

*NOTE: The Current Procedural Terminology (CPT<sup>®</sup>) codes and Healthcare Common Procedure Coding System (HCPCS) codes that may be listed in this policy are for reference purposes only. Listing of a code in this policy does not imply that the service is covered and is not a guarantee of payment. Other policies and coverage guidelines may apply. When reporting services, providers/facilities should code to the highest level of specificity using the code that was in effect on the date the service was rendered. This list may not be all inclusive.*

CPT Code	Description
N/A	N/A

*CPT<sup>®</sup> is a registered trademark of the American Medical Association.*

ICD-10 Code	Description
N/A	N/A

## BENEFIT APPLICATION

The intent of this administrative policy is to communicate the Health Partners Medicare clinical review process and **impact of reimbursement rules on inpatient readmissions.**

## DESCRIPTION OF SERVICES

Some readmissions are unavoidable, but they may also result from poor quality of care, inadequate coordination of care, or lack of effective discharge planning and transitional care.

Multiple factors affect readmission rates and other measures including: the complexity of the medical condition and associated therapies; effectiveness of inpatient treatment and care transitions; patient understanding of and adherence to treatment plans; patient health literacy and language barriers; and the availability and quality of post-acute and community-based services, particularly for patients with low income. Readmission measurement should reinforce national efforts to focus all stakeholders' attention and collaboration on this important issue.

Health Partners Plans is responsible, as a Medicare Advantage Organization (MAO), to monitor the quality of the care our Members receive. This includes potentially avoidable readmissions. CMS holds MAO's accountable for quality measures through the CMS Star Rating System. One of the more heavily weighted Star measures is preventable readmissions.

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## CLINICAL EVIDENCE

N/A

## DEFINITIONS

**Readmission:** “Admissions to an acute, general, short-term hospital occurring less than 31 calendar days from the date of discharge from the same or another acute, general, short-term hospital (See §1154(a)(13) and 42 CFR 476.71(a)(8)(ii)). Neither the day of discharge nor the day of admission is counted when determining whether a readmission has occurred.”<sup>1a</sup>

**Premature discharge:** “[This occurs when a] patient is discharged even though he/she should have remained in the hospital for further testing or treatment or was not medically stable at the time of discharge. A patient is not medically stable when, in [the reviewer’s] judgment, the patient’s condition is such that it is medically unsound to discharge or transfer the patient. Evidence such as elevated temperature, postoperative wound draining or bleeding, or abnormal laboratory studies on the day of discharge indicate that a patient may have been prematurely discharged from the hospital.”<sup>1c</sup>

**Planned readmission:** A planned readmission is “a non-acute admission for a scheduled procedure within 31 days of discharge from the Same Facility.

1. A few specific, limited types of care are always considered planned (obstetrical delivery, transplant surgery, maintenance chemotherapy/radiotherapy/immunotherapy, rehabilitation);
2. Admissions for acute illness or for complications of care are never planned.”<sup>6</sup>

**Same Hospital/Facility:** A hospital is considered the “Same Hospital” for purposes of determination of readmissions, when the hospital shares the same Tax ID Number (TIN).

## DISCLAIMER

In all cases, the appropriate documentation must be kept on file and, upon request, presented to Health Partners Plans.

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## POLICY HISTORY

This section provides a high-level summary of changes to the policy since the previous version.

Summary	Version	Version Effective Date
N/A	B	11/16/2017
Readmission calendar days changed from 15 days to 30 days Added a defined Review Process Changed payment condition from being unrelated to being unavoidable	C	4/1/2018

## REFERENCES

1. **Quality Improvement Organization Manual, Chapter 4, Case Review**
  - a. Section 4240 - Readmission Review
  - b. Section 4250 – Transfer Review
  - c. Section 4255 - Circumvention of Prospective Payment System (PPS)

Electronically available at: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/qio110c04.pdf>  
(Last accessed: 1/22/2018)
2. **Social Security Act, Title 18**  
Electronically accessible at: [http://www.ssa.gov/OP\\_Home/ssact/title18/1886.htm](http://www.ssa.gov/OP_Home/ssact/title18/1886.htm)  
(Last accessed: 1/22/2018)
3. **Social Security Act, Title 11**  
Electronically available at: [http://www.ssa.gov/OP\\_Home/ssact/title11/1154.htm](http://www.ssa.gov/OP_Home/ssact/title11/1154.htm)  
(Last accessed: 1/22/2018)
4. **42 CFR 476.71 QIO Review Requirements**  
Electronically accessible at: <https://www.law.cornell.edu/cfr/text/42/476.71>  
(Last accessed: 1/22/2018)
5. **State Operations Manual**  
Electronically accessible at: [https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/som107ap\\_a\\_hospitals.pdf](https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/som107ap_a_hospitals.pdf)  
(Last accessed: 1/22/2018)
6. **Centers for Medicare & Medicaid Services Planned Readmission Algorithm -- Version 2.1**  
Electronically accessible at: [http://hsrc.maryland.gov/documents/HSRC\\_Initiatives/readmissions/Version-2-1-Readmission-Planned-CMS-Readmission-Algorithm-Report-03-14-2013.pdf](http://hsrc.maryland.gov/documents/HSRC_Initiatives/readmissions/Version-2-1-Readmission-Planned-CMS-Readmission-Algorithm-Report-03-14-2013.pdf)  
(Last accessed 1/25/2018)

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**7. Pub 100-16, Medicare Managed Care Manual, Chapter 4, Benefits and Beneficiary Protections, Section, Section 30.3 – Examples of Eligible Supplemental Benefits**

Electronically accessible at: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c04.pdf>

*(Last accessed 1/25/2018)*

**8. Pub 100-16, Medicare Managed Care Manual, Chapter 5, Quality Assessment, Section 20.1.2 - Quality Improvement Project (QIP)**

Electronically accessible at: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c05.pdf>

*(Last accessed 1/25/2018)*