

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9979

Related Change Request (CR) #: CR 9979

Related CR Release Date: March 10, 2017

Effective Date: January 1, 2016

Related CR Transmittal #: R234BP

Implementation Date: June 12, 2017

Clarification of Admission Order and Medical Review Requirements

Provider Types Affected

This MLN Matters® Article is intended for physicians submitting claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed

Change Request (CR) 9979, from which this article was developed, clarifies the rulemaking language of the Centers for Medicare & Medicaid Services (CMS) as it relates to “Admission and Medical Review Criteria for Hospital Inpatient Services Under Medicare Part A; Requirements for Physician Orders.” The updated language will be added to [Chapter 1, Section 10.2](#) (Hospital Inpatient Admission Order and Certification) of the "Medicare Benefit Policy Manual" (Pub. 100-02).

Background

In response to concerns about the provision of observation services for increasingly long periods of time and in response to stakeholders' concerns about the clarity and appropriateness of Medicare's hospital inpatient admission and medical review guidelines, CMS published several clarifications and changes in policy in the Fiscal Year (FY) 2014 Inpatient Prospective Payment System (IPPS)/Long-Term Care Hospital (LTCH), PPS final rule and subsequent rulemaking. These clarifications and changes remain in the text of the final rules. However, the "Benefit Policy Manual" has not been updated to reflect the same clarifications and changes. CR 9979 resolves that issue.

In the FY 2014 IPPS/LTCH PPS final rule and subsequent rulemaking, CMS clarified and specified that an individual becomes an inpatient of a hospital, including a Critical Access

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Hospital (CAH), when formally admitted as such pursuant to an order for inpatient admission by a physician or other qualified practitioner described in the final regulations. The order is required for payment of hospital inpatient services under Medicare Part A.

CMS specified that for those hospital stays in which the physician expects the beneficiary to require care that crosses two midnights and admits the beneficiary based upon that expectation, Medicare Part A payment is generally appropriate. Conversely, CMS specified that hospital stays in which the physician expects the patient to require care less than two midnights, payment under Medicare Part A is generally inappropriate.

This revised CMS guidance to hospitals and physicians relating to when hospital inpatient admissions are determined reasonable and necessary for payment under Part A.

Additional Information

The official instruction, CR 9979, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R234BP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

Document History

Date	Description
March 10, 2017	Initial article released

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