

Payment Policy: 30 – Day Readmission Payment Policy

Reference Number: OH.PP.501

Product Types: All

Effective Date: 10/01/2016

Last Review Date: 02/20/2017

[Coding Implications](#)
[Revision Log](#)

See [Important Reminder](#) at the end of this policy for important regulatory and legal information.

Policy Overview

As a part of the Affordable Care Act (ACA), Congress mandated that CMS reduce hospital readmissions through certain payment incentives. Section 3025 of the ACA added section 1886(q) to the Social Security Act establishing the Hospital Readmissions Reduction Program, which requires CMS to reduce payments to IPPS hospitals with excess readmissions, effective for discharges beginning on October 1, 2012. The regulations that implement this provision are in subpart I of 42 CFR part 412 (§412.150 through §412.154).

The Ohio Department of Medicaid (ODM) references hospital readmissions in Ohio Administrative Code 5160-2-07.13(2).

The purpose of this policy is to promote more clinically effective, cost efficient and improved health care through appropriate and safe hospital discharge of patients.

Application

This policy applies to individual hospitals.

Policy Description

This policy is based, in part, on the methodology set forth in the Quality Improvement Organization Manual, CMS Publication 100-10, Chapter 4, Section 4240, for determining an inappropriate readmission.

Analyze the cases specifically to determine whether the patient was prematurely discharged from the first confinement, thus causing readmission. Perform an analysis of the stay at the first hospital to determine the cause(s) and extent of any problem(s) (e.g., incomplete or substandard treatment). Consider the information available to the attending physician who discharged the patient from the first confinement. Do not base a determination of a premature discharge on information that the physician or provider could not have known or events that could not have been anticipated at the time of discharge.

A readmission will be considered to be inappropriate or preventable under the following circumstances:

- If the readmission was medically unnecessary;
- If the readmission resulted from a prior premature discharge from the same hospital;
- If the readmission resulted from a failure to have proper and adequate discharge planning;

- If the readmission resulted from a failure to have proper coordination between the inpatient and outpatient health care teams; and/or
- If the readmission was the result of circumvention of the contracted rate by the hospital.

The following readmissions are excluded from 30-day readmission review:

- Transfers from out-of-network to in-network facilities;
- Transfers of patients to receive care not available at the first facility;
- Readmissions that are planned for repetitive or staged treatments, such as cancer chemotherapy or staged surgical procedures;
- Readmissions associated with malignancies, burns, or cystic fibrosis;
- Admissions to Skilled Nursing Facilities, Long Term Acute Care facilities, and Inpatient Rehabilitation Facilities (SNF, LTAC, and IRF);
- Readmissions where the first admission had a discharge status of “left against medical advice”;
- Obstetrical readmissions;
- Readmissions \geq 31 days from the date of discharge from the first admission;
- Readmissions for patients under 12 months old at time of service.

Upon request from The Health Plan, a hospital must forward all medical records and supporting documentation of the initial admission and readmission to The Health Plan. The initial review of the medical records will determine whether the readmission was clinically related to the initial admission. Once the readmission is determined to be clinically related, the readmission will be further evaluated to determine whether the readmission was inappropriate and/or potentially preventable. The review will evaluate the initial admission’s appropriateness of discharge, as well as the quality of the discharge plan.

Reimbursement

Post-Payment Review

The Health Plan will endeavor to monitor claim submissions to minimize the need for post-payment adjustments; however, the Health Plan may review payments retrospectively.

1. If a claim is determined to be related to a previous admission (and thus could possibly be determined to be an inappropriate, unnecessary, or preventable readmission), the hospital must forward (and, if applicable, arrange for a related hospital to forward) medical records for all related admissions to The Health Plan, upon its request. All clinical information from the admissions will be reviewed by a qualified clinician to determine if any readmission was inappropriate, unnecessary, or preventable based on the above guidelines.
2. If Medical Records are not submitted, submitted with inadequate records, or the readmission is determined to be inappropriate, unnecessary, or preventable, a recoupment letter for the second DRG with written notification of such determination will be sent to the hospital. Standard appeal timelines (45 days) will apply.
3. After appeal timelines are expired or appeals have been exhausted, the Health Plan will recover the second DRG.

At that time, the hospital should submit a corrected claim for the first admission which will involve collapsing the first and second admission into one admit through a discharge claim. In order to account for the readmission, the number of days between the two stays should be input as the non-covered days.

Documentation Requirements

Upon request from The Health Plan, a hospital or related hospital must forward all medical records and supporting documentation of the first and subsequent admission(s) to the health plan for review.

Definitions

Clinically Related – an underlying reason for a subsequent admission that is plausibly related to the care rendered during or immediately following a prior hospital admission. A clinically related readmission may have resulted from the process of care and treatment during the prior admission (e.g., readmission for a surgical wound infection) or from a lack of post admission follow-up (lack of follow-up arrangements with a primary care physician) rather than from unrelated events that occurred after the prior admission (broken leg due to trauma) within a specified readmission time interval.

