

Related Change Request (CR) #: 3389
 Related CR Release Date: July 30, 2004
 Related CR Transmittal #: 266
 Effective Date: January 1, 2004
 Implementation Date: January 3, 2005

Medlearn Matters Number: MM3389
Revised

NOTE: This article was revised on October 20, 2004 to reflect a February 1, 2005 date on page 2 for receipt of claims to which interest will be applied.

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

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

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-

Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

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.

Implementation

The implementation date for this instruction is January 3, 2005. 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.

Additional Information

The official instruction issued to your Medicare Contractor regarding this change may be found by going to:

http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

From that web page, look for CR3389 in the CR NUM column on the right, and click on the file for that CR.

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.hhs.gov/medlearn/tollnums.asp>

Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.