CareSource

REIMBURSEMENT POLICY STATEMENT
INDIANA MEDICAID

Policy Name	Policy Number	Effective Date
Readmission	PY-0727	08/01/2019

Policy Type			
Medical	Administrative	Pharmacy	REIMBURSEMENT

Reimbursement Policy Statement: Reimbursement Policies prepared by CSMG Co. and its affiliates (including CareSource) are intended to provide a general reference regarding billing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims editing logic, benefits design and other factors are considered in developing Reimbursement Policies.

In addition to this Policy, Reimbursement of services is subject to member benefits and eligibility on the date of service, medical necessity, adherence to plan policies and procedures, claims editing logic, provider contractual agreement, and applicable referral, authorization, notification and utilization management 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 federal or state coverage mandate, Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

This Policy does not ensure an authorization or Reimbursement of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced herein. If there is a conflict between this Policy 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.

CSMG Co. and its affiliates may use reasonable discretion in interpreting and applying this Policy to services provided in a particular case and may modify this Policy at any time.

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Table of Contents

Reimbursement Policy Statement 1
A. Subject 2
B. Background 2
C. Definitions 2
D. Policy 3
E. Conditions of Coverage 3
F. Related Policies/Rules 3
G. Review/Revision History 4
H. References 4

A. Subject

Readmission

B. Background

Reimbursement policies are designed to assist you when submitting claims to CareSource. They are routinely updated to promote accurate coding and policy clarification. These proprietary policies are not a guarantee of payment. Reimbursement for claims of Readmissions for our Medicare Advantage members may be subject to limitations and/or qualifications. Reimbursement will be established based upon a review of the actual services provided to a member and will be determined when the claim is received for processing. Health care providers and their office staff are encouraged to use self-service channels to verify member's eligibility.

It is the responsibility of the submitting provider to submit the most accurate and appropriate CPT/HCPCS code(s) for the product or service that is being provided. The inclusion of a code in this policy does not imply any right to reimbursement or guarantee claims payment.

Following a hospitalization, readmission 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 inpatient and transitional care that is being rendered to the members of CareSource. This includes but is not limited to the following: 1. improve communication between the patient, caregivers and clinicians, 2. provide the patient with the education needed to maintain their care at home to prevent a readmission, 3. perform pre discharge assessment to ensure patient is ready to be discharged, and 4. provide effective post discharge coordination of care.

C. Definitions

- **Readmission**: a readmission is defined a hospital admission within 3 days following a previous hospital admission and discharge for the same or related condition.
- **Planned Readmission**: a non-acute admission for a scheduled procedure for limited types of care to include: obstetrical delivery, transplant surgery and maintenance chemotherapy/radiotherapy/immunotherapy.
- **Same or Similar Condition**: refers to the principal diagnosis code and is based on the first three digits of the ICD code. If a second inpatient claim is billed for the same member with the same or related principal diagnosis code within three days of a previous inpatient discharge, the second claim will be denied.
- **Same Day**: CareSource delineates same day as midnight to midnight of a single day.

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D. Policy

I. This is a reimbursement policy that 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 as well as review for medical necessity at the discretion of CareSource.
   A. All inpatient prior authorization requests that are submitted without medical records will automatically deny which will result in a denial of the claim.

III. All Readmissions for the same or related problem within 3 days of the initial discharge is considered the same admission and will be reimbursed as one claim. The facility should bill one inpatient claim when the patient is readmitted to the same facility.

IV. Post Payment Review and Appeals Process:
   1. CareSource reserves the right to monitor and review claim submissions to minimize the need for post-payment claim adjustments as well as review payments retrospectively.
      a. Medical records for both admissions must be included with the claim submission to determine if the admission(s) is appropriate or is considered a readmission.
         01. Failure from the acute care facility or inpatient hospital to provide complete medical records will result in an automatic denial of the claim.
      b. If the included documentation determines the readmission to be an inappropriate or medically unnecessary admission, the hospital must be able to provide additional documentation to CareSource upon request or the claim will be denied.
      c. If the documentation provided does not substantiate medical necessity and appropriateness, CareSource reserves the right to deny, reduce or recoup reimbursement.
   2. Appeals Process
      a. All acute care facilities and inpatient hospitals have the right to appeal any readmission denial and request a peer-to-peer review or formal appeal.

E. Conditions of Coverage

Reimbursement is dependent on, but not limited to, submitting CMS approved HCPCS and CPT codes along with appropriate modifiers. Please refer to the CMS fee schedule for appropriate codes.

F. Related Policies/Rules

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G. Review/Revision History

	DATE	ACTION
Date Issued	08/01/2019	
Date Revised		
Date Effective	08/01/2019	

H. References

1. McIlvennan, C. K., Eapen, Z. J., & Allen, L. A. (2015). Hospital readmissions reduction program. *Circulation*, *131*(20), 1796-803.McIlvennan, C. K., Eapen, Z. J., & Allen, L. A. (2015). Hospital readmissions reduction program. *Circulation*, *131*(20), 1796-803.
2. Hospital Readmission Reduction Program. (2018, December 04). Retrieved from https://www.cms.gov
3. Indiana Office of Medicaid Policy and Planning: Medical Policy Manual. Version 2.13, February 2019. Retrieved from https://www.in.gov

The Reimbursement Policy Statement detailed above has received due consideration as defined in the Reimbursement Policy Statement Policy and is approved.

IN-P-0654 OMPP Approved: 05/01/2019

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