Initial Admission – an inpatient admission at an acute, general, or short-term hospital, and for which the date of discharge for such admission is used to determine whether a subsequent admission at that same hospital occurs within 30 days.

Potentially Preventable Readmission (PPR) – A potentially preventable readmission is a readmission (re-hospitalization within a specified time interval) that is clinically related (as defined above) and may have been prevented had adequate care been provided during the initial hospital stay.

Readmission – an admission to a hospital occurring within 30 days of the date of discharge from the same hospital. Intervening admissions to non-acute care facilities (e.g., a skilled nursing facility) are not considered readmissions and do not affect the designation of an admission as a readmission. For the purpose of calculating the 30-day readmission window, neither the day of discharge nor the day of admission is counted.

Related Policies

Not Applicable

Related Documents or Resources

1. CMS Publication 100-10 (Quality Improvement Organization Manual), Chapter 4, Section 4240 (Readmission Review), available at: <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/qio110c04.pdf>
2. Notice of Material Amendment to Contract, 30 Day Readmission Review Policy – Revised, 06/23/2016

References

1. *Current Procedural Terminology (CPT®)*, 2016
2. *HCPCS Level II*, 2016
3. *International Classification of Diseases*, Ninth Revision, Clinical Modification (ICD-9-CM), 2016
4. *ICD-10-CM Official Draft Code Set*, 2016
5. Patient Protection and Affordable Care Act Pub. L. No. 111-148 § 3025(a), 124 Stat. 119, 408 (2010). The Affordable Care Act, Section 3025, § 1886(q), requires the Secretary to establish a Hospital Readmissions Reduction program, under which payments to applicable hospitals are reduced in order to account for certain excess readmissions, effective for discharges beginning on October 1, 2012. This section also requires the Secretary to establish a Value-Based Purchasing (VBP) Program for inpatient hospitals (Hospital VBP Program), which requires CMS to make value-based incentive payments to hospitals that meet performance standards for applicable performance periods, effective for discharges beginning on October 1, 2012.
6. 42 CFR 412.150 through 412.154 include the rules for determining the payment adjustment under the Hospital Readmission Reductions Program for applicable hospitals to account for excess readmissions in the hospital.
7. Federal Register, Vol. 79, No. 163, August 22, 2014, pages 50024 – 50048. This FY 2015 IPPS Final Rule outlines changes in policies to implement the Hospital Readmissions Reduction Program through FY 2017. Available at: <http://www.gpo.gov/fdsys/pkg/FR-2014-08-22/pdf/2014-18545.pdf>
8. Centers for Medicare and Medicaid Readmission Reduction Program information available at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Readmissions-Reduction-Program.html>
9. Gerard F. Anderson and Earl P. Steinberg, “Hospital Readmissions in the Medicare Population,” *New England Journal of Medicine*, 311:21 (Nov. 22, 1984), pp. 1349-1353

Revision History	
01/18/2017	State Specific version created. Policy changes regarding reimbursement made per the “Notice of Material Amendment to Contract”
02/14/2017	Confirmed changes via conf call and submitting draft for review of reimbursement language
02/20/2017	Accepted Changes proposed by Ohio re: “related hospital” verbiage

Important Reminder

For the purposes of this payment policy, “Health Plan” means a health plan that has adopted this payment policy and that is operated or administered, in whole or in part, by Centene Management Company, LLC, or any other of such health plan’s affiliates, as applicable.

The purpose of this payment policy is to provide a guide to payment, which is a component of the guidelines used to assist in making coverage and payment determinations and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage and payment determinations and the administration of benefits are subject to all terms, conditions, exclusions and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable plan-level administrative policies and procedures.

This payment policy is effective as of the date determined by Health Plan. The date of posting may not be the effective date of this payment policy. This payment policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this payment policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. Health Plan retains the right to change, amend or withdraw this payment policy, and additional payment policies may be developed and adopted as needed, at any time.

This payment policy does not constitute medical advice, medical treatment or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members. This payment policy is not intended to recommend treatment for members. Members should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this policy are independent contractors who exercise independent judgment and over whom Health Plan has no control or right of control. Providers are not agents or employees of Health Plan.

This payment policy is the property of Centene Corporation. Unauthorized copying, use, and distribution of this payment policy or any information contained herein are strictly prohibited. Providers, members and their representatives are bound to the terms and conditions expressed herein through the terms of their contracts. Where no such contract exists, providers, members and their representatives agree to be bound by such terms and conditions by providing services to members and/or submitting claims for payment for such services.

PAYMENT POLICY POLICYTITLE

Note: For Medicaid members, when state Medicaid coverage provisions conflict with the coverage provisions in this payment policy, state Medicaid coverage provisions take precedence. Please refer to the state Medicaid manual for any coverage provisions pertaining to this payment policy.

Note: For Medicare members, to ensure consistency with the Medicare National Coverage Determinations (NCD) and Local Coverage Determinations (LCD), all applicable NCDs and LCDs should be reviewed prior to applying the criteria set forth in this payment policy. Refer to the CMS website at <http://www.cms.gov> for additional information.

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