



FREQUENTLY ASKED QUESTIONS

2 Midnight Inpatient Admission Guidance & Patient Status Reviews for Admissions on or after October 1, 2013

Q: Will CMS direct the Medicare review contractors to apply the 2-midnight presumption—that is, contractors should not select inpatient claims for review if the inpatient stay spanned two midnights from the time of admission?

A: Yes. The 2-midnight presumption directs medical reviewers to select claims for review under a presumption that the occurrence of 2 midnights after formal inpatient hospital admission signifies an appropriate inpatient status for a medically necessary claim. CMS will instruct the Medicare Administrative Contractors (MACs) and Recovery Auditors that they are not to review claims spanning more than two midnights after admission for a determination of whether the inpatient hospital admission and patient status was appropriate. In addition, for a period of 90 days, CMS will not permit Recovery Auditors to review inpatient admissions of one midnight or less that begin on or after October 1, 2013.

Q: Will Medicare contractors base their review of the physician's expectation of medically necessary care surpassing 2 midnights upon the information available to the admitting practitioner at the time of admission?

A: Yes. CMS' longstanding guidance has been that Medicare review contractors should evaluate the physician's expectation based on the information available to the admitting practitioner at the time of the admission. This remains unchanged and CMS will provide clear guidance and training to our contractors on this medical review instruction.

Q: What steps will CMS take to provide guidance and education about the inpatient rule, to ensure hospital understanding and compliance with the revised instruction?

A: CMS will instruct the MACs to review a small sample of inpatient hospital claims spanning less than two midnights after admission to determine for medical necessity of the patient status in accordance with the two midnight benchmark. CMS will establish a specific probe sample prepayment record limit of 10 to 25 claims per hospital.

The probe reviews will be completed by the MAC on inpatient hospital claims spanning less than two midnights after admission with dates of admission October 1, 2013 through December 31, 2013.

- This probe sample will determine each hospital's compliance with the new inpatient rule and provide important feedback to CMS for purposes of jointly developing further education and guidance.
- Since the probe reviews will be conducted on a prepayment basis, hospitals can rebill denied inpatient hospital admissions in accordance with the inpatient rule.



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- If a MAC identifies no issues during the probe review, the MAC will cease further such reviews for that hospital from October –December 2013, unless there are significant changes in billing patterns for admissions.
- If a MAC identifies issues, the MAC will conduct education for that hospital and then conduct further follow up, as necessary.

During the implementation period of October 1, 2013 until December 31, 2013, CMS will instruct the MACs and Recovery Auditors not to review claims spanning more than two midnights after admission for appropriateness of patient status. MACs and Recovery Auditors will not review any claims related to Critical Access Hospitals. In addition, during this period, CMS will not permit Recovery Auditors to review inpatient admissions of one midnight or less that occur on or after October 1. CMS reminds hospitals that while medical review will not be focused on claims spanning 2 midnights or more after formal inpatient admission, physicians should make inpatient admission decisions in accordance with the 2 midnight provisions in the final rule. If at any time there is evidence of systematic gaming, abuse or delays in the provision of care in an attempt to surpass the 2-midnight presumption could warrant medical review.