

Readmissions and Transfers

Policy Number:

MM.12.010

Line(s) of Business:

HMO; PPO; QUEST Integration

Section:

Other/Miscellaneous

Place(s) of Service:

Inpatient

Original Effective Date:

07/13/2004

Current Effective Date:

08/29/2018

I. Description

Definitions

- A. A readmission is defined as an admission to an acute care facility within 30 calendar days of being discharged from the same or different acute care facility.
- B. A planned readmission is defined as a readmission to the same facility when the patient does not require acute care between admissions and the readmission is due to lack of resources and/or scheduling problems at the facility or for the physician(s) or patient convenience.
- C. A premature discharge is defined as a discharge that does not meet nationally recognized discharge criteria.
- D. A transfer occurs when an inpatient is moved from one acute care facility to another acute care facility for related care.

II. Criteria/Guidelines

- A. Readmissions are covered (subject to Administrative Guidelines) when nationally recognized admission and discharge review criteria are met for the prior discharge and the readmission meets admission review criteria.
- B. Transfers are covered (subject to Administrative Guidelines) when nationally recognized admission criteria are met for the first admission and it is subsequently identified that the patient requires services not available at the first facility.

III. Limitations

Facilities may place a patient on leave of absence when readmission is expected and the patient does not require a hospital level of care during the interim period (e.g., surgery could not be scheduled immediately). Days of leave are non-covered days. Also, the patient must be held harmless and should not be billed for days of leave.

IV. Administrative Guidelines

- A. HMSA will recover any payment for the entire admission and/or readmission if it is determined that such admission or readmission did not meet nationally recognized review criteria.
- B. HMSA will recover any payment for the entire readmission if it is determined that the readmission resulted from a premature discharge from the same facility.
- C. For planned readmissions, HMSA will pay only one DRG for the initial admission and the planned readmission to the same facility. Facilities should use the leave of absence indicator for the non-acute period between the first admission and the planned readmission.
- D. Reimbursement for readmissions, for the same or related conditions, within 24 hours to the same facility will be combined and recalculated into a single DRG. This includes cases where the patient leaves the facility against medical advice. Facilities may combine claims or claims will be combined by HMSA upon review.
- E. Readmissions to a different facility for the same or related conditions within 24 hours will be treated as transfers; reimbursement for the initial admission will be made in accordance with section IV.G of this policy.
- F. For inappropriate QUEST readmissions, reimbursement will be made for fewer days and/or a lower per discharge ancillary payment.
- G. For cases where it is medically necessary to transfer a patient from one acute facility to another, the transferring facility will be reimbursed based on the hospital-specific per diem relating to each DRG. In situations where the patient is primarily being stabilized for transfer, when the stay is 18 hours or less, HMSA will pay the facility the lesser of the facility's billed charge or the per diem. For stays of more than 18 hours, HMSA will pay the facility twice the per diem on the first day plus the per diem for each additional day of inpatient care, up to the full DRG amount. The per diem for each DRG is calculated based on the geometric mean length of stay (LOS), which is defined as the lesser of Medicare's geometric mean LOS or HMSA's commercial geometric mean LOS (calculated based on two years of paid claims data for commercial in-state inpatient hospital admissions). The full DRG payment amounts are reached when the LOS is one day less than the geometric mean LOS for each DRG.
- H. Receiving facilities should not transfer a patient back to the initial transferring facility for continuation of care or patient convenience reasons. Such transfers do not meet medical necessity criteria and will not be reimbursed by HMSA.
- I. For Akamai Advantage, facilities must follow Medicare reimbursement and policy guidelines.

V. Important Reminder

The purpose of this Medical Policy is to provide a guide to coverage. This Medical Policy is not intended to dictate to providers how to practice medicine. Nothing in this Medical Policy is intended to discourage or prohibit providing other medical advice or treatment deemed appropriate by the treating physician.

Benefit determinations are subject to applicable member contract language. To the extent there are any conflicts between these guidelines and the contract language, the contract language will control.

This Medical Policy has been developed through consideration of the medical necessity criteria under Hawaii's Patients' Bill of Rights and Responsibilities Act (Hawaii Revised Statutes §432E-1.4), generally accepted standards of medical practice and review of medical literature and government approval status. HMSA has determined that services not covered under this Medical Policy will not be medically necessary under Hawaii law in most cases. If a treating physician disagrees with HMSA's determination as to medical necessity in a given case, the physician may request that HMSA reconsider the application of the medical necessity criteria to the case at issue in light of any supporting documentation.

VI. References

1. Centers for Medicare and Medicaid. Quality Improvement Organization Manual. Chapter 4 - Case Review. Rev. 2-07-2003 accessed on June 16, 2016.
2. Department of Health and Human Services, Center for Medicare & Medicaid Services. Federal Register, Part II. Volume 78, No. 160.
3. MCG 2018.
4. Department of Human Services, Med-QUEST Division. Medicaid Provider Manual. Chapter 11 – Hospital Services & Dialysis. Rev. February 2011 accessed on June 16, 2016.