

CMS Implements New Conditions for Payments Related to Inpatient Hospital Admissions

September 16, 2013

IPPS FY 2014 Final Rule

The Hospital Inpatient Prospective Payment System (IPPS) Fiscal Year 2014 final rule implements a new Medicare hospital PPS admissions regulation, 42 CFR 412.3, that imposes specific requirements for inpatient admission and constitutes a condition of payment for inpatient admissions.

The rule states that an order of a physician or other qualified practitioner “must be present in the medical record and be supported by the physician admission and progress notes, in order for the hospital to be paid for hospital inpatient services under Medicare Part A.” The order must be furnished by a qualified and licensed practitioner who has admitting privileges at the hospital and who is knowledgeable about the patient’s hospital course, medical plan of care and current condition. The order must be furnished at or before the time of inpatient admission.

Unless the patient is being admitted for a surgical procedure on the Medicare inpatient only list, the factors that support the physician’s expectation that the admission will require an inpatient stay of at least two midnights must be documented in the medical record. The IPPS 2014 final rule was published in the August 19, 2013 Federal Register and is effective on October 1, 2013. The rule is applicable to both inpatient PPS hospitals and critical access hospitals.

CMS Guidance: Hospital Inpatient Admission Order and Certification

On September 5, 2013, the Centers for Medicare & Medicaid Services (CMS) published guidance on the new rule entitled [Hospital Inpatient Admission Order and Certification](#). The CMS guidance sets forth the following requirements for physician certification of inpatient services of hospitals (other than inpatient psychiatric facilities):

1. Content.
 1. Authentication of the practitioner order, which includes specific reference to “inpatient” admission, and certifies that the services are appropriately provided as inpatient service in accordance with the 2-midnight benchmark under 42 CFR 412.3(e).
 2. Reason for inpatient services, either—(i) Hospitalization of the patient for inpatient medical treatment or medically required inpatient diagnostic study; or (ii) Special or unusual services for cost outlier cases under IPPS.
 3. Estimated time required in the hospital.
 4. Plans for post-hospital care, if appropriate, and as provided in 42 CFR 424.13.
 5. CAHs: the physician must certify that the patient may reasonably be expected to be discharged or transferred within 96 hours.
2. Timing. The certification must be completed, signed, dated and documented in the medical record prior to patient discharge. The inpatient stay should not be considered to commence until the inpatient admission order is documented. Thus, the 2-midnight presumption will not start running until the order is documented.
3. Authorization to sign the certification. Certifications must be signed by the physician responsible for the case, or by

another physician who has knowledge of the case and who is authorized to do so by the responsible physician or by the hospital's medical staff. Verbal orders must be authenticated prior to patient discharge. The CMS Guidance provides that following discussion with and at the direction of the ordering practitioner, the order may be documented by a resident as long as that documentation of the order is in accordance with State law, hospital policies and medical staff bylaws.

4. Format. No specific form required. Statements may be entered on forms, notes or records that the appropriate individual signs, or on a separate statement form.

Given the specificity of the certification requirements and the penalty for not meeting those requirement (i.e. denial of Part A payment), hospitals may want to consider preparing a separate "Inpatient Admission Statement Form" to assist physicians in complying with these new Medicare requirements.

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