2014 IPPS Final Rule
For Dummies

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This rule takes effect October 1st, 2013

There are MAJOR changes that affect your practice and you must make

Major Changes

- **24 hour benchmark has changed**
- **Inpatient admission is now defined by time**
- **Severity of illness is secondary to time**
- **Admissions orders must be specific**
- **Observation basically unchanged**
- **Admission from observation has changed**
- **Documentation is critical**

The 24 Hour Benchmark

The 24 hours benchmark now applies to the 24 hours that start at MN of the first calendar day the patient is in a hospital bed to the following MN.

The 24 Hour Benchmark

There is still a "24 hour benchmark" but CMS maintains "the relevant 24 hours are those encompassed by 2 MNs."

This 2 MN time period is called a "Medical Utilization Day" (MUD)

Time-based INPT Admission

An **INPT** admission is defined by a patient requiring a hospitalization encompassing 2 MNs.

The 2 MN Rule

The physician should order INPT admission **"if he or she expects the beneficiary's length of stay will exceed a 2-MN benchmark or if the beneficiary requires a procedure specified as 'INPT ONLY'."**

The 2 MN Rule

"The decision to admit the beneficiary should be based on the cumulative time spent at the hospital beginning with the outpatient service…he or she should consider the time already spent receiving those services in estimating the beneficiary's total length of stay."

The 2 MN Rule

In calculating the number of MNs:

- MNs in the **ER** before admission count
- MNs spent in **OBS** count

The 2 MN Rule

Under the new rule:

1 ER MN + 1 INPT MN = **INPT**

1 OBS MN + 1 INPT MN = **INPT**

2 INPT MNS = **INPT**

SNF Placement

SNF placement still requires **3 INPT** MNs. ER or OBS MNs do not count.

Severity of Illness is 2°

Severity of illness must require 2 MNs in the hospital.

An overnight ICU stay would be OBS.

Deaths, transfers, and miracle cures depend on documentation.

Physician Order

For payment of hospital INPT services under Medicare Part A, the order must specify *"admit to INPT", "admit as an INPT", "admit for INPT services"* or similar language.

"Admit to ICU", "Admit to PCU" <u>are no longer acceptable.</u>

Observation Changes

Still hospitalization <24 hours but:
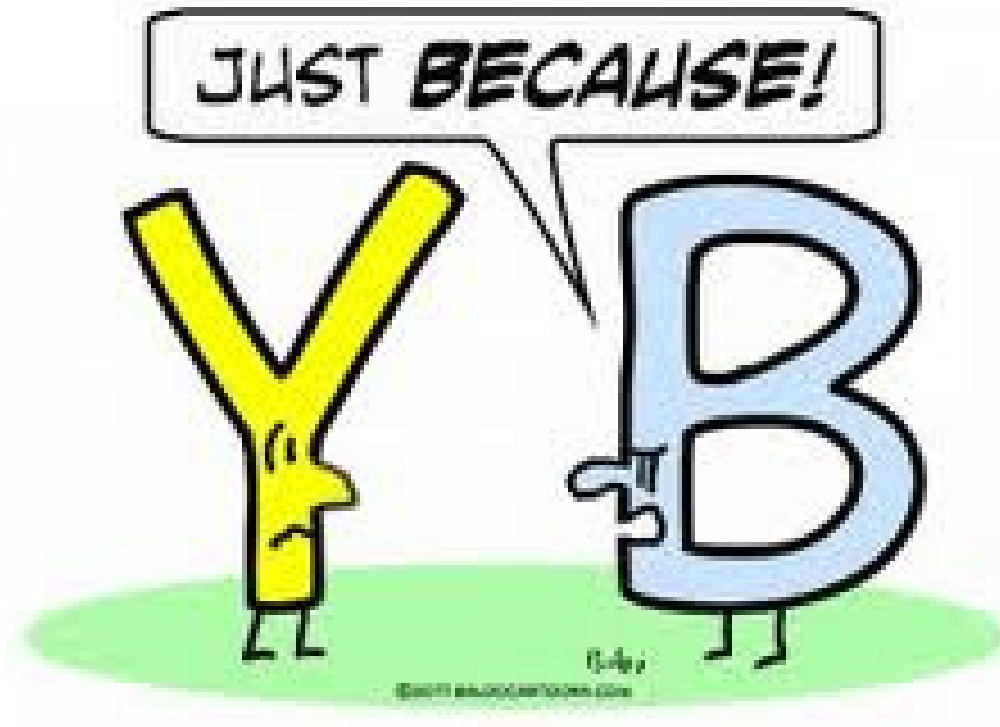
1) After 1 MN all OBS patients must be **discharged** or **advanced** to INPT
2) An OBS MN **counts** towards INPT
3) There should not be any **2 MN OBS**

Certification/Recertification

Nothing new but will be scrutinized:

- Admission orders must be specific

- H&Ps must certify the need for INPT status

- Progress Notes must recertify the continued need for INPT status

Documentation

CMS Warning

CMS will assume that a hospital stay of at least 2 MNs qualifies as an INPT but…

…they have instructed their auditors to look for physicians who are "gaming" the system to generate INPT stays.

What you need to KNOW and DO

1) Understand the '2 Midnight' rule
2) INPT status is TIME based
3) Orders must be specific for INPT
4) OBS patients must be progressed or discharged after 1 MN
5) H&P must certify need for INPT status
6) PNs must recertify continued need
7) SNF requirements have not changed