



# ADMINISTRATIVE POLICY STATEMENT

## Georgia Medicaid

Policy Name & Number	Date Effective
Readmission-GA MCD-AD-0978	04/01/2025
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statement prepared by CareSource and its affiliates are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CareSource and its affiliates do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

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A. Subject  
**Readmission**

B. Background

Following a hospitalization, readmission for the same or related problem within 3 days is often a costly preventable event and is a quality of care issue. It has been estimated that readmissions within 3 days of discharge can cost health plans more than \$1 billion dollars on an annual basis. Readmissions can result from many situations but most often are due to lack of transitional care or discharge planning. Readmissions can be a major source of stress to the patient, family and caregivers. However, there are some readmissions that are unavoidable due to the inevitable progression of the disease state or due to chronic conditions.

The purpose of this policy is to improve the quality of acute care and transitional care rendered to CareSource members on initial admission that are paid using the DRG methodology, including, but not limited to, improving communication between the patient, caregivers and clinicians, providing patient education needed to maintain care at home to prevent a readmission, performing pre-discharge assessment to ensure the patient is ready to be discharged, and providing effective post-discharge coordination of care.

C. Definitions

- **Readmission** – A subsequent inpatient admission to any acute care facility which occurs within 3 days of the discharge date for the same or related problem, excluding psychiatric services.
- **Same day** – CareSource delineates same day as midnight to midnight of a single day.
- **Same or a related problem** – A problem or diagnosis that is the same or a similar problem or diagnosis that is documented on the initial admission.

D. Policy

- I. This policy defines the payment rules for hospitals and acute care facilities that are reimbursed for inpatient services.
- II. Prior authorization of the initial or subsequent inpatient stay or admission to observation status is not a guarantee of payment and are subject to administrative review.
- III. All readmissions within 3 days will be denied if the initial discharge is considered the same admission and will be reimbursed as one claim, EXCEPT for psychiatric services limited to short term acute care.
- IV. Readmissions greater than 3 days following a previous hospital discharge are treated as separate stays for payments purposes but are subject to administrative

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review. Justification is required for hospitalization of eligible members. Documentation may be requested in a prepayment or post payment review. Lack of appropriate justification for the readmission for a separate claim may be cause for denial, reduction, or recoupment of reimbursement.

Note: A related condition can be a complication as a result of first diagnosed condition (example: Retained placenta following a delivery)

V. Claim Payment Review

- A. CareSource reserves the right to monitor claim submissions and implement post-payment claim adjustments.
- B. Medical records for both admissions must be included upon request for claim review.
  1. Failure from the acute care facility or inpatient hospital to provide complete medical records when requested will result in an automatic denial of the claim.
- C. Medical records for both admissions must be submitted with the claim if both admissions originated from the same facility or Tax Identification Number (TIN).
  1. Failure from the acute care facility or inpatient hospital to provide complete medical records will result in an automatic denial of the claim
- D. If the included documentation determines the readmission to be inappropriate the claim will be denied.
- E. If the readmission is determined at the time of documentation review to be preventable, CareSource will deny the claim and the provider may resubmit a corrected claim for the entire length of stay.

VI. Provider preventable conditions, sentinel events and serious reportable events are not reimbursable.

E. Conditions of Coverage

NA

F. Related Policies/Rules

CareSource Georgia Medicaid Provider Manual

G. Review/Revision History

DATES		ACTION
<b>Date Issued</b>	06/01/2019	
<b>Date Revised</b>	09/17/2019	Added IV., 1., a. & b.
	03/31/2021	Changed from PY-0731, updated readmission definition, Updated D. III., IV., and V.
	09/01/2021	No changes to content. Updated reference dates. Modified language in D. II and D. IV for greater clarity.
	08/31/2022	No changes to content. Updated references. Approved at Committee.

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	02/15/2023 11/06/2024	Periodic review. Updated background and references Periodic review. Updated background and references, modified V, added note and VI. Approved at Committee.
<b>Date Effective</b>	04/01/2025	
<b>Date Archived</b>		

## H. References

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