

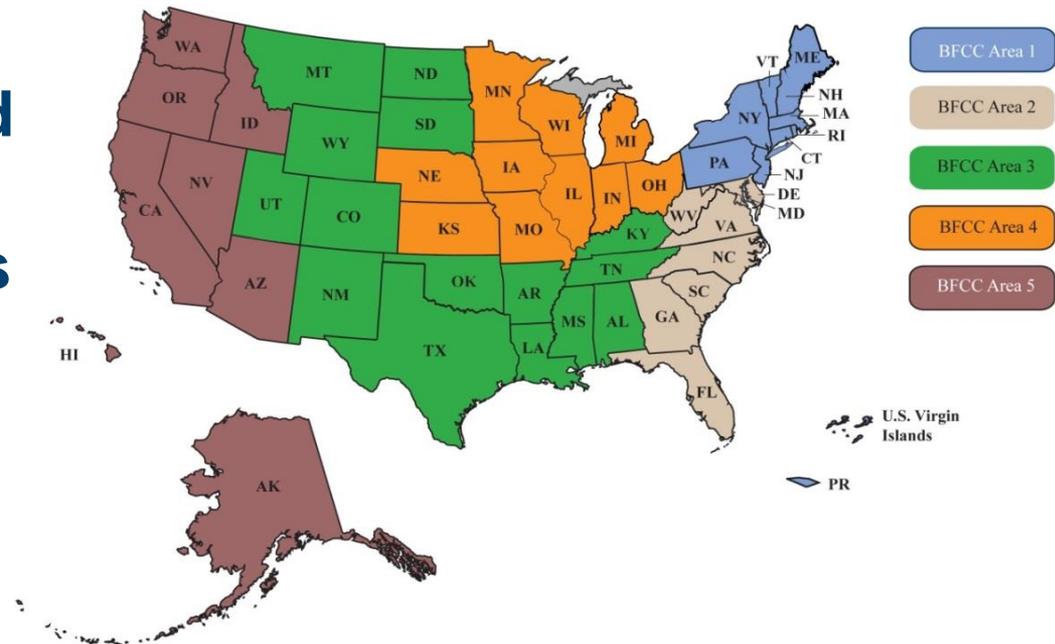
# **Short Stay Reviews Update Webinar**

**Cheryl Cook, Program Director, Areas 2 & 4  
September 2016**

- **At the conclusion of today's webinar, you will be able to:**
  - Identify the Beneficiary and Family Centered Care Quality Improvement Organization's (BFCC-QIO's):
    - Area of responsibility
    - Key personnel
    - Role in Short Stay reviews
  - Articulate the review process
  - Understand the opportunities to provide additional information
  - Reiterate the appeals process



- On August 1, 2014, KEPRO became the BFCC-QIO for the Centers for Medicare & Medicaid Services (CMS) Areas 2, 3, and 4
- The BFCC-QIO is responsible for beneficiary complaints and the discharge appeal process



- **BFCC-QIO key personnel:**
  - Ferdinand Richards III, MD
    - Chief Medical Officer
  - Marianne Lehman, RN
    - Clinical Review Operations Manager
  - Steven Dicksen, RHIA
    - Technical Review Operations Manager
  - Cheryl Cook, RN
    - Program Director, Areas 2 & 4

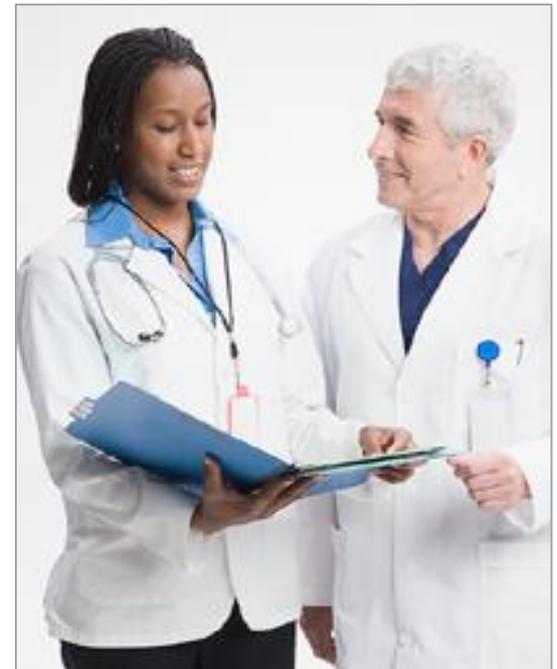
- **On July 1, 2015, the Centers for Medicare & Medicaid Services (CMS) released proposed updates to the “Two-Midnight” rule regarding when inpatient admissions are appropriate for payment under Medicare Part A, transitioning work from the Medicare Administrative Contractors (MAC) to the BFCC-QIOs**
  - Through the Recovery Audit program, CMS identified high rates of error for hospital services rendered in a medically-unnecessary setting (i.e., inpatient rather than outpatient)
  - CMS also observed a higher frequency of beneficiaries being treated as hospital outpatients and receiving extended “observation” services

