



MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

MLN Matters Number: MM3389

Related Change Request (CR) #: 3389

Related CR Release Date: July 30, 2004

Effective Date: January 1, 2004

Related CR Transmittal #: R266CP

Implementation Date: January 3, 2005

Revision of Common Working File (CWF) Editing for Same-Day, Same-Provider Acute Care Readmissions

Note: This article was updated on April 5, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Inpatient hospitals

Provider Action Needed

Effective January 1, 2004:

- When a patient is discharged/transferred from an acute care Prospective Payment System (PPS) hospital and is readmitted to the same acute care PPS hospital on the same day for symptoms related to, or for evaluation and management of, the prior stay's medical condition, hospitals will adjust the original claim generated by the original stay by combining the original and subsequent stay onto a single claim. Please be aware that services rendered by other institutional providers during a combined stay must be paid by the acute care PPS hospital as per common Medicare practice.
- When a patient is discharged/transferred from an acute care PPS hospital and is readmitted to the same acute care PPS hospital on the same day for symptoms unrelated to, and/or not for evaluation and management of, the prior stay's medical condition, hospitals will place condition code (CC) B4 on the readmitting claim for the subsequent readmission. Please be aware that upon request of the Quality Improvement Organization (QIO), hospitals will be required to submit medical records pertaining to the readmission.

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Background

The Office of Inspector General (OIG) in a report titled "Review of Medicare Same-Day, Same-Provider Acute Care Readmissions in Pennsylvania During the Calendar Year 1998" recommended the establishment of an edit check in the Medicare claims processing system to identify for review all same-day, same-provider acute care readmissions where the beneficiary was coded as being discharged to another provider before being readmitted.

Such an edit was established in the Medicare claims processing system used by your fiscal intermediary (FI) effective January 1, 2004. This is in line with Medicare's policy to make only one diagnosis related group (DRG) payment for same-day, same-provider admissions. However, it is possible for a patient to be readmitted on the same day to the same provider for symptoms unrelated to the original condition.

As a result, Medicare will allow the use of a condition code (CC) of **B4** on the readmitting claim when a patient is discharged/transferred from an acute care PPS hospital and is readmitted to the same acute care PPS hospital on the same day for symptoms **unrelated** to, and/or not for evaluation and management of, the prior stay's medical condition.

By February 1, 2005, FIs must receive claims with CC B4 and with discharges before January 1, 2005 in order to apply interest. For non-PPS acute care hospitals, such as Maryland waiver hospitals, the readmission bill (if related to original admission) does not have to be combined with the original bill if the stay spans a month. However, the original bill would have to be adjusted to change the patient status code to 30 (still a patient). Subsequent monthly bills for this admission would be billed as interim bills, 112, 113, or 114.

Additional Information

Hospitals with claims that were rejected improperly because of the previous edits (i.e., claims where the readmission was for an unrelated condition) can resubmit those claims with condition code of B4.

The official instruction issued to your Medicare Contractor regarding this change may be found by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R266CP.pdf> on the CMS website.

Also, if you have any questions, please contact your fiscal intermediary (FI) at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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