- To address both of these issues, hospitals and other stakeholders requested additional clarity regarding when an inpatient admission is payable under Medicare Part A
- CMS adopted the Two-Midnight rule for admissions beginning on or after October 1, 2013. The rule states:
  - Inpatient admissions will generally be payable under Part A if the admitting practitioner expected the patient to require a hospital stay that crossed two midnights and the medical record supports that reasonable expectation
  - Medicare Part A payment is generally not appropriate for hospital stays not expected to span at least two midnights

- **MACs were responsible for reviewing selected claims and providing education to hospitals**
- **Proposed changes to the Two-Midnight rule reflect extensive stakeholder input as well as important feedback from the “probe and educate” process**



- **CMS has gathered significant input from stakeholders, including hospitals, physicians, the Medicare Payment Advisory Commission (MedPAC), beneficiary advocates, and Congress**
- **CMS has also received important information from the probe and educate process conducted by the MACs**



- **Beginning on October 1, 2015, the BFCC-QIOs assumed responsibility from the MACs for conducting initial patient status reviews to determine the appropriateness of Part A payment for short-stay inpatient hospital claims**
- **From October 1, 2015, through December 31, 2015, these reviews were based on Medicare's current payment policies**
- **Beginning January 1, 2016, these reviews were conducted in accordance with any policy changes finalized in OPPS rules and effective in calendar year 2016**

- **Short Stay reviews began on October 1, 2015**
- **Weekly medical claims selections were obtained and medical records were requested from hospitals**
- **Reviews completed; initial determination letters sent; provider educational sessions conducted; final determination letters sent**

- **BFCC-QIOs received a “stop work” order from CMS on May 4, 2016**
  - Done to ensure consistency between contractors
  - Re-education on CMS policy directions were completed
  - Cases that were still “in process” were removed from provider samples and made payable under Part A
  - Cases that had “formal denials” were re-reviewed with outcome determinations sent to providers
- **BFCC-QIOs received instructions to resume processing Short Stay reviews on September 12, 2016**

- **Claims involve all hospitals:**
  - Acute care hospitals
  - Long-term acute care hospitals
  - Inpatient psychiatric hospitals
- **Excluded:**
  - Critical access hospitals
  - Inpatient rehabilitation hospitals

- **CMS provides monthly total adjudicated short stay claims from which BFCC-QIOs draw samples**
  - Sample size is 10 claims for average size hospitals and 25 claims for large hospitals – every six months
  - One file per state
  - Pulled from CMS claims database
  - Claims should not contain stays with Inpatient Only procedures associated with them

- **Excluded claims involve:**
  - Claims in which the discharge disposition code:
    - 07 (Left AMA)
    - 20 (Expired)
    - 02 (Discharged/transfer to a short-term general hospital for inpatient care)
  - Claims which involve procedures listed on CMS' Inpatient Only List
  - Other “do not pursue” claims
  - Indirect Medical Education (IME), Medicare Advantage, and Medicare secondary payer claims



- **BFCC-QIOs will request medical records:**
  - Providers have up to 45 days to submit medical records
  - Reminders to be sent at day 15
  - Reminders will also be provided during educational sessions

- **BFCC-QIO will accept medical records in a variety of methods:**
  - esMD
  - Encrypted CD
  - Fax transmission – KEPRO has established a dedicated number on the fax server - 844-242-2568
  - Hard copy



- **BFCC-QIO will review the medical record to assess hospital compliance with:**
  - Admission order requirements
  - Two-Midnight benchmark
  - Reasonableness of inpatient admissions based on the information known to the physician at the time of admission

- **Admission Order Requirements:**
  - Inpatient admission order continues to be required for all admissions
  - Requirements found at: [www.tiny.cc/AdmissionOrder](http://www.tiny.cc/AdmissionOrder)
    - Must specify admission for inpatient services
    - Must be furnished by physician/other practitioner who is licensed by state to admit patient; granted hospital privileges to admit; and knowledgeable about patient's hospital course, medical plan of care, and current condition at time of admission

- **Two-Midnight benchmark, where expected length of stay less than two midnights:**
  - Unless admission involves services listed on the Inpatient Only List, Part A payment isn't generally appropriate for lengths of stay of less than two midnights
  - Under revised policy, admissions less than two midnights may be appropriate on a case-by-case basis where the medical record supports the physician's decision that patient requires inpatient care
  - BFCC-QIOs will consider: complex medical factors, severity of signs/symptoms, current medical needs, risk of adverse event to determine if medical record supports inpatient admission

- **Two-Midnight benchmark - expectation of a two or more midnight length of stay upon hospital entrance for:**
  - surgical procedure(s)
  - diagnostic testing
  - other treatment
- **Is generally appropriate for inpatient payment under Medicare Part A, when the orders admission based on the expectation of (medically reasonable) hospital services to span two or more midnights**

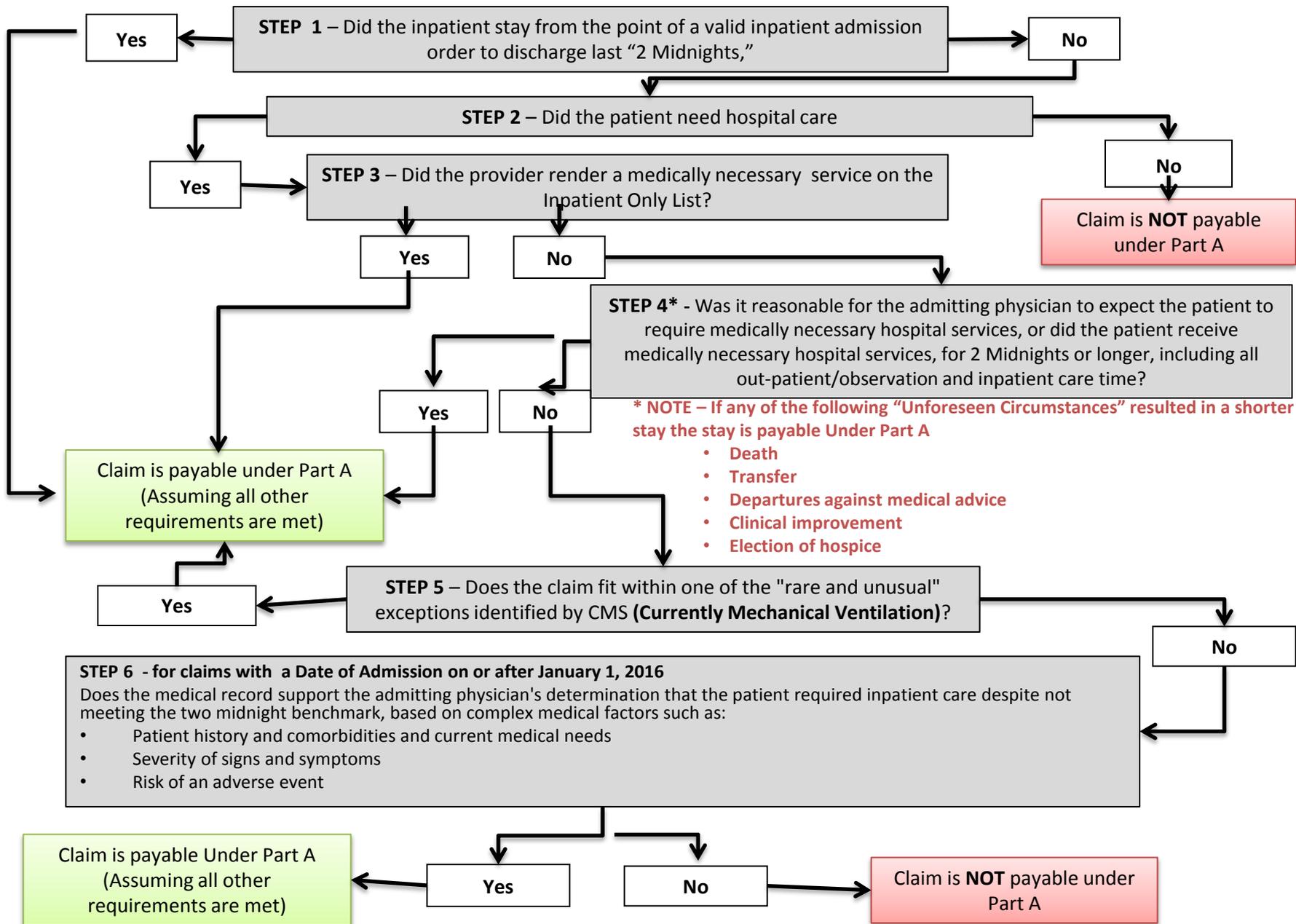
- **If unforeseen circumstances result in a stay less than two midnights, hospital payment may still be appropriate**
  - When patients are entering the hospital for procedures, testing, or other treatment and the physician expects hospital services to span two or more midnights and orders admission
  - Additional examples of such circumstances include but may not be limited to: patient death, transfer to another hospital, leaving against medical advice (AMA), clinical improvement, electing hospice care in lieu of continued hospital treatment

- **Two-Midnight benchmark, where length of stay expected to be greater than two midnights:**
  - Two-Midnight benchmark is based upon the physician's expectation of the required duration of medically necessary hospital services at the time the inpatient order is written and formal admission begins
  - Decision to keep beneficiary in the hospital and expectation of needed duration of care are based on complex medical factors – BFCC-QIO will consider such complex factors in making their determinations
  - Physicians need not include attestation of expected length of stay; this information may be inferred from medical documentation

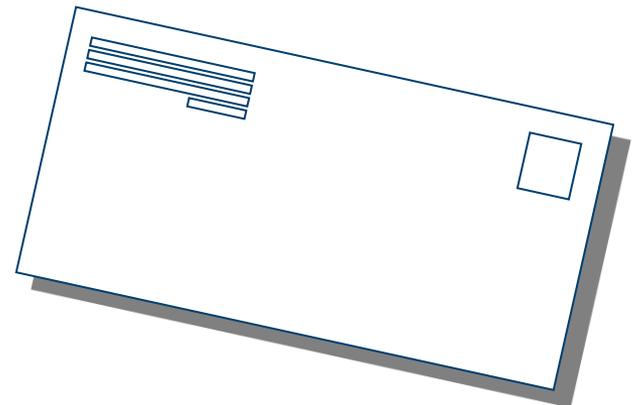
- **Reasonableness of inpatient admission:**
  - BFCC-QIOs will continue to follow guidance to review medical reasonableness of inpatient admission
  - Based upon the knowledge the physician had at the time inpatient admission was written
  - “Supported by evidence of medical necessity and quality in such form and fashion and at such time as may reasonably be required by a reviewing QIO in exercising its duties and responsibilities...”

- **Reasonableness of inpatient admission:**
  - BFCC-QIOs will continue to follow CMS guidance that payment is prohibited for:
    - Care rendered for social purposes
    - Care rendered for convenience
    - Extensive delays in providing medically necessary care
    - Without accompanying medical conditions, factors that cause inconvenience in terms of time and money do not justify Part A payment for continued hospital stay

# BFCC-QIO 2 MIDNIGHT CLAIM REVIEW GUIDELINE



- **BFCC-QIO mails results letter**
  - One letter per provider with results for all claims
    - Provide clinical rationale for all decisions made
    - Will be used as basis for open dialogue with providers during 1:1 educational sessions
  - Will inform providers of possible Technical Denials for all records not received



## ■ Results stratification

- Minor Concern:
  - Provider with an error rate of  $\leq 10\%$  and no pattern of errors
- Moderate Concern:
  - Provider with an error rate of  $> 10\%$  but  $\leq 20\%$
- Major Concern:
  - Provider with a an error rate of  $> 20\%$

- Provider Education
  - BFCC-QIO conducts provider outreach and education within 90 days of review completion
    - Dedicated nurse educators foster relationship building
    - Offers opportunity for hospitals to provide additional information which may be used by the BFCC-QIO for final determination
    - Opportunity to remind providers to submit records not previously submitted
    - CMS may participate in educational sessions

## ■ Final results

- BFCC-QIO will send a final results letter to providers
  - Reflects the status of all claims after the educational session
  - Provides information on next level of appeal if applicable



- **Next steps:**
  - BFCC-QIO forwards all non-compliant claims and/or missing medical records denials to the MAC
    - MAC has responsibility for making financial adjustments
    - Providers can appeal through the MAC
  - BFCC-QIO will refer non-compliant providers to Recovery Auditors (RA) as directed by CMS
    - Upload all reviewed claims into the RA data warehouse; suppresses claims from further review by RAs

- Updates and information
- CMS resources
- FAQs
- Form to update your organization's contact information

The screenshot shows the KEPRO website interface. At the top, there is a navigation bar with links for Home, Beneficiary Helpline, Careers, About Us, and Contact Us. Below the navigation bar, the Quality Improvement Organizations and KEPRO logos are displayed. A search bar and a language selection dropdown are also visible. The main content area features a photograph of two people working on a laptop, followed by a section titled 'Short Stay Reviews' with introductory text. Below this, there is an 'Update' section with a paragraph of text, followed by a larger section of text detailing CMS changes and Short Stay Review procedures. At the bottom, there is a 'Key elements that providers need to know:' section with a bulleted list of links and information.

Home Beneficiary Helpline Careers About Us Contact Us

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**Short Stay Reviews**  
We are the Medicare Quality Improvement Organization, working to improve the quality of care for Medicare beneficiaries. Our site offers beneficiary and family-centered care information for providers, patients, and families. Welcome!

**Update:**  
The Centers for Medicare & Medicaid Services (CMS) notified the Beneficiary and Family Centered Care Quality Improvement Organizations (BFCC-QIOs) to resume Short Stay reviews on September 12, 2016.

Previously submitted cases that were beyond the six-month look-back period, the claim and its corresponding results were removed from the provider sample, and the Part A payment remains in effect. Providers have been sent correspondence indicating that the claim has been removed.

In 2015, CMS announced changes to its approach with regard to educating providers and enforcing the Two-Midnight Rule. Specifically, CMS decided to use BFCC-QIOs, rather than Medicare Administrative Contractors (MACs) or Recovery Auditors, to conduct the first line medical reviews of providers who submit claims for inpatient admissions. BFCC-QIOs have a significant history of collaborating with hospitals and other stakeholders to ensure high quality care for beneficiaries.

BFCC-QIO Short Stay reviews focus on educating doctors and hospitals about the Part A payment policy for inpatient admission. Recovery Auditor Patient Status reviews will be conducted by the Recovery Auditors for those hospitals that have consistently high denial rates based on the BFCC-QIO Short Stay review outcomes.

Most providers will have a request for 10 cases. Certain large institutions may have a request for 25 cases. The provider will have up to 45 days to send the medical record. Once the medical record is received, KEPRO will have 45 days to complete a Short Stay review. Providers that participate in esMD will be able to provide medical records through that portal. Please note that these reviews do not apply to acute rehabilitation facilities or critical access hospitals.

Additional updates will be posted on this webpage, as they become available, and through the KEPRO newsletter, Case Review Connections. Click [here](#) to sign up to receive this electronic mailing.

Key elements that providers need to know:

- A thorough background and more details about the proposed changes can be found in the [Fact Sheet: Two-Midnight Rule](#) published on July 1, 2015, at [www.cms.gov](http://www.cms.gov) as well as [the proposed rule at The Federal Register](#).
- [Update](#) your organization's Determination Review contact information to ensure KEPRO has the correct information on file.
- [CMS Inpatient Only Procedure List](#)  
→ Click on CY2015 OPFS Addenda. The Inpatient Only List is Addendum E.
- [FAQs](#) related to the Short Stay reviews.
- [CMS Press Release](#) regarding the 2016 Medicare Payment Rules.
- [Reviewing Short Stay Hospital Claims for Patient Status: Admissions On or After January 1, 2016](#)
- [BFCC-QIO Two-Midnight Claim Review Guideline](#)

# Contact Information

		<b>813-280-8256</b>
<b>Technical questions related to medical record submission</b>	<b>Steven Dicksen</b> <a href="mailto:Steve.Dicksen@bfcc2.hcqis.org">Steve.Dicksen@bfcc2.hcqis.org</a>	<b>x7256</b>
<b>Clinical questions related to medical necessity</b>	<b>Marianne Lehman</b> <a href="mailto:Marianne.Lehman@bfcc2.hcqis.org">Marianne.Lehman@bfcc2.hcqis.org</a>	<b>x7258</b>
<b>Administration questions</b>	<b>Cheryl Cook</b> <a href="mailto:Cheryl.Cook@bfcc2.hcqis.org">Cheryl.Cook@bfcc2.hcqis.org</a>	<b>x7201</b>
<b>Review Status</b>	<b>Virtual voicemail</b>	<b>x7480</b>

- CMS-1599-F, 42 CFR 412.3
- Inpatient Hospital Reviews – www.cms.gov 8/12/15  
[www.cms.gov/Research-Statistics-Data-and-Systems/monitoring-Programs/Medicare-FFS-Compliance-Programs/Medical-Review/InpatientHospitalReviews.html](http://www.cms.gov/Research-Statistics-Data-and-Systems/monitoring-Programs/Medicare-FFS-Compliance-Programs/Medical-Review/InpatientHospitalReviews.html)
- Hospital Inpatient Admission Order and Certification 01/30/14  
[www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Downloads/IP-Certification-and-Order-01-30-14.pdf](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Downloads/IP-Certification-and-Order-01-30-14.pdf)
- Fact Sheet: Two-Midnight Rule – www.cms.gov 07/01/15  
[www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-07-01-2.html](http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-07-01-2.html)
- MLN Matters Number SE1403  
[www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1403.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1403.pdf)

# Questions